

WELLS CATHEDRAL SCHOOL LIMITED

England & Wales · Charity number 310212

Details

Status Registered

Legal form Charitable company

Company number [00564883](#)

Registered 1967-01-28

Register [View on the Charity Commission register](#)

Contact

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Wells Cathedral School
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Activities

Objects: TO ADVANCE EDUCATION IN ACCORDANCE WITH THE DOCTRINE OF THE CHURCH OF ENGLAND BY SUCH MEANS AS SHALL BE EXCLUSIVELY CHARITABLE AND BY OTHER ASSOCIATED ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY

Activities: The education and care of c.700 boys and girls from ages 3-18, including the choristers of the cathedral church of St Andrews in Wells. The school is also one of the four government supported specialist music schools in the country and advanced musical training is provided for about a third of its pupils.

Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£19,080,000	£20,071,000	£19,048,000	441
2024-08-31	£19,470,000	£19,805,000	£19,996,000	410
2023-08-31	£18,353,000	£17,981,000	£20,206,000	395
2022-08-31	£16,916,000	£16,187,000	£19,836,000	381
2021-08-31	£15,258,000	£15,545,000	£19,236,000	386
2020-07-31	£15,341,060	£14,544,000	£19,285,195	389

Trustees

Name	Role	Appointed
Andrew Gummer		2019-12-09
Dorothy Nancekievill		2022-09-09
Dr Megan Isobel Jane Daffern		2023-09-25
Elizabeth Shelton		2020-07-30
Kris Robbetts		2019-12-09
MARTIN GORDON COOKE		2019-03-25
ROBERT POWELL		2015-12-07
Simon Bernal-Palmer		2024-07-10
The Reverend Canon Timothy David Stevens		2024-07-10
The Very Reverend Toby Christopher Wright		2024-07-10
Timothy William Hunt Lewis		2015-03-23

Linked charities

- WELLS CATHEDRAL SCHOOL DEVELOPMENT TRUST FUND (310212-1)
- WELLS CATHEDRAL SCHOOL DEVELOPMENT TRUST (310212-2)

WELLS CATHEDRAL SCHOOL LIMITED

England & Wales - Charity number 310212

Accounts



WELLS CATHEDRAL SCHOOL, LIMITED
(A charitable company limited by guarantee)

**GOVERNORS' ANNUAL REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS**

YEAR ENDED 31 AUGUST 2025

Company Number: 00564883

Registered Charity Number: 310212

WELLS CATHEDRAL SCHOOL, LIMITED (Limited by Guarantee)
GOVERNORS' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2025

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WELLS CATHEDRAL SCHOOL, LIMITED (Limited by Guarantee)
GOVERNORS' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2025

REFERENCE AND ADMINISTRATIVE INFORMATION

Governors	Mr Robert Powell (Chair) Mr Simon Bernal-Palmer Mr Martin Cooke BEd The Revd Canon Dr Megan Daffern MA Hons (Oxon), MA Hons (Cantab), DPhil Mr Andrew Gummer LLB Mr Tim Lewis BA (Cantab), FCA Mrs Dorothy Nancekieve MA, BMus, PGCE, Hon Aram Mr Kris Robbetts MA, MSc Professor Jeffrey Sharkey BM, MM, MPhil Mrs Elizabeth Shelton SRN The Revd Canon Tim Stevens The Very Revd Toby Wright
Head Master	Alastair Tighe MA (Cantab)
Bursar & Clerk to the Governors (& Company Secretary)	Robert McCartney BSc (Hons), FCA
Registered Office	Wells Cathedral School The Bursary College Road Wells Somerset, BA5 2SX
Independent Auditor	Crowe U.K. LLP 4 th Floor St James House St James Square Cheltenham, GL50 2PR
Bankers	National Westminster Bank PLC 7 High Street Wells Somerset, BA5 2AD
Solicitors	Harris and Harris 14 Market Place Wells Somerset, BA5 2RE Veale Wasbrough Vizards LLP PO Box 3501 Bristol, BS2 2FL

REPORT OF THE GOVERNORS

The Governors of Wells Cathedral School, Limited (“the School”) present their annual report for the year ended 31 August 2025 under the Charities Act 2011, together with the audited Consolidated Financial Statements for the year and confirm that they comply with the requirements of the Companies Act 2006, the School’s Memorandum and Articles of Association and Accounting and Reporting by Charities’ Statement of Recommended Practice (FRS 102) (“the Charities SORP”).

Purpose and Charitable Objectives

The School has been in existence since 909AD. Its original purpose, which it still fulfills to this day, is to educate the Wells Cathedral choristers. Over time, the School has grown and now provides a family-oriented co-educational boarding and day education for 2-18 year olds which provides an all-round education alongside world-class specialist music training, including to the Choristers of Wells Cathedral. Its vision is to inspire every individual pupil to nurture their talents in a vibrant, creative, spiritual and stimulating environment to become a responsible global citizen.

The School aims to achieve its objectives and realise its vision through the application of the core principles set out in its Mission Statement by:

- **Encouraging** pupils intellectually to set themselves high expectations and aspirational goals;
- **Challenging** pupils to discover new passions and develop existing ones through active engagement in a range of co-curricular and sporting endeavours;
- **Delivering** a world-class specialist music and chorister education for those with particular talents;
- **Stimulating** pupils to be individuals in a uniquely creative and spiritually aware environment;
- **Empowering** pupils to be independent, resilient, confident and kind.

In addition, the School aims to instill in all its pupils our four Core Values, known as our CARE Values, which are Creativity, Aspiration, Responsibility and Endeavour, all of which are aimed to nurture and develop kind, caring and careful citizens.

The School’s objectives as set out in its Memorandum and Articles are as follows:

- To advance education in accordance with the doctrine of the Church of England by such means as shall be exclusively charitable and by other associated activities for the benefit of the community;
- The carrying on and development of the School;
- To provide in particular for the training and education of the choristers of the Cathedral Church of St Andrew in Wells, and the other pupils of the School through instruction in every branch of learning, in citizenship, in outdoor pursuits and in arts and crafts of all kinds, and on the basis of Christian principles and in accordance with the doctrine of the Church of England to provide such pupils with spiritual, moral, mental and physical training; and
- To do all such other things as are incidental or conducive to the attainment of the Association’s objects or any of them.

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

REPORT OF THE GOVERNORS (cont'd)

Charitable Benefit

The School's primary charitable benefit is the provision of education to the pupils at the School. The School is a co-educational learning community and its pupils consist of both boys and girls at all stages. There are no geographical restrictions upon prospective pupils and 119 pupils (2024: 129), about 17% of total pupils, (2024: 18% of total pupils) from 23 (2024: 26) different overseas nations were pupils during the year. Although education is in accordance with the doctrines of the Church of England, there is no religious restriction upon those who may be admitted and pupils of all faiths are welcomed, with many different religions represented amongst the pupil body. All pupils are assessed academically on entrance to enable appropriate provision for them, and auditions are held for prospective musicians and choristers. Beyond the curriculum offered by the School, charitable benefit is also generated from the following activities:

- Community work carried out by pupils in and out of School;
- Outreach and partnership work conducted by the School, in relation to music, sports and academic activities;
- Provision of School estate and support facilities for community use at cost recovery or reduced rates;
- Links with Schools and music academies and enterprises overseas (Sierra Leone, China including Hong Kong, Malaysia and throughout Europe) to enable the pupils to extend their community work abroad and to understand the needs of pupils in different countries; and
- Charitable fundraising.

Bursaries, Scholarships and Discounts

The School does not have substantial reserves or endowments and relies upon its annual fee income and Foundation fundraising to support its activities. Although fees are payable by parents, an extensive bursary and scholarship support is provided to pupils. The School seeks to provide as many means tested bursaries and scholarships as can be sustained by its annual fee income. Bursaries are reviewed after each phase of education by the School. During the year, the School provided fee remissions of £4,961k (2024: £4,294k), which comprises bursaries of £837k (2024: £1,369k), scholarships of £643k (2024: £531k), a subsidy to pupils participating in the Music and Dance Scheme of £1,590k (2024: £1,369k), £1,113k (2024: £998k) of discounts (supporting members of the armed forces, clergy, siblings, Old Wellensians, employees and former choristers of the School), and £750k in VAT remissions. The School also received £20k (2024: £27k) from The Wells Cathedral School Foundation ('the Foundation').

Governance

The School is registered with the Charity Commission and was incorporated in 1956 as a registered company, Limited by Guarantee.

REPORT OF THE GOVERNORS (cont'd)

The Governing Body

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

Mr David Brown MA, OBE (resigned 31 August 2025)

Ms Julia Baker ● (resigned 8 December 2025)

Prebendary Emeritus Barbara Bates BA, MA, FRSA \$◇ (resigned 4 July 2025)

Mr Simon Bernal-Palmer *#

Mr Martin Cooke BEd ◇\$○

The Revd Canon Dr Megan Daffern MA Hons (Oxon), MA Hons (Cantab), DPhil ◇

Mr Andrew Gummer LLB *

Mr Tim Lewis BA (Cantab), FCA *●

Mrs Dorothy Nancekieveil, MA, BMus, PGCE, Hon Aram ◇

Mr Robert Powell \$●◇

Mr Kris Robbetts MA, MSc ●

Professor Jeffrey Sharkey BM, MM, MPhil ◇

Mrs Elizabeth Shelton SRN \$

The Revd Canon Tim Stevens \$○

The Very Revd Toby Wright ●#

** Members of the Finance and Audit Committee*

\$ Members of the Pastoral and Recreation Committee

◇ Members of the Academic Committee

● Members of the Development Committee

○ Members of the Chorister Sub Committee

Parent of a pupil at Wells Cathedral School

The Governing Body currently comprises three members of the Chapter of Wells Cathedral, two of which are anticipated to be the Dean and the Precentor, and up to fifteen lay members who are appointed by the Chapter.

The Governors are appointed for three years and retire by rotation.

Group Structure and Relationships

The Wells Cathedral School Foundation ('the Foundation') was established in 2007 as a separate but connected charity, number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School. The Foundation's objects are to advance the education of pupils at the School by means of:

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

REPORT OF THE GOVERNORS (cont'd)

The Foundation's income is from charitable gifts, plus the related gift aid where applicable, from individuals, grant giving trusts and foundations, as well as from savings interest and returns on investments. During the year the Foundation received £240k (2024: £224k) in income and made donations to the School of £37k (2024: £138k) towards bursaries and specific projects.

Whilst the Foundation produces its own separate audited Financial Statements, these Financial Statements are then incorporated with the Financial Statements of the School into the consolidated Financial Statements of the Group.

Recruiting and Training of Governors

The School's Lay Governors are appointed by the Chapter of Wells Cathedral on the basis of nominations agreed between the Chair and the Head Master with regard to the Governing Body's requirements concerning eligibility, personal competence, specialist skills and availability for meetings. A small sub-committee of Governors (the Succession Planning Committee) meets with the Head Master on a regular basis to consider vacancies, names and succession. Checks are made in accordance with Charity Commission direction on each candidate's ability and suitability to serve as a Governor/Charity Trustee. Consideration is taken of any existing or potential conflicts of interest and of their suitability to serve as a Trustee in accordance with the requirements of the Charity Commission and other relevant bodies. The necessary checks from the Disclosure and Barring Service are obtained and other checks consistent with the Independent Schools Inspectorate ('ISI') and Charity Commission direction are conducted. New Governors are inducted into the workings of the School, including Governing Body policy and procedures, by the Chair, the Head Master, the Bursar and the Assistant Clerk to the Governors. The training needs of the Governors are continually assessed and relevant updating sessions are provided, including, but not limited to, development activities provided through membership of the Association of Governing Bodies of Independent Schools (AGBIS).

Charity Governance Code

All Governors of the School:

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

The Governors are familiar with, and acknowledge, the updated version of the Charity Governance Code published in August 2020.

Fundraising Disclosures

The School had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Over the last year the Foundation has undertaken fundraising activities, as in previous years, using its database. These fundraising activities have been undertaken by staff employed by the Foundation and no external persons have been used. The Foundation voluntarily subscribes to the Fundraising Regulator which holds the Foundation to the Code of Fundraising Practice. Over the course of the financial year there have been no failures to comply with the Code, nor have any complaints been received.

REPORT OF THE GOVERNORS (cont'd)

Safeguarding Policy

In order to protect vulnerable people the Governing Body and Trustees of the Foundation comply with the School's safeguarding policy to report concerns of abuse. All members of staff, as well as Governors, receive regular safeguarding training, and safeguarding is an agenda item at all Governors' meetings. This allows Governors and staff members to raise and be aware of any concerns.

Indemnity Insurance

As permitted by the Articles of Association, the Directors are the beneficiaries of a qualifying third party indemnity as defined by Section 234 of the Companies Act 2006. The School also purchased and maintained throughout the financial year Governors' and Officers' liability insurance in respect of itself, its Governors and the Trustees of the Foundation. The cost of insurance is included in the cost of public liability cover which amounted to £29k (2024: £29k) in the year for the Group.

Statement of Going Concern

The School closely monitors its cash flows and has maintained an overdraft facility to ensure that it remains a going concern. The School has successfully managed its operating costs in order to limit the extent of the deficit. The School has agreed with the Bank to revise the overdraft facility over the next twelve months to provide sufficient facilities that accommodate the anticipated cash flow limitations over that period.

In consideration of the presumption of going concern as the basis for the preparation of the report and Financial Statements, the Governing Body has concluded that no material uncertainties have been identified that may cast significant doubt on the ability of the School to continue as a going concern. The Governors therefore have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the Financial Statements.

Organisational Management

The School's Governors are legally responsible for the overall management and control of the School. The full Governing Body meets at least four times a year. It is responsible for determining the aims, strategy and overall conduct of the School and is accountable for the discharge of its responsibilities to pupils, parents and staff. The work of implementing the policies is carried out by a series of committees:

Finance and Audit Committee: This committee meets four times a year, usually two weeks before a full meeting of the Governing Body, and is chaired by Simon Bernal-Palmer. Its main roles are to:

- consider, monitor, challenge and recommend the annual budgets and fee increases to the board;
- monitor and direct in-year expenditure;
- authorise capital expenditure;
- scrutinise the statutory Financial Statements and recommend them to the Governing Body;
- appoint and appraise the performance of the external auditor;
- scrutinise, monitor, challenge and endorse proposals for staffing and staff remuneration; and
- monitor and advise on the School's human resources function.

Academic Committee: This committee meets three times a year, and is chaired by Martin Cooke. Its objectives are to:

- scrutinise, challenge, support and monitor the School's educational aims; and
- help the School develop new and appropriate ones.

REPORT OF THE GOVERNORS (cont'd)

Pastoral and Recreation Committee: This committee meets three times a year, and was chaired by Prebendary Emeritus Barbara Bates. Its objectives are to:

- monitor and advise in all matters relating to pupil welfare and wellbeing, including matters concerning safeguarding;
- monitor and advise on matters relating to staff welfare;
- review the School's provision of extra-curricular activities, including trips; and
- review and monitor the School's boarding provision.

Development Committee: This committee meets three times a year, and was chaired by Robert Powell. This committee:

- challenges, advises and supports the Head Master in all matters concerning plant, grounds and non-core trading in order to meet the educational needs of the School; and
- monitors and supports the work of the Foundation.

Chorister Sub-Committee: This sub-committee meets three times a year and includes the Cathedral Director of Music, the Assistant Organist and the School's Chorister Tutor. It is chaired by The Canon Precentor of Wells Cathedral, the Reverend Canon Tim Stevens. It oversees, monitors and plans all matters to do with the Choristers' life and programme.

The running of the School is delegated to the Head Master, supported by his Senior Management Team. The Head Master reports directly to the Governors, as does the Bursar through the Head Master but with direct access to the Governors for matters relating to the roles of Company Secretary and Clerk to the Governors. The Head Master attends all meetings and committees of the Governors, and members of the Senior Management Team attend meetings according to their responsibilities and at the direction of the Head Master and Clerk to the Governors.

Senior Management Team

During the year the Senior Management Team were:

Head Master	Mr Alastair Tighe MA (Cantab)
Bursar & Clerk to Governors	Mr Robert McCartney BSc (Hons), FCA
Head of Prep School	Mr Jody Wells BEd Hons
Head of Pre-Prep Development	Mrs Rebecca Perdrix BSc (Hons), MA Ed
Director of Music	Mr Alexander Laing MA (Cantab,) DPS
Deputy Head (Pastoral) and Designated Safeguarding Lead	Mr Martin Ashton BA (Hons), PGCE
Deputy Head (Academic)	Mrs Natalie Perry BSc (Hons), MSc, PGCE
Director of Admissions, Marketing and Enterprises	Ms Lucy Llewelyn BEd (Hons) HND

When setting the remuneration and pay structure of the Senior Management Team, a comprehensive benchmarking exercise is undertaken, using Baines Cutler salary benchmark. Governors agree the Head Master's salary and the Head Master agrees the Senior Management Team's salary in consultation with the Governors.

REPORT OF THE GOVERNORS (cont'd)

Volunteers

The School continues to be grateful to the Parents and Friends' Association for the funds it makes available for desirable and useful extras throughout the School and its contribution in arranging social occasions. Also to the Friends of Music of Wells Cathedral School for their constant support for music in the School and for the funding they make available for instruments, musical commissions, etc. It is also grateful to the Board of Wells Cathedral School Hong Kong Music Society, which raises funds in Hong Kong to support Hong Kong scholars at Wells, and to the Trustees of the Wells Cathedral School Foundation.

Employees

Staff in their respective areas (teaching or support) attend regular term meetings/forums to discuss current whole School issues, where they are encouraged to have a voice and participate. They are regularly updated on the current developments of the School including the School's estate projects and its financial position.

The School demonstrates best practice by following a comprehensive recruitment/retention process to ensure equal opportunities for all. Once appointments are made, regular professional development reviews are undertaken to allow all staff to develop their careers further, through training and reflective practice. This includes career development and promotion of disabled people and the continuing employment and training of employees who have become disabled whilst employed by the School. The School has demonstrated how it values all staff by making reasonable adjustments to individuals' work commitments, to enable them to carry out their duties to the best of their ability. If they experience long term health problems and wish to return to work, assistance is provided to aid their recovery. Coaching and counselling services are available for staff.

STRATEGIC REPORT

The Strategic Vision for the School sets out our Key Strategic Focuses as being:

- to develop all-round character and talent of pupils
 - creating a safe, beautiful and stimulating environment
 - cultivating passions
 - generating community-spiritedness and global awareness
- to provide an all-round education
 - excelling academically
 - excelling musically
 - excelling co-curricularly
- to be responsible stewards for the future
 - providing effective budgeting
 - providing strategic estate management
 - fostering the Wellensian Community

The information provided throughout this report gives an overview of how the School is meeting its Key Strategic Focuses. School publications provide further insight and are available from the School and our website.

REPORT OF THE GOVERNORS (cont'd)

Review of Developments, Activities and Achievements

The School roll (excluding Nursery) was 678 (average) during 2024-25.

During the 2024-25 academic year the School received numerous award nominations including being shortlisted in the Independent School of the Year Awards for Best Performing Arts School and Best Pre-Prep, and having our Senior School production of *West Side Story* nominated for Best Musical and Best ensemble in the National Schools Theatre Awards, and the National Opera and Drama Association awarding the show the South West District Achievement Award as well as nominating it for the South West: Best Youth Production and Best Company Singing. In addition, we were named the top performing school in Somerset at A level based on our summer 2024 results.

Our A level and GCSE results in summer 2025 were excellent. Despite being a non-academically selective school (certainly up to 6th Form) our pupils significantly outperformed the national statistics at both A level and GCSE. At GCSE, we also significantly outperformed all other local independent and maintained schools. Value added measures at both A level and GCSE were also pleasingly positive. Around 75% of our departing Upper Sixth pupils have gone on to a Russell Group or other leading university or conservatoire. Numerous pupils were successful in national competitions including Maths and Science Challenges, History Essay competitions and the Poetry by Heart competition. Senior and Prep School pupils participated in the Bebras Computational Challenge (with eight pupils ranked in the top 10% of the country). In the Prep School, we had our best ever performance in the national Primary Maths Challenge, and in the World Maths Challenge the Prep School ranked 362nd out of 6,460 schools worldwide; Year 3, who were the top-scoring year group ranked 158th in the world and 18th in the UK

Musically, the School continued to excel, with almost all our leaving Specialist Music pupils choosing to go onto Music Conservatoires in August 2025, the majority doing so on scholarships. Significant numbers of pupils were selected to perform with national music ensembles, including the National Youth Orchestra and National Youth Choir, and secured considerable success in local, national and international competitions. In addition, the School has received regular praise for its innovative approach to music performances with regular appearances from dancers and actors in its Performing and Expressive Arts productions and presentations.

Over 50 Senior School pupils represented their county, region or country in their chosen sport (including some pupils taking places in National teams). In the Senior School, our U16 hockey team reached the semi final of the regional hockey competition and our U15 rugby team made it to the quarter final of the National plate competition. In the Prep School, we had a U9 South West Chess Champion, two IAPS National Swimming finalists, and a South West Triathlete who is IAPS U11 Boys National Champion.

Drama continues to have a strong presence in the School, with highlights including the award-winning Senior School production of *West Side Story*, the Year 7-9 production of *Charlie and the Chocolate Factory*, the Prep School production of *Newsies*, as well as the Pre-Prep productions of *The Fleece Force* and *There's a Sunflower in my Supper*. Alongside this, Dance continues to thrive, with numerous Senior School pupils and their ensembles winning awards in the national *Starz Dance Competition*.

The Combined Cadet Force ('CCF') continues to have an active presence in the School, and numerous pupils completed either the Bronze, Silver or Gold, Duke of Edinburgh Award Scheme qualifications. Outdoor learning remains a core part of the Prep and Pre-Prep and Nursery Schools' curriculums, not least via weekly 'Wellies Wednesday' forest school sessions for our youngest pupils.

REPORT OF THE GOVERNORS (cont'd)

The School's provision of pastoral care continues to be a priority for the School, with the aim of giving all pupils the encouragement and support necessary to ensure they are enabled not only to 'be what you are' (*Esto Quod Es*) in the words of the School motto, but become the best they can be.

This aim is threaded through our discourse whenever possible. Pupils should have a sense of belonging and be contented, balanced and confident individuals who have the necessary tools to be able to live safe, healthy and fulfilling lives. They should have a high level of spiritual awareness, emotional intelligence and self-control and also be active and responsible citizens who make a positive contribution to the School and wider world. They should be possessed of a good moral compass and a strong sense of honesty and integrity, and be equipped to work in partnership and in teams. The School's Mental Health leads, the School Counsellor and the pupil wellbeing champions continue to work effectively as a team. Over 40 Teaching and Support staff have been trained as Mental Health First Aiders and the introduction of the STEER programme for pupils in Prep and Senior Schools has been rolled out, with the Prep School being named a national 'Champion' for the programme.

Cedars Hall, our state of the art performance venue, continues to be an integral asset both for the School and in the cultural life of the City of Wells and the South West of England. The School has hosted the public for world-class classical, jazz, pop and commercial music performances, art exhibitions, drama productions, lectures and other important festivals including The Wells Festival of Literature and The Wells Comedy Festival. It is also in continued demand as a top-calibre recording venue admired by, among others, the BBC. Of particular note has been the conclusion of the first season of our professional music concert series *Maestro* which has attracted strong audiences and allowed pupils and the community to benefit from masterclasses alongside concerts from luminary artists including Mitsuko Uchida, Sir Stephen Hough and Steven Isserlis.

The School continues to maintain its historic and beautiful estate and has undertaken condition surveys of its buildings which have been used to generate a strategic masterplan for the utilisation and maintenance of the site and possible new buildings. We also undertook a masterplan exercise in 2024-25 to help inform our longer term estate development goals.

Old Wellensian activities remain buoyant, with the Association brought into the direct remit of the School's Foundation during the course of the 2024-25 year. In addition to the annual London Reunion at the RAF Club, the Wellensian Association hosted a well-attended summer reunion at the School. Regular bulletins and other communications have been issued as well.

REPORT OF THE GOVERNORS (cont'd)

Public Benefit

The School has sought to maximise its public benefit via a variety of activities. Among these have been:

- The provision of substantial levels of bursaries to ensure access to the School is as wide as possible
- Delivering the Government's Music and Dance Scheme provision for our allocation of MDS-funded musicians
- Making Cedars Hall and other School venues available to the local community, both in terms of performances and events but also for charity and other private events
- The running of parent and toddler session in term-time
- Running instrument 'taster days', joint concert collaborations and an A level Music Study Day
- Inviting local school pupils to matinee drama and concert performances
- Running numerous sporting community projects for local sports children
- Hosting a number of 'Be a Mathematician' days as well as a Primary School Maths Festival
- Hosting a Religious Studies Conference for local schools
- Hosting a Head of Schools Conference for pupil leaders in local schools
- Running ever-popular Music Summer Courses open to young people nationally and internationally in all the key music disciplines
- Holding charitable collections in school for local, national and international causes, including the annual School Save the Children Walk, Christmas Cards for local care home residents and our pupil-led Event on the Lawn performance to raise funds for our partner school in Sierra Leone
- Providing opportunities for pupils to volunteer for local charities, schools and other organisations
- Provision of the School swimming pool for use by local residents, as well as other sporting facilities
- Facilitating staff to act as GCSE, A level, ABRSM and Trinity examiners
- Facilitating staff to be members of local schools' Governing Bodies
- Providing for the spiritual and cultural needs of the City of Wells and County of Somerset, especially through the work of the Choristers in helping lead worship at Wells Cathedral.
- Running 'Be a Chorister for a Day' events for local primary school-aged children
- Financing the Outreach Singing Programme for local Primary Schools, in partnership with Wells Cathedral.

REPORT OF THE GOVERNORS (cont'd)

Promotion of the success of the organisation to benefit its members

The Governors confirm that in accordance with Section 172 (1) of the Companies Act 2006 they act in a way they consider most likely to achieve the purposes of the Company. In making this assessment, the Governors consider the relevant actions of the Governing Body as described throughout the report. Taking the areas required for disclosure in turn:

a) The likely consequences of any decision in the long term

The assessment of the long term sustainability of the School's operations is considered by the Governors in one or more of the termly Committee meetings with papers provided in advance. All relevant matters are considered and discussed and, where appropriate, the relevant Committee makes a recommendation to the Full Governing Body before a final decision can be made. This approach ensures strategic long-term decisions are rigorously considered and made having reviewed management information and financial forecasts (including projections of the level of reserves).

b) The interests of the Charity's employees

The School recognises that the professional skill and commitment of its staff are essential to its success. The Governors ensure that regular opportunities exist for staff to hold discussions with Governors and management on a formal and informal basis.

Twice weekly briefings and notices help to keep staff informed and provide opportunities for involvement in the diverse activities of the School. Staff well-being and engagement is a key area of focus at all times.

c) The need to foster the Charity's business relationships with suppliers, customers and others

Parents are kept engaged and up to date through the parent portal, social media posts and the weekly bulletin 'This Week in Wells'. Parent surveys are regularly undertaken. The Governors (several of whom are, or were, parents of children at the School) actively engage with the parent body and the various voluntary organisations set up by parents to support the activities of the School.

The School makes an important contribution to the local economy with many suppliers based in the local area. The School ensures that it acts with integrity in its business relationships including prompt payment of supplier invoices.

d) The impact of the Charity's operations on the community and the environment

The School continues to develop metrics to enable monitoring and reporting of the environmental impact of its activities. These measures are outlined in more detail in the Sustainability section of the Governors' Report. The School continues to engage extensively with the wider community through a wide range of activities described in the Strategic Report.

e) The desirability of the Charity maintaining a reputation for high standards of business conduct

The School has established policies and procedures to govern the conduct of its business. These policies are regularly reviewed by management and are subject to review and validation by relevant committees of the Governing Body on a regular basis.

The School is committed to complying with all applicable laws and regulations.

f) The need to act fairly between members of the Charity

The School's Code of Conduct applies to all members of School staff including Governors. In addition, there is a specific Code of Conduct that applies to Governors. The School has procedures in place to ensure Governors interests are declared and conflicts of interest avoided.

REPORT OF THE GOVERNORS (cont'd)

Risk Management

The Governing Body is responsible for the management of the risks faced by the School. While the Governing Body reviews risks in each of its formal meetings, the Senior Management Team is responsible for managing control procedures. A formal review of the School's risk management process and registers is undertaken at least annually.

The top risks identified by the School are as follows:

Risk Identified	Action taken to mitigate risk
Mental Health	Given the national trend for increasing mental health needs for pupils, we have implemented a pre-emptive support system entitled STEER and enhanced staffing resource.
Maintaining pupil numbers	Regular monitoring of pupil numbers to assess the consequences of changes, and an active programme of recruitment and retention.
Statutory changes	Maintaining an awareness of political policy proposals and scenario assessment of likely impact on the School should new policies (including around taxation, business rates, pensions and wages) be enacted.
Affordability	Careful consideration of market conditions, review and control of cost drivers to ensure fees are set at a level that the market will bear whilst ensuring necessary operating costs continue to be covered. Engaging in affordability surveys for parents.
Estate maintenance	Establishing a programme of planned proactive maintenance and enhancement, informed by a series of Condition Surveys, to ensure that School facilities remain attractive to existing and prospective parents.
Staff costs	Continuous monitoring of planned and actual headcount and associated cost to ensure that staff costs are strictly controlled against Budget.

The key controls used by the School to manage identified risks include:

- A register of key risks, identifying and assessing the risks as well as a responsible manager and risk mitigation strategy for each risk;
- Clear terms of reference for all Committees;
- Formal agendas for all Committee and Governing Body activity;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels;
- Use of external risk assessment resources; and,
- Vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established by the School, the Governors are satisfied that the major risks have been identified and have been mitigated as far as possible within the School's ability. It is recognised that the risk management process can only provide reasonable but not absolute assurance that major risks have been adequately managed.

REPORT OF THE GOVERNORS (cont'd)

Sustainability

Under the requirements of the companies and limited liability partnerships obligations to comply with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ('the 2013 Regulations') and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('the 2018 Regulations'), this report outlines the School's plan to address environmental impacts.

A key part of the School's sustainability strategy is the ability to understand, measure and report on its environmental performance and impact in order to devise a number of Key Performance Indicators that will assist to reduce and off-set carbon emissions now and in the future. This is not only to ensure compliance with certain regulations, but also to ensure that the school benefits from lower energy and resource costs and gains a better understanding of climate change. This also assists it to demonstrate leadership and to provide it with marketable 'green credentials'.

Whilst the School is in the early stages of this process, including measurable reporting, it is taking small steps to carry out work that ensures sustainability and environment are considered. This year these have included:

1. A continued programme of changing lights to LED, with sensors where appropriate.
2. Working with its supplier to increase recycling collections.
3. A programme of condition surveys to identify roof & fabric concerns on its various buildings.
4. Solar panels – improved planned maintenance to ensure efficiency levels.
5. Rolling programme of replacing petrol hand held machines (leaf blowers etc.) with battery operated ones.
6. A replacement programme for the ageing grounds machines, seeking more efficient machines.

The planned engagement with an external firm to assist the School in calculating its current carbon footprint did not proceed. This activity has been deferred but the School remains committed to seeking to set out the scope of appropriate calculations i.e. what should or should not be included. This will enable the resulting strategy to break down the School's carbon footprint into component parts so the School can achieve an aggregated net zero target. This in turn will enable the School to report fully on its environmental impact setting measured against meaningful Key Performance Indicators and to determine financial benefits.

	2024/25	2023/24
UK energy use kWh	Gas: 3,544,837 Electricity: 993,468	Gas: 3,646,577 Electricity: 965,869
Associated Greenhouse gas emissions Tonnes CO ² equivalent	Gas consumption: 638.07 Electricity consumption: 188.76	Gas consumption: 656.38 Electricity consumption: 183.52
Intensity ratio Emissions per pupil Total number of pupils 678 (2023/24:727)	0.82	0.91

Associated Greenhouse gases have been calculated using the UK Government conversion factors for company reporting.

REPORT OF THE GOVERNORS (cont'd)

Operational Performance

The School set itself the following strategic objectives for the academic year 2024/25. Progress is indicated in italics.

1. To implement a Governance Restructure including new Articles of Association to avoid Conflicts of Interest with the Wells Cathedral Chapter

This has largely been completed in terms of Governor membership; the final legal changes to the Articles still need to be completed and we are in liaison with the Cathedral to ensure resolution.

2. To increase the School's financial rigour and levels of reserves

The recently implemented fundraising strategy has been followed and a fundraising campaign for bursaries was launched in Autumn 2024. This includes, but is not limited to, finding external funding to plug the MDS funding shortfall. With regards to this, significant political lobbying is underway to try and secure both the long term future of MDS funding and at improved inflationary rates. The School continues to focus on its Enterprises activity to generate further funds. The in-year impact of VAT imposition added additional cost to the School finances given the School's decision to share the cost of VAT with parents. Further challenge was then faced following the loss of Business Rate Relief and increased National Insurance Employer Contributions in April 2025. As a result, staff cost saving measures were implemented in the 2024/25 academic year to offset these additional costs.

3. To maintain teaching staff's trust

The Governing Body continue to hold a series of 'open chat' opportunities and continue to find other ways of engaging directly with staff - both in person and through improved communications. Governors were also evident and engaged with staff throughout staffing efficiency consultations.

4. Expand the pupil roll of the Prep School

This remains a Strategic Objective to enable us to fill the capacity already available within the Prep School. Progress continues to be made, and the staffing:pupil ratios within the Prep School have been adjusted to make the model more efficient even though pupil numbers are not at capacity.

5. Improve retention of current pupil rates.

The increased cost of fee affordability as a result of VAT imposition means that the School has been focused on finding ways of ensuring current pupils can be retained as a way of managing the pupil roll. This focus has been partly successful, although our bursary remission funds are not always sufficient to meet the fee financing needs of some current parents.

6. A review of SEND provision and needs

While this remains ongoing, the School has made the level of provision available to parents/pupils clearer and established more regular forums for parental feedback about their experiences. In addition, the School continues to ensure all teaching and pastoral staff are in receipt of regular training and sharing of best practice advice. A change of leadership in Senior School SEND provision will be effected from September 2025.

REPORT OF THE GOVERNORS (cont'd)

7. 6th Form Curriculum Provision

The School remains committed to finding ways of increasing pupil accessibility to more vocational 6th Form subject options distinct from A level. However, with the current Government still not making the future of BTECs clear, and given its introduction of a national curriculum review due to report in late 2025, no finite progress on determining those curriculum options has been made. As soon as the national curriculum review outcomes are known, vocational curriculum options will be explored and implemented.

8. Estate Management

A masterplan survey of the School site has been completed by architects which has identified larger estates projects for delivery once the stabilisation of finances/pupil roll has settled post-VAT implementation. In addition, the whole Estate has undergone Condition Surveying and a prioritised programme to ensure the upkeep of all buildings is now in place.

FINANCIAL REVIEW

The financial performance for the year has been influenced by a challenging operating environment. Nonetheless the School has seen increased enrolment. The average pupil numbers have declined from last year by 49 pupils (2024: increased pupils by 3) across the Prep and Senior Schools. The demand for bursary and other fee remissions has risen by £667k (2024: £355k). The School is determined to maintain the quality of its provision whilst ensuring that it operates at a financially sustainable level.

Consolidated Operating Results

Senior school pupil numbers decreased by 6.74% (2024: increased by 0.92%); bursaries and discounts increased by 15.53% (2024: increased by 8.87%); and donations received by the Foundation decreased by 1.53% (2024: increased by 160.38%). The scholarships awarded increased to £643k (2024: £531k), an increase of 21.09% (2024: increase of 2.71%). The level of gross fee income, the School's charitable income, has increased to £23,832k (2024: £22,936k). The School has continued to invest in staffing and infrastructure in order to maintain the quality of its provision.

The consolidated net result for the year was a deficit of £948k (2024: deficit of £210k) which is composed of the net deficit of the School of £1,064k (2024: deficit of £340k) and a net surplus from the Foundation of £115k (2024: surplus of £130k). The consolidated results for the year are set out in the Statement of Financial Activities (SOFA) on page 25. Under accounting rules for charities this statement combines transactions of a capital and revenue nature. The operating results for the two constituent charities are outlined below.

Consolidated Activities

During the year the School produced an operating deficit of 548k (2024: surplus of £590k) before depreciation and non-recurring premises projects. After depreciation and non-recurring premises projects its operating result was a deficit of £1,170k (2024: deficit of £47k).

WELLS CATHEDRAL SCHOOL, LIMITED (Limited by Guarantee)
GOVERNORS' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2025

REPORT OF THE GOVERNORS (cont'd)

The consolidated activities are summarised below:

	2025	2024
	£'000	£'000
Income from charitable activities (charitable activities per SOFA plus the School bursaries and discounts)	23,832	22,936
Operating costs of School		
School bursaries and discounts	(4,961)	(4,294)
Expenditure on charitable activities (excluding depreciation)	(19,419)	(18,052)
Operating (deficit)/surplus of the School	(548)	590
Less:		
Depreciation	(619)	(634)
Premises - non recurring projects	(3)	(3)
Net operating deficit	(1,170)	(47)
Income from generated funds	831	801
Realised gain on investments	43	125
Cost of generating funds	(643)	(598)
Cost of charitable activities not part of operating costs	(9)	(71)
Net deficit in SOFA	(948)	(210)

Analysis of the business using Key Performance Indicators (KPI's)

KPI	2025	2024	2023
Net fee income (decline)/growth %	(1.7)%	5%	6%
Bursaries, scholarships and discounts as % of gross fees	23%	20%	19%
Donations and legacies as a % of gross fees	0.7%	0.4%	1%
Teaching staff costs as a % of gross fees	38%	38%	35%
Welfare costs as a % of gross fees	6%	6%	5%
Premises costs at a % of gross fees	22%	21%	21%
Net Operating (deficit)/surplus of the School as % of gross fees	(4.8)%	(0.2)%	4%

The gross fee for these KPIs is £21,949k (2024: £21,578k) (note 3).

The net fee received is £16,988k (2024: £17,284k) (note 3).

The Net Operating deficit of the School is £(1,064)k (2024: deficit of £(47)k).

Operating result of Wells Cathedral School Foundation

During the year the Foundation received £124k (2024: £126k) in financial contributions in the form of income from donations and legacies. The Foundation continued to make donations to the School, which in the year under review totalled £37k (2024: £138k). Its operating costs of £84k (2024: £70k), including staff costs and other direct costs associated with the Foundation, were borne by the School. The net movement in funds of the Foundation was a surplus of £115k (2024: surplus of £130k).

REPORT OF THE GOVERNORS (cont'd)

Investment Policy, Powers and Performances

In accordance with the Trust Deed, Governors of the School and Trustees of the Foundation may authorise the funds of the Foundation to be invested in any stocks, shares or insurance policies. The Trustees' aim is to generate long-term total return from endowment funds invested, combining both capital growth and income.

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

The Foundation adopts the "Total Return" approach to investments which are considered to be permanent endowments under which, once the value of the permanent endowments reaches a sufficient amount, the total return will be available to be used to award bursaries to pupils of the School, consistent with the Foundation's objectives.

Political and Charitable Contributions

The Foundation made no political or charitable contributions during the year under review (2024: £nil) other than donations to the School of £37k (2024: £138k), as disclosed in the Foundation's Statement of Financial Activities. The Foundation's grant making policy is to make donations only to the School.

Reserves Policy

The total funds held by the Group at the year-end were £19,048k (2024: £19,996k). The Governors have designated an asset fund so that a framework exists for them to assess appropriate levels of free reserves, as recommended in the Charity Commission guidance paper, "Charities Reserves". Free reserves are defined in the guidance paper as excluding not only funds that are for restricted purposes but also those designated by the Governors for a particular purpose, and any funds only realisable by disposing of fixed assets held for charity use. One thrust of the guidelines is to highlight those charities that are carrying excessive free reserves. The free reserves in the Consolidated Balance Sheet, as defined by the guidelines, are a deficit of £6,293k (2024: deficit of £5,265k) at the end of the financial year. The Governors take comfort from the fact that the School holds significant designated reserves of £19,563k (2024: £19,692k). The Governors believe that, over time, a prudent level of free reserves, consistent with the business risks of the School, equivalent to six months operating costs should be accumulated. The proposed level of such a reserve has yet to be determined, but is considerably higher than the current level of free reserves. It is unlikely that the target will be achieved for many years because of the previous and ongoing policy of the Governors to improve the facilities of the School through the investment of surpluses in School assets.

Restricted Funds

The balance of the restricted funds at the end of the year was £4,603k (2024: £4,445k). These funds are held for capital projects, bursary funds and projects funded by the Department for Education. The balance includes the restricted fund net movement of surplus £81k (2024: deficit £37k) from the Foundation.

Endowment Funds

The endowment funds represent donations received to provide bursaries. Total endowment funds were £1,175k (2024: £1,124k) at the end of the year. Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

REPORT OF THE GOVERNORS (cont'd)

Bursaries, Scholarships and Fee Discounts

The following fee discounts were provided to parents of pupils at the School during the academic year:

	Number of pupils		Value £'000		% of Gross Fee Income	
	2025	2024	2025	2024	2025	2024
School bursaries	150	203	845	1,366	3.82%	6.33%
Bursaries from the Foundation	4	4	20	27	0.13%	0.13%
Music and Dance Scheme	80	80	1,590	1,369	7.24%	6.34%
Scholarships	180	189	643	531	2.93%	2.46%
VAT Remission			750		3.42%	
Value of fee reductions provided to children of:						
Members of the Clergy of the Church of England			13	13	0.06%	0.06%
Members of the Armed Forces			48	38	0.22%	0.18%
Former pupils of the School			44	44	0.20%	0.20%
Parents with more than one child at the School			243	233	1.11%	1.08%
Employees of the School			594	604	2.71%	2.80%
Special circumstances			117	26	0.53%	0.12%
Ex-choristers of the School			54	58	0.25%	0.27%
Total			4,961	4,309	22.62%	19.97%

The bursaries from the School and Foundation are awarded on the basis of parental need and are all means tested. The total of £865k includes £28k of restricted Foundation bursaries.

The level of support included 4 free places (2024: 6) worth £130k (2024: £205k).

The Music and Dance Scheme (MDS) discounts are subsidies provided to parents of pupils whose places are funded by the MDS, as such funding is capped by the Department for Education (DfE). Support by the DfE to these pupils is also means tested.

Scholarships are awarded to recognise a pupil's academic or sporting achievement, and are not means tested, although additional means tested support in the form of a bursary might also be considered where appropriate.

Statement of Governors' Responsibilities

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

REPORT OF THE GOVERNORS (cont'd)

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 Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for the year. In preparing these Financial Statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles set out in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

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

Statement on Disclosure of Information to the Auditor

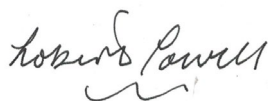
So far as each Governor is aware, there is no relevant audit information of which the School's auditor is unaware. The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the School's website.

Independent Auditor

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

Approved by the Governing Body on 10 March 2026 and signed on their behalf:



Mr Robert Powell
Chair of the Governing Body

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

Opinion

We have audited the financial statements of Wells Cathedral School, Limited for the year ended 31 August 2025 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 August 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Governors' report.

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Governors' report.

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

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

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement on page 18, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the Group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

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

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

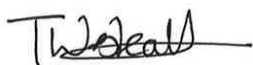
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLS CATHEDRAL
SCHOOL, LIMITED**

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

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

Use of our report

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



Tara Westcott
Senior Statutory Auditor

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

Date: 16 March 2026

WELLS CATHEDRAL SCHOOL, LIMITED (Limited by Guarantee)
GOVERNORS' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2025

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

	<i>Note</i>	Endowment funds	Restricted funds	Unrestricted funds	Total 2025	Total 2024
		£'000	£'000	£'000	£'000	£'000
INCOME FROM:						
Charitable activities:						
Fees receivable	3	-	-	16,988	16,988	17,284
Other educational income	4	-	-	1,105	1,105	1,246
Other ancillary trading income	4	-	-	156	156	139
Donations & legacies	5	-	141	17	158	170
Other trading activities	5	-	-	552	552	528
Income from investments	6	26	-	95	121	103
Total Income		26	141	18,913	19,080	19,470
EXPENDITURE ON:						
Raising funds	7	(9)	-	(634)	(643)	(598)
Charitable activities	7	-	(7)	(19,419)	(19,426)	(19,203)
Other expenditure	7	-	(2)	-	(2)	(4)
Total Expenditure		(9)	(9)	(20,053)	(20,071)	(19,805)
Gain/(Loss) on Investments ¹³		43	-	-	43	125
Net (deficit)/income	10	60	132	(1,140)	(948)	(210)
Transfers between funds	18, 19, 20	(9)	26	(17)	-	-
Net movement in funds		51	158	(1,157)	(948)	(210)
Fund balances brought forward at 1 September 2024	18, 19, 20	1,124	4,445	14,427	19,996	20,206
Fund balances carried forward at 31 August 2025	18, 19, 20	1,175	4,603	13,270	19,048	19,996

The Statement of Financial Activities includes all gains and losses in the year.

The notes on pages 29 to 56 form part of these financial statements.

WELLS CATHEDRAL SCHOOL, LIMITED (Limited by Guarantee)
GOVERNORS' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2025

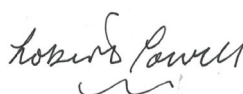
**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2025**

	<i>Note</i>	£'000	2025 £'000	2024 £'000
Fixed assets				
Tangible assets	<i>12</i>		22,215	22,563
Investments	<i>13</i>		1,367	1,303
Current assets				
Stocks	<i>14</i>	16		15
Debtors	<i>15</i>	5,558		1,352
Cash at bank and in hand		2,139		4,099
Total current assets				
		7,713		5,466
Creditors: Amounts falling due within one year	<i>16</i>	(8,889)		(5,164)
Net current (liabilities)/assets				
			(1,176)	302
Total assets less current liabilities				
			22,406	24,168
Creditors: Amounts falling due After more than one year	<i>17</i>		(3,358)	(4,172)
Total Net assets				
			19,048	19,996
The funds of the Group				
Endowment funds	<i>18</i>		1,175	1,124
Restricted funds	<i>19</i>		4,603	4,445
Unrestricted funds	<i>20</i>		13,270	14,427
Total funds				
			19,048	19,996

These financial statements were approved by the Governing Body on 10 March 2026, and were signed on its behalf by:



Mr Simon Bernal-Palmer
Governor



Mr Robert Powell
Chair of Governors

Company Registration No.: 00564883

The notes on pages 29 to 56 form part of these accounts.

WELLS CATHEDRAL SCHOOL, LIMITED (Limited by Guarantee)
GOVERNORS' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2025

**SCHOOL BALANCE SHEET
AS AT 31 AUGUST 2025**

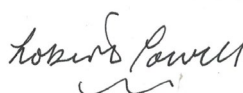
	<i>Note</i>	£'000	2025 £'000	2024 £'000
Fixed assets				
Tangible assets	<i>12</i>		22,215	22,563
Current assets				
Stocks	<i>14</i>	16		15
Debtors	<i>15</i>	5,551		1,307
Cash at bank and in hand		1,622		3,672
<hr/>				
Total current assets		7,189		4,994
Creditors: Amounts falling due within one year	<i>16</i>	(8,876)		(5,151)
<hr/>				
Net current liabilities			(1,687)	(157)
<hr/>				
Total assets less current liabilities			20,528	22,406
Creditors: Amounts falling due After more than one year	<i>17</i>		(3,358)	(4,172)
<hr/>				
Total Net assets			17,170	18,234
<hr/>				
The funds of the Group				
Restricted funds	<i>19</i>		4,016	3,938
Unrestricted funds	<i>20</i>		13,154	14,296
<hr/>				
Total funds			17,170	18,234

The net movement in funds for the School in the year is a deficit of £1,064k (2024: Deficit of £339k).

These financial statements were approved by the Governing Body on 10 March 2026, and were signed on its behalf by:



Mr Simon Bernal-Palmer
Governor



Mr Robert Powell
Chair of Governors

Company Registration No.: 00564883

The notes on pages 29 to 56 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Note</i>	£'000	2025 £'000	£'000	2024 £'000
Net cash provided by operating activities	<i>24</i>		(1,488)		1,980
Cash flows from investing activities					
Income received from investments	6	115		103	
Proceeds from sale of investments	13	521		265	
Purchase of tangible fixed assets	12	(271)		(659)	
Proceeds from sale of tangible fixed assets	12	-		-	
Purchase of investments	13	(186)		(310)	
Net cash used in investing activities			179		(601)
Cash flows from financing activities					
Repayments of borrowings	26	(142)		(128)	
Payment of interest	11	(155)		(179)	
Net cash used in financing activities			(297)		(307)
Change in cash and cash equivalents in the reporting year	<i>25, 26</i>		(1,606)		1,072
Cash and cash equivalents at the beginning of the reporting year	<i>25</i>		4,110		3,038
Cash and cash equivalents at the end of the reporting year			2,504		4,110
Cash and cash equivalents					
Cash at bank and in hand	25		2,139		4,099
Cash held by investment manager	13		365		11
			2,504		4,110

The notes on pages 29 to 56 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Company status

The school is a charitable company, registered in England and Wales (Company Number: 00564883) limited by guarantee, and not having any share capital. The members undertake to contribute to the assets of the company in the event of it being wound up, either whilst members or within one year of their membership ceasing. The maximum contribution required from each member would be £1. The school is also a charity registered in England and Wales (Charity Number: 310212).

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

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

2. Accounting policies

The financial statements have been prepared on the going concern basis under the historic cost convention with the exception of listed investments which are held at fair value, in accordance with applicable accounting standards in the United Kingdom including the Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102), Statement of Recommended Practice (FRS102) 2015 'Accounting and Reporting by Charities' ('the Charities SORP'), the Charities Act 2011 and the Companies Act 2006.

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

i) Going concern

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

The Governing Body has prepared cash flow forecasts for a period of more than twelve months from the date of approval of these financial statements. These indicate that, taking account of reasonable possible downsides, the Group will have sufficient funds to meet its liabilities as they become due.

In preparing the forecasts, the Governing Body has considered further severe, but plausible, downside scenarios. None of the scenarios indicates that the Group would have insufficient funds to meet its liabilities as they fall due, however, it is anticipated that there will be a breach of one of the School's existing banking covenants.

As a result, conversations have taken place with our bankers who have agreed to extended existing facilities to support the School as it addresses the impact of the recent regulatory changes (imposition of VAT on Independent School Fees; removal of Business Rates relief; and, increase in Employers' National Insurance Contributions) on the Group's cash flow position.

The School has, since January 2025, been implementing a significant programme of cost control and savings realization, including a formal redundancy consultation process to offset the significant financial impact of the recent regulatory changes outlined above.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

i) Going concern (cont'd)

Future pupil numbers are a critical aspect of the forecasts that have been prepared. Additional resources have therefore been directed to the School's Admissions and Marketing departments in order to support ongoing pupil recruitment and retention activity.

As a result, the Governing Body considers that it remains appropriate to adopt the going concern basis in the preparation of the financial statements.

ii) Basis of consolidation

These consolidated financial statements include the financial statements of Wells Cathedral School, Limited ('the School') and The Wells Cathedral School Foundation ('the Foundation').

The Foundation is not a direct subsidiary of the School but has been consolidated into the School's financial statements. Under accounting standard FRS102, the Foundation is classified as a quasi-subsidiary as the School indirectly controls and directs the Foundation's activities from which the School benefits. The Charities SORP states that where the objects of the Charity (the Foundation) are substantially or exclusively confined to the benefit of another charity (i.e. the School), and where the School influences the Foundation in its operational plans, i.e. the nature and timing of support, then the criteria for consolidation of the financial statements are deemed to have been met.

These financial statements consolidate the results of the School and the Foundation on a line by line basis. The results of the Foundation are disclosed in note 29 of these financial statements.

In accordance with the provisions of s408 of the Companies Act 2006 and paragraph 397 of the Charities SORP, the School is exempt from the requirement to present its own income and expenditure account and statement of financial activities.

iii) Income

Income in furtherance of the School's activities represents the amounts (excluding value added tax), derived from the provision of educational services and boarding facilities to the pupils during the year, and is accounted for on a receivable basis.

School fees received in the current year in respect of the next or subsequent academic year are not recognised as income in the current year but are transferred to fees received in advance and included in creditors in the balance sheet.

Deposits received from pupils' parents are held in creditors and are classified as falling due within one year. Deposits are repaid when the pupil leaves the School.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

iii) Income (cont'd)

Other income (excluding fee income) in furtherance of the Group's activities is represented by:

- Donations, which comprise primarily donations and charitable gifts from individuals, grant giving trusts and foundations, are accounted for on an accruals basis. Such income is recognised when there is a legally binding commitment to the Foundation for the transfer of funds. Donations of assets are brought into the balance sheet and statement of financial activities at market value, at the date of acquisition. Gift aid on donations is subsequently applied for where applicable;
- Legacies, which are accounted for at the earliest of receipt of estate accounts or cash received. As assessment is performed post year end of up to two months. Any legacies received are considered, their value reliably measured and then accounted for appropriately;
- Income from investments, which represents the interest and dividends earned during the year from bonds, deposits, and the endowment funds and any realised gains on their disposal. Income is accounted for on an accruals basis;
- Other educational income, which comprises educational income other than fees;
- Ancillary trading income, which comprises income associated with the provision of education by the School such as provision of the School bus service and external concerts; and,
- Other trading activities, which comprise income generated from lettings, hire of the School's facilities and external functions.

iv) Accrued Income

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

v) Grants

Grants received in respect of revenue expenditure are credited to income when there is evidence that entitlement to the grant receipt is probable and the amount can be measured reliably.

Grants in respect of fixed assets are recognised in the statement of financial activities when they are receivable, i.e. when the School is entitled to the income. Grant income is included in deferred income in the balance sheet where pre-conditions exist that require the expenditure to be incurred in a future year or where there is uncertainty as to whether the School will be able to fulfil the pre-conditions attached to the grant or part thereof.

vi) Scholarships, Bursaries and Discounts

Scholarships, bursaries and discounts are awarded to certain pupils who attend the School and are accounted for as a reduction in fees. Each award made is matched against fee income for that pupil at the time the fee invoice is raised. Each award is reviewed annually.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

vii) Expenditure

All expenditure is included in the statement of financial activities on an accruals basis. Costs directly attributable to a specific expense heading are allocated to that heading. Expenditure is recognised when a liability is incurred, and in the following categories:

- Expenditure on raising funds, which consists of costs incurred in attracting voluntary income;
- Charitable activities, which comprise expenditure incurred in teaching, boarding and music programmes, and including both the direct costs and support costs relating to these activities;
- All expenditure, including support costs, is classified under activity heading that aggregates all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it is incurred;
- Termination/redundancy payments are accounted for as soon as the School is aware of the obligation to make payments.

viii) Redundancy and termination payments

Redundancy and termination costs are recognised as an expense immediately at the point where the School is demonstrably committed to either: terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The School is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

ix) Pension costs

Some of the teaching staff are members of the Teachers' Pension Scheme ("TPS"), which is a defined benefit scheme. Under the definitions set out in FRS102, the teachers' pension scheme is a multi-employer pension scheme.

Accordingly, the School has taken advantage of the exemptions available to multi-employer pension schemes and contributions to the scheme are charged to the statement of financial activities when they are payable.

Some other employees, including teachers are members of a money purchase pension scheme operated by an insurance company on behalf of the School. The amounts charged against income represent the contributions payable to the schemes in respect of the accounting year.

x) Tangible Fixed Assets and Depreciation

All tangible fixed assets are accounted for at cost less accumulated depreciation. Cost includes the original purchase price of the asset plus the costs attributed to bringing the asset to its working condition for its intended use. Depreciation is provided by the School to write off the cost less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives on a straight line basis as follows:

Freehold buildings	-	1%-10% per annum
Long leasehold land and buildings	-	1%-2% per annum
Fixtures and fittings	-	5%-12.5% per annum
Musical instruments and machinery	-	10% per annum
Information and communications technology equipment (including computer and data communications equipment)	-	10%-25% per annum
Motor vehicles	-	12.5% per annum

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

x) Tangible Fixed Assets and Depreciation (cont'd)

The useful economic lives and residual value of fixed assets are reviewed annually. No depreciation is provided on freehold land, and the capitalisation threshold is £2,500. Items under this level are expensed to the statement of financial activities.

Assets in the course of construction are not depreciated until they are completed and brought into use.

xi) Investments

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

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

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

xii) Stocks

Stocks are stated at the lower of cost and net realisable value and using the "first in first out" method. Cost represents the invoice value charged by suppliers. Stocks are reviewed annually and a provision created for any slow moving stock where necessary.

xiii) Debtors

Other debtors, intercompany debtors and accrued income are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

xiv) Cash and cash equivalents

Cash is represented by cash in hand.

xv) Fees Received in Advance

Fees received in advance of education to be provided in future years is treated as deferred income until either taken to income in the School term when used or otherwise refunded.

xvi) Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is the shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account, and the capital element which reduces the outstanding obligation for future instalments.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

xvi) Leases (cont'd)

All other leases are accounted for as operating leases and the rental charges are charged to the statement of financial activities on a straight line basis over the life of the lease.

xvii) Repairs provision

In accordance with the requirements of the block lease, the School commissions a five yearly survey of the state of the repair of the leased buildings. The surveyor's suggestions and recommendations for repairs are then categorised into major repair works and ongoing repairs. The School undertakes the major repair work within its ongoing programme of maintenance over a five year period.

xviii) Endowment funds (restricted)

Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

xix) Restricted funds

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

xx) Capital fund (restricted)

The capital fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust ("the Trust") and transferred to the School prior to 2005, when the Trust was closed, and contributions by the Trust towards capital projects undertaken by the School ceased. The capital fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

xxi) Revenue fund

The revenue fund represents the working capital of the School. Part of this fund has been designated as an asset fund.

xxii) Designated Asset fund

The Governing Body has elected to designate funds equal to the value of land and buildings which are not held within the restricted funds. The asset fund therefore represents the net book value of the tangible fixed assets not funded by the capital fund, less outstanding loans secured on specific assets.

xxiii) Transfers between reserves

Transfers between revenue and designated funds are made at the Governing Body's discretion to set aside funds as required. Expenditure on new tangible fixed assets not funded by the capital fund, less any outstanding loans secured on these assets, is transferred to designated reserves. Transfers between revenue and restricted funds reflect the depreciation charge on the capital fund and any purchases of restricted assets.

xxiv) Financial instruments

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

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

xxv) Critical Accounting Judgements and Estimation of Uncertainty

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

- **Critical judgements**
 The Governing Body do not believe that any critical judgements have been made in preparing the financial statements.
 The accruals and prepayments are calculated based on firm or historical evidence, except pledges, which are included based on a firm judgement by the Foundation.
- **Estimates and assumptions**
 The estimates and assumptions made by the Group consist mainly of an allocation of the School's development department's operating costs associated with the Foundation and the useful economic lives and residual values of the School's fixed assets. These reasonable estimates are based on the knowledge of key management personnel.

xxvi) Taxation

The School and Foundation, which are registered charities, are not liable to taxation on the net revenue from their primary activity or investment income and gains.

The School is registered for Value Added Tax and is subject to the partial exemption rules.

3. Fees receivable

	2025	2024
	£'000	£'000
Fees receivable consist of:		
Tuition and boarding fees	19,968	19,512
Music tuition fees	1,981	2,066
<hr/>		
Total fees	21,949	21,578
Less:		
DfE cap – Tuition and boarding fees	(1,590)	(1,369)
Bursaries, scholarships and other discounts	(3,371)	(2,925)
<hr/>		
	16,988	17,284
<hr/>		

The Department for Education ('DfE') cap is the contribution by the School to cover the shortfall which arises because the fees eligible for the Music and Dance Scheme are lower than the full fees. The bursaries include the restricted bursaries donated from the Foundation of £20k (2024: £27k).

NOTES TO THE ACCOUNTS (cont'd)

4. Income from Charitable Activities

	2025	2024
	£'000	£'000
Other educational income:		
School activities	796	958
Extra tuition	256	231
Wells Music College income	6	8
Registration fees	28	34
Other income	19	15
	1,105	1,246
Other ancillary trading income:		
Bus service for pupils	112	96
Concert income	20	18
Other income	24	25
	156	139

5. Income from Donations and Legacies

	2025	Group	2025	School
	£'000	2024	£'000	2024
		£'000		£'000
Unrestricted:				
Donations and legacies	17	77	-	-
Restricted / Endowed				
Donations:				
Donations (restricted)	122	61	64	8
Donations to Music (restricted)	19	32	-	32
	141	93	64	40
	158	170	64	40

Donations to the School from the Foundation totalled £17k (2024: £111k), plus bursaries of £20k (2024: £27k). Net restricted donations received by the Foundation totalled £110k (2024: £49k) and donations to endowed funds were £Nil (2024: £Nil).

NOTES TO THE ACCOUNTS (cont'd)

5. Income from Donations and Legacies (cont'd)

	2025 £'000	2024 £'000
Other trading activities:		
Lettings	196	101
Hire of facilities	249	266
Functions/Concert income	75	118
Solar panels	22	21
Rental	8	26
Surplus/(Deficit) on fixed asset disposals	2	(4)
	552	528

6. Income from investments

	2025 £'000	Group 2024 £'000	2025 £'000	School 2024 £'000
Interest from short-term deposits	95	80	90	74
Income earned on endowment funds	26	23	-	-
	121	103	90	74

7. Expenditure

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2025 £'000	Total 2024 £'000
Expenditure on raising funds:					
Fundraising trading costs	324	171	-	495	496
Foundation operating costs	78	70	-	148	102
Total expenditure on raising funds	402	241	-	643	598
Expenditure on charitable activities:					
Teaching costs	7,821	337	74	8,232	8,235
Welfare costs	1,094	260	-	1,354	1,209
Premises – general	1,883	2,402	545	4,830	4,634
Premises – non recurring projects	-	3	-	3	3
Support costs	2,458	1,449	-	3,907	3,776
School activities	-	796	-	796	958
Ancillary trading	85	219	-	304	388
Total expenditure on charitable activities	13,341	5,466	619	19,426	19,203

NOTES TO THE ACCOUNTS (cont'd)

7. Expenditure (cont'd)

	Staff costs	Other	Depreciation	Total	Total
	£'000	£'000	£'000	2025	2024
	£'000	£'000	£'000	£'000	£'000
Other expenditure:					
Other expenditure	-	2	-	2	4
Total expenditure	13,743	5,709	619	20,071	19,805

8. Support costs

	Costs of generating funds	Other charitable activities	Total	Total
	£'000	£'000	2025	2024
	£'000	£'000	£'000	£'000
Staff costs:		402	2,458	2,860
Other support costs:				
Staff expenses/development	-	75	75	106
Office	241	1,069	1,310	1,195
Professional advice	-	120	120	91
Finance costs	-	155	155	179
<i>Services provided by the School's auditor:</i>				
Fees payable for the audit (including the Foundation)	-	29	29	26
Fees payable for the Teachers' Pension Certificate	-	1	1	1
		643	3,907	4,550
				4,374

Included within the support costs are governance costs of £68k (2024: £122k), which mainly comprise the costs of administering the School, auditor's remuneration and Governing Body meeting expenses.

9. Staff numbers and costs

The monthly average headcount number of persons employed by the Group during the year, analysed by category, was as follows:

	2025	2024
Teaching staff	176	164
Non-teaching staff	265	246
	441	410

NOTES TO THE ACCOUNTS (cont'd)

9. Staff numbers and costs (cont'd)

The aggregate payroll costs of these persons were as follows:

	2025	2024
	£'000	£'000
Wages and salaries	10,756	10,651
Redundancy & termination payments	104	-
Social security costs	1,164	1,004
Pension costs (see note 23)	1,719	1,683
	<hr/>	<hr/>
	13,743	13,338

The number of employees earning in excess of £60,000 gross salary per year:

	2025	2024
	£'000	£'000
£160,001 - £170,000	1	1
£130,001 - £140,000	1	-
£120,001 - £130,000	-	1
£80,001 - £90,000	3	2
£70,001 - £80,000	1	2
£60,001 - £70,000	21	5

Of the above employees, 9 (2024: 10) were members of the Teachers' Superannuation Pension Scheme which is a defined benefit scheme. The School's contribution to this was £197k (2024: £199k). The remaining 17 employees (2024: 1) were members of a money purchase pension scheme for which the School's contribution was £157k (2024: £13k).

None of the Governing Body received any emoluments or benefits during the year (2024: Nil). See note 28 for further information. The total amount earned by the Senior Management Team for the year was £746k (2024: £723k).

Settlement payments of £2k (2024: £Nil) were made to 1 (2024: 0) employee in the year.

NOTES TO THE ACCOUNTS (cont'd)

10. Net income before transfers

	2025	2024
	£'000	£'000
Net income before transfers is stated after charging:		
Services provided by the School's auditor:		
Audit Fees		
- School	29	26
- Foundation (included in the School Audit Fee)	-	-
Other services		
- Music and Dance Scheme grant audit	1	-
- Teachers' Pension certificate audit	2	1
- VAT Consultancy	6	-
- School Corporation Tax return	2	-
- Foundation Corporation Tax return	2	-
Rentals payable under operating leases		
- Land and buildings	91	91
- Other	180	164
Depreciation		
- Owned assets	605	620
- Leased assets	14	14

11. Interest payable

	2025	2024
	£'000	£'000
Interest on bank loans and overdraft	155	183

NOTES TO THE ACCOUNTS (cont'd)

12. Tangible Fixed Assets

Group and School	Freehold Land & buildings £'000	Assets in the course of construction £'000	Leasehold land & buildings £'000	Information & computer technology equipment £'000	Fixtures fittings, machinery, & musical instruments £'000	Motor vehicles £'000	Total £'000
Cost							
At 1-9-24	25,238	65	1,571	475	3,032	35	30,416
Additions	44	-	145	7	75	-	271
Transfer	(265)	(47)	111	-	201	-	-
Disposals	-	-	-	(91)	(17)	(10)	(118)
At 31-8-25	25,017	18	1,827	391	3,291	25	30,569
Depreciation							
At 1-9-24	4,259	-	961	339	2,262	32	7,853
Charge	379	-	51	36	153	-	619
Transfer	(31)	-	11	-	20	-	-
Disposals	-	-	-	(91)	(17)	(10)	(118)
At 31-8-25	4,607	-	1,023	284	2,418	22	8,354
Net book value							
At 31-8-25	20,410	18	804	107	873	3	22,215
At 31-8-23	20,979	65	610	136	770	3	22,563

The School has a finance lease on properties leased from Wells Cathedral, which date back to 1983. Due to the age of the lease, there is insufficient data to be able to accurately disclose the net amount of the associated asset and depreciation for the year. This is not considered to be material to the financial statements.

There is £662k (2024: £662k) in leasehold land and buildings which relates to long term lease improvements.

The £18k (2024: £65k) in "assets in the course of construction" is the continued capitalisation of the "New Entrance"; Nursery improvements; and, Sixth Form development.

NOTES TO THE ACCOUNTS (cont'd)

13. Investments

Group	2025	2024
Non-current investments	£'000	£'000
Investment management portfolio comprises:	1,367	1,303

The investments are represented by the following funds:

Endowed funds £1,185,091 (2024: £1,127,980)

Restricted funds £181,677 (2024: £175,022)

The investments consist of a portfolio of equities, funds, bonds and cash managed by Evelyn Partners, the majority of which comprise UK assets. They are categorized as non-current assets as they are held for longer than twelve months.

The objective of the portfolio is to grow the capital over time, such that, in the future, the portfolio is of sufficient size to meaningfully contribute towards the advancement of education. The portfolio achieved a positive return, net of all costs, of 6.1% over the twelve months to the end of August, compared with a return of 12.3% in the prior year. Over the same timeframe the MSCI PIMFA Growth Index increased by 10.5%. The portfolio of investments was well balanced and diversified in line with the agreed medium level of risk and the criteria set out in the wider investment policy. It should be noted that equity indices remain heavily concentrated in a small number of interconnected digital businesses which are perceived to be beneficiaries of Artificial Intelligence, and over this twelve-month period market index performance was primarily driven by these companies. Since the end of August the portfolio has been liquidated in order to provide a cash reserve.

Group	2025	2024
	£'000	£'000
Investments at valuation		
At 1 September 2024	1,303	1,161
Additions at cost	186	310
Disposal proceeds	(521)	(276)
Gain/(Loss) on investment portfolio	43	125
Cash management movement	354	(16)
Gain/(Loss) on cash	2	(1)
	1,367	1,303

These balances can be further analysed as:

Cash held	365	11
Investments	1,002	1,292

At 31 August 2025	1,367	1,303
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NOTES TO THE ACCOUNTS (cont'd)

14. Stocks

These consist of catering supplies and school shop supplies.

15. Debtors

	2025	Group	2025	School
	£'000	2024	£'000	2024
		£'000		£'000
Trade debtors – amounts due from parents	5,034	777	5,034	777
Other debtors	173	186	173	141
Prepayments	351	389	344	389
	5,558	1,352	5,551	1,307

Amounts due from parents' balance includes fees raised in the year in respect of Autumn 2025 fees recognised at the VAT tax point. The corresponding entry is included within Accruals and deferred income and Taxation and social security in Creditors.

16. Creditors: amounts falling due within one year

	2025	Group	2025	School
	£'000	2024	£'000	2024
		£'000		£'000
Bank loans and overdrafts	155	136	155	136
Fees received in advance	1,211	1,496	1,211	1,496
Pupil deposits	1,105	1,291	1,105	1,291
Fees In Advance Scheme	618	650	618	650
Trade creditors	90	62	90	62
Taxation and social security	1,071	224	1,071	224
Finance lease	11	27	11	27
Other creditors	568	586	568	576
Accruals and deferred income	4,060	692	4,047	689
	8,889	5,164	8,876	5,151

**Fees In Advance Scheme:
Group and School**

	2025	2024
	£'000	£'000
At 1 September 2024	2,398	1,375
New contracts	268	1,323
Refunds issued	(278)	-
Amounts utilised in payment of fees to the School	(664)	(300)
At 31 August 2025	1,724	2,398

NOTES TO THE ACCOUNTS (cont'd)

16. Creditors: amounts falling due within one year (cont'd)

Fees In Advance Scheme received – aged breakdown: Group and School	2025 £'000	2024 £'000
Fees falling due within:		
- 1 year	618	650
- 1-2 years	414	517
- 2-5 years	448	881
- After 5 years	244	350
	1,724	2,398

17. Creditors: amounts falling due after one year

Group and School	2025 £'000	2024 £'000
Bank loan	2,252	2,413
Finance lease	-	11
Fees In Advance Scheme	1,106	1,748
	3,358	4,172

Bank loans are instalment debts and fees received in advance are non-instalment debts.

There are three (2024: three) bank loans secured on School properties.

The capital for the loans is repayable in monthly instalments which vary from £1k to £10k. The interest rates on these loans vary from 0.9% to 1.95% above base rate. There is an interest offset arrangement in place with the bank for two of the loans whereby a sweep of the loans and cash balances is made daily. A net interest adjustment is then made reflecting the balance of interest received on cash held and the interest to be paid on the outstanding loan balances.

The bank loans are repayable as follows:

Group and School	2025 £'000	2024 £'000
Within:		
1 year	155	136
1 – 2 years	164	145
2 – 5 years	550	498
After 5 years	1,538	1,770
	2,407	2,549

NOTES TO THE ACCOUNTS (cont'd)

18. Endowment funds

Group	Alan		Ashley				Total	
	Chandler fund £'000	Quilter fund £'000	Dulverton fund £'000	Carnegie fund £'000	Vandervell fund £'000	Jones Bursary fund £'000		
At 1-9-24	80	6	40	25	249	14	710	1,124
Additions	-	-	-	-	-	-	17	17
Gain on investment	-	-	-	-	-	-	34	34
At 31-8-25	80	6	40	25	249	14	761	1,175

The Chandler fund represents an endowment, the income from which is to be used for music bursaries.

The Alan Quilter fund provides scholarships and bursaries.

The Dulverton fund is to fund bursaries for former boy choristers at Wells Cathedral.

The Carnegie fund is to fund a folk singing scholarship.

The Vandervell fund is to fund scholarships and bursaries.

The Ashley Jones fund represents an endowment, the income from which is to be used to fund bursaries.

The Bursary fund represents donations which are to be used to fund bursaries.

Comparative statement of Endowment Funds for the year ended 31 August 2024

Group	Alan		Ashley				Total	
	Chandler fund £'000	Quilter fund £'000	Dulverton fund £'000	Carnegie fund £'000	Vandervell fund £'000	Jones Bursary fund £'000		
At 1-9-23	80	6	40	25	249	14	588	1,002
Additions	-	-	-	-	-	-	14	14
Gain on investments	-	-	-	-	-	-	108	108
At 31-8-24	80	6	40	25	249	14	710	1,124

NOTES TO THE ACCOUNTS (cont'd)

19. Restricted Funds

Group and school	Project fund £'000	Bursary fund £'000	Capital fund £'000	Other fund £'000	School fund £'000	Consolidated fund £'000	Foundation fund £'000	Group Total £'000
Donations and other receipts	-	-	61	-	61	(30)	110	141
Expenditure	-	-	-	-	-	30	(39)	(9)
Surplus/(Deficit) for year	-	-	61	-	61	-	71	132
Transfers At 1-9-24	-	-	17	-	17	-	9	26
	74	71	3,484	309	3,938	88	419	4,445
At 31-8-25	74	71	3,562	309	4,016	88	499	4,603

The Project Fund comprises funds from the DfE in respect of specific education based projects with State sector schools.

The Bursary Fund represents restricted bursaries received and awarded during the year.

The Capital Fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust ("the Trust") and transferred to the School prior to 2005, and contributions by the Trust towards capital projects undertaken by the School. This Trust closed in July 2005. The Capital Fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

The Other Fund comprises funds from the Foundation and other specific educational based projects such as Sierra Leone.

The transfers from the Restricted Fund of £26k (2024: £124k) comprise the following:

	2025 £'000	2024 £'000
Transfer from the Designated Asset Fund to Capital Fund for assets Funded by Friends of Music and the Foundation	26	97
Transfer from revenue fund in respect of restricted bursaries from the Foundation	-	27
Total	26	124

NOTES TO THE ACCOUNTS (cont'd)

19. Restricted Funds (cont'd)

Comparative Statement of Restricted Funds for the year ended 31 August 2024:

Group and school

	Project fund £'000	Bursary fund £'000	Capital fund £'000	Other fund £'000	School fund £'000	Consolidated fund £'000	Foundation fund £'000	Group Total £'000
Donations and other receipts	-	-	155	-	155	(111)	49	93
Expenditure	-	-	(10)	-	(10)	102	(106)	(14)
Surplus/(Deficit) for year	-	-	145	-	145	(9)	(57)	79
Transfers	-	-	124	-	124	-	20	144
At 1-9-23	74	71	3,215	309	3,669	97	456	4,222
At 31-8-24	74	71	3,484	309	3,938	88	419	4,445

20. Unrestricted Funds

	Balance at Sept 2024 £'000	Interest £'000	Incoming £'000	Outgoing £'000	Transfer £'000	Balance at Aug 2025 £'000
Group						
Revenue Fund	(5,265)	95	18,818	(19,528)	(413)	(6,293)
Designated Fund	19,692	-	-	(525)	396	19,563
	14,427	95	18,818	(20,053)	(17)	13,270
School						
Revenue Fund	(5,314)	90	18,802	(19,511)	(413)	(6,346)
Designated Fund	19,610	-	-	(506)	396	19,500
	14,296	90	18,802	(20,017)	(17)	13,154

The transfer deficit of £413k (2024: £893k) is the accumulation of the restricted fund £17k (2024: £124k) and the Designated Fund £396k (2024: £769k).

NOTES TO THE ACCOUNTS (cont'd)

20. Unrestricted Funds (cont'd)

Comparative Statement of Unrestricted Funds for the year ended 31 August 2024

	Balance at Sept 2023 £'000	Interest £'000	Incoming £'000	Outgoing £'000	Transfer £'000	Balance at Aug 2024 £'000
Group						
Revenue Fund	(4,450)	81	19,274	(19,277)	(893)	(5,265)
Designated Fund	19,432	-	-	(509)	769	19,692
	14,982	81	19,274	(19,786)	(124)	14,427
School						
Revenue Fund	(4,528)	74	19,223	(19,275)	(808)	(5,314)
Designated Fund	19,432	-	-	(506)	684	19,610
	14,904	74	19,223	(19,781)	(124)	14,296

21. Financial Instruments

Financial assets that are measured at fair value:

	2025 £'000	Group 2024 £'000
Investments	1,367	1,303

22. Commitments

Group and School

Operating leases

The total commitments under non-cancellable operating leases were as follows:

	Land and buildings £'000	2025 Other £'000	Land and buildings £'000	2024 Other £'000
Operating lease commitments:				
In less than one year	77	175	91	197
In the second to fifth years inclusive	-	194	-	387
	77	369	91	584

NOTES TO THE ACCOUNTS (cont'd)

22. Commitments (cont'd)

The leases of land and buildings are subject to rent reviews which occur over 1 to 7 years. The rent for the properties in Vicars Close is £69,800 per annum (2024: £69,800). The leases on 17 and 18 Vicars Close expired in June 2024 and the leases on 16 and 26 Vicars Close expired in September 2024.

Finance leases

The total commitments under non-cancellable finance leases were as follows:

	2025	2024		
	Land and buildings	Other Land and buildings	Land and buildings	Other
	£'000	£'000	£'000	£'000
Finance lease commitments:				
In less than one year	140	11	140	27
In the second to fifth years inclusive	257	-	397	11
	397	11	537	38

Commitments under finance leases relate to the rental properties from Wells Cathedral. The lease agreement dated back to 1983 and there is insufficient data to be able to accurately disclose the finance lease creditor amount. This is not considered to be material to the financial statements.

23. Pension Scheme

The School operates three pension schemes.

a) Teachers

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,141k (2024: £1,989k) and at the year-end £117k (2024: £162k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023. The Valuation Report shows notional assets of £222.2bn and liabilities of £262bn, resulting in a scheme deficit of £39.8bn.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

NOTES TO THE ACCOUNTS (cont'd)

23. Pension Scheme (cont'd)

- b) Teaching staff
Teaching staff are given the option to be members of a defined contribution scheme.
- c) Non-teaching staff
Most of the non-teaching staff are members of a defined contribution scheme.

The pension cost charge for the year represents contributions payable by the School to the funds (Employer's Contribution) analysed as follows:

	2025	2024
	£'000	£'000
Non-teaching staff	232	232
Teaching staff	1,487	1,451
	<hr/> 1,719	<hr/> 1,683
Contributions outstanding at 31 August were as follows:		
Non-teaching staff	31	32
Teaching staff	155	162
	<hr/> 186	<hr/> 194

24. Reconciliation of net movement in funds to net cash outflow from operating activities

	2025	2024
	£'000	£'000
Net movement in funds	(948)	(210)
Adjustments for:		
Depreciation	619	634
Loss on sale of fixed assets	-	6
Cash held for re-investment	(27)	11
(Gain)/Loss on investments	(43)	(125)
Increase in stocks	(1)	(8)
(Increase)/Decrease in debtors	(4,206)	319
Increase in creditors	3,053	1,277
Income from investments	(90)	(103)
Interest payable	155	179
	<hr/> (1,488)	<hr/> 1,980

NOTES TO THE ACCOUNTS (cont'd)

25. Analysis of changes in cash balances

	Sep 2024 £'000	Cash flows £'000	Aug 2025 £'000
Cash in hand and at bank	4,099	(1,960)	2,139
Cash held by investment manager	11	354	365
Debt due within one year	(136)	(19)	(155)
Debt due after one year	(2,413)	161	(2,252)
Total	1,561	(1,464)	97

26. Reconciliation of Net Debt

	2025 £'000	2024 £'000
Increase in cash in the year	(1,606)	1,072
Cash inflow from repayment of loans	142	129
Change in net funds resulting from cash flow	(1,464)	1,201
Net debt at start of year	1,561	360
Net debt at end of year	97	1,561

NOTES TO THE ACCOUNTS (cont'd)

27. Allocation of Net Assets for the year ended 31 August 2025

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

Group	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Total £'000
Endowment Funds	1,175	-	-	1,175
Restricted Funds	5,826	(1,223)	-	4,603
Unrestricted Funds	16,581	47	(3,358)	13,270
	23,582	(1,176)	(3,358)	19,048

School	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Total £'000
Restricted Funds	5,371	(1,355)	-	4,016
Unrestricted Funds	16,844	(332)	(3,358)	13,154
	22,215	(1,687)	(3,358)	17,170

Comparative Statement of Allocation of Net Assets for the year ended 31 August 2024

Group	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Total £'000
Endowment Funds	1,124	-	-	1,124
Restricted Funds	5,612	(1,167)	-	4,445
Unrestricted Funds	17,130	1,469	(4,172)	14,427
	23,866	302	(4,172)	19,996

NOTES TO THE ACCOUNTS (cont'd)

27. Allocation of Net Assets for the year ended 31 August 2024 (cont'd)

School	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Total £'000
Restricted Funds	5,452	(1,514)	-	3,938
Unrestricted Funds	17,111	1,357	(4,172)	14,296
	22,563	(157)	(4,172)	18,234

28. Related Parties

a) Connected Persons

The Chapter of Wells Cathedral ("the Chapter") is a connected person within the terms of the Charities SORP. At the School's Governors meeting in December the Members will include an agenda item to ratify the appointment of new Governors. The articles provide for four Chapter members to be Governors.

During the year:

- Rent was paid to the Chapter of £210k (2024: £210k) under a repairing lease expiring in 2063 in respect of certain School buildings. At the year end, there was a prepayment of £14k (2024: £14k).
- Property insurance was paid to the Chapter of £20k (2024: £Nil). At the year end, there was a prepayment of £Nil (2024: £Nil).
- The Chapter contributed £122k (2024: £98k) towards the fees of the Cathedral choristers.
- The School paid £42k (2024: £37k) to the Chapter in respect of the use of the Cathedral facilities for events.

Veale Wasbrough Vizards, of which a Governor is a partner, received £32k (2024: £80k) from the School; Patterson Bristol, of which a Governor is a shareholder, received £29k (2024: £57k) from the School; ABRSM, of which a Governor is a director, received £9k (2024: £9K); and Bristol Music Trust Ltd, of which a Foundation Trustee is a director, received £125 (2024: £Nil) from the School.

The School received bursaries of £13k (2024: £15k) from The Sir Keith Showering Trust, of which a Senior Management Team member is a Trustee.

The School received bursaries of £44k (2024: £52k) from The Wells Cathedral Chorister Trust, of which a Governor is a Trustee.

NOTES TO THE ACCOUNTS (cont'd)

28. Related Parties (cont'd)

b) Transactions with Governors and Trustees

During the year, 0 (2024: 2) of the Governors received reimbursement for expenses of £Nil (2024: £794).

During the year, 2 Governors (2024: 1) and 2 Trustees (2024: 1) were parents of pupils at the School and paid fees on the same terms as any other parent and received the benefits of Clergy and sibling discounts where appropriate.

c) Transactions with Wells Cathedral School Foundation

The Foundation, which is a charitable company registered in England & Wales (company number: 02804495) is not a directly owned subsidiary of the School, however, the results of the Foundation have been consolidated into the School's financial statements as the Foundation is indirectly controlled and influenced by the School.

The School has funded the initial set up costs of the Foundation and will fund certain ongoing costs of operation of the Foundation as agreed in the 'memorandum of understanding' between the School and the Foundation. In 2024/25, the Foundation's operating costs of £84k (2024: £70k) were recharged to the School.

During the year the School received £37k (2024: £138k) from the Foundation representing donations for bursaries and specific projects.

NOTES TO THE ACCOUNTS (cont'd)

29. The Wells Cathedral School Foundation

The Wells Cathedral School Foundation was established in 2007 as a separate but connected charity, charity number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School.

Registered and principal office: Wells Cathedral School, Limited
College Road
Wells
Somerset
BA5 2SX

A summary of its results for the year is shown below:

	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2025 £'000
Income:				
Income from charitable activities	25	110	105	240
Expenditure on raising funds	(9)	(38)	(121)	(168)
Unrealised gains/(losses) on investments	43	-	-	43
Net movement in funds	59	72	(16)	115
Transfers between funds	(9)	9	-	-
Balance brought forward	1,125	418	222	1,765
Balance carried forward	1,175	499	206	1,880

The net assets and liabilities were:

	2025 £'000
Fixed assets:	
Investments	1,367
Total current assets	536
Creditors: amounts falling due within one year	(23)
Net current assets	513
Net assets	1,880
Total charity funds	1,880

NOTES TO THE ACCOUNTS (cont'd)

29. The Wells Cathedral School Foundation (cont'd)

Comparative results for the year ended 31 August 2024:

	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2024 £'000
Income:				
Income from charitable activities	22	48	154	224
Expenditure on raising funds	(6)	(105)	(109)	(220)
Unrealised gains/(losses) on investments	125	-	-	125
Net movement in funds	141	(57)	45	129
Transfers between funds	(20)	20	-	-
Balance brought forward	1,003	456	177	1,636
Balance carried forward	1,124	419	222	1,765
The net assets and liabilities were:				2024 £'000
Fixed assets:				
Investments				1,303
Total current assets				472
Creditors: amounts falling due within one year				(10)
Net current assets				462
Net assets				1,765
Total charity funds				1,765

WELLS CATHEDRAL SCHOOL LIMITED

England & Wales - Charity number 310212

Accounts



WELLS CATHEDRAL SCHOOL, LIMITED

(A charitable company limited by guarantee)

GOVERNORS' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

Company Number: 00564883

Registered Charity Number: 310212

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REFERENCE AND ADMINISTRATIVE INFORMATION

Governors	Mr David Brown MA, OBE (Chair) Ms Julia Baker Prebendary Emeritus Barbara Bates BA, MA, FRSA Mr Simon Bernal-Palmer Mr Martin Cooke BEd The Revd Canon Dr Megan Daffern MA Hons (Oxon), MA Hons (Cantab), DPhil Mr Andrew Gummer LLB Mr Tim Lewis BA (Cantab), FCA Mrs Dorothy Nancekieveil MA, BMus, PGCE, Hon Aram Mr Robert Powell Mr Kris Robbetts MA, MSc Professor Jeffrey Sharkey BM, MM, MPhil Mrs Elizabeth Shelton SRN The Revd Canon Tim Stevens The Very Revd Toby Wright
Head Master	Alastair Tighe MA (Cantab)
Bursar & Clerk to the Governors (& Company Secretary)	Robert McCartney BSc (Hons), FCA
Registered & Principal Office	Wells Cathedral School The Bursary College Road Wells Somerset, BA5 2SX
Independent Auditor	Crowe U.K. LLP 4 th Floor St James House St James Square Cheltenham, GL50 2PR
Bankers	National Westminster Bank PLC 7 High Street Wells Somerset, BA5 2AD
Solicitors	Harris and Harris 14 Market Place Wells Somerset, BA5 2RE Veale Wasbrough Vizards LLP PO Box 3501 Bristol, BS2 2FL

REPORT OF THE GOVERNORS

The Governors of Wells Cathedral School, Limited ("the School") present their annual report for the year ended 31 August 2024 under the Charities Act 2011, together with the audited Consolidated Financial Statements for the year and confirm that they comply with the requirements of the Companies Act 2006, the School's Memorandum and Articles of Association and Accounting and Reporting by Charities' Statement of Recommended Practice (FRS 102) ("the Charities SORP").

Purpose and Charitable Objectives

The School has been in existence since 909AD. Its original purpose, which it still fulfills to this day, is to educate the Wells Cathedral choristers. Over time, the School has grown and now provides a family-oriented co-educational boarding and day education for 2-18 year olds which provides an all-round education alongside world-class specialist music training, including to the Choristers of Wells Cathedral. Its vision is to inspire every individual pupil to nurture their talents in a vibrant, creative, spiritual and stimulating environment to become a responsible global citizen.

The School aims to achieve its objectives and realise its vision through the application of the core principles set out in its Mission Statement by:

- **Encouraging** pupils intellectually to set themselves high expectations and aspirational goals;
- **Challenging** pupils to discover new passions and develop existing ones through active engagement in a range of co-curricular and sporting endeavours;
- **Delivering** a world-class specialist music and chorister education for those with particular talents;
- **Stimulating** pupils to be individuals in a uniquely creative and spiritually aware environment;
- **Empowering** pupils to be independent, resilient, confident and kind.

In addition, the School aims to instill in all its pupils our four Core Values, known as our CARE Values, which are Creativity, Aspiration, Responsibility and Endeavour, all of which are aimed to nurture and develop kind, caring and careful citizens.

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

- To advance education in accordance with the doctrine of the Church of England by such means as shall be exclusively charitable and by other associated activities for the benefit of the community;
- The carrying on and development of the School;
- To provide in particular for the training and education of the choristers of the Cathedral Church of St Andrew in Wells, and the other pupils of the School through instruction in every branch of learning, in citizenship, in outdoor pursuits and in arts and crafts of all kinds, and on the basis of Christian principles and in accordance with the doctrine of the Church of England to provide such pupils with spiritual, moral, mental and physical training; and
- To do all such other things as are incidental or conducive to the attainment of the Association's objects or any of them.

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

REPORT OF THE GOVERNORS (cont'd)

Charitable Benefit

The School's primary charitable benefit is the provision of education to the pupils at the School. The School is a co-educational learning community and its pupils consist of both boys and girls at all stages. There are no geographical restrictions upon prospective pupils and 129 pupils (2023: 133), about 18% of total pupils, (2023: 18% of total pupils) from 26 (2023: 29) different overseas nations were pupils during the year. Although education is in accordance with the doctrines of the Church of England, there is no religious restriction upon those who may be admitted and pupils of all faiths are welcomed, with many different religions represented amongst the pupil body. All pupils are assessed academically on entrance to enable appropriate provision for them, and auditions are held for prospective musicians and choristers. Beyond the curriculum offered by the School, charitable benefit is also generated from the following activities:

- Community work carried out by pupils in and out of School;
- Outreach and partnership work conducted by the School, in relation to music, sports and academic activities;
- Provision of School estate and support facilities for community use at cost recovery or reduced rates;
- Links with Schools and music academies and enterprises overseas (Sierra Leone, China including Hong Kong, Malaysia and throughout Europe) to enable the pupils to extend their community work abroad and to understand the needs of pupils in different countries; and
- Charitable fundraising.

Bursaries, Scholarships and Discounts

The School does not have substantial reserves or endowments and relies upon its annual fee income and Foundation fundraising to support its activities. Although fees are payable by parents, an extensive bursary and scholarship support is provided to pupils. The School seeks to provide as many means tested bursaries and scholarships as can be sustained by its annual fee income. Bursaries are reviewed after each phase of education by the School. During the year, the School provided fee remissions of £4,294k (2023:£3,927k), which comprises bursaries of £1,369k (2023:£1,259k), scholarships of £531k (2023:£517k), a subsidy to pupils participating in the Music and Dance Scheme of £1,369k (2023:£1,199k), and £998k (2023:£929k) of discounts (supporting members of the armed forces, clergy, siblings, Old Wellensians, employees and children of ex-choristers of the School). The School also received £27k (2023: £23k) from The Wells Cathedral School Foundation ('the Foundation').

Governance

The School is registered with the Charity Commission and was incorporated in 1956 as a registered company, Limited by Guarantee.

REPORT OF THE GOVERNORS (cont'd)

The Governing Body

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

Mr David Brown MA, OBE

Ms Julia Baker (appointed 10 July 2024) ●

Prebendary Emeritus Barbara Bates BA, MA, FRSA \$◇

Mr Simon Bernal-Palmer * (appointed 10 July 2024)

Mr Andrew Campbell-Orde FCCA* (resigned 24 June 2024)

Mr Martin Cooke BEd ◇\$◇

The Revd Canon Dr Megan Daffern MA Hons (Oxon), MA Hons (Cantab), DPhil, Canon Chancellor of Wells ◇ (appointed 25th September 2023)

Mr Andrew Gummer LLB *#

Mr Tim Lewis BA (Cantab), FCA *●

Mr Harry Musselwhite, BA, FKC * (resigned 6 September 2024)

Mrs Dorothy Nancekieveil, MA, BMus, PGCE, Hon Aram ◇

Mr Robert Powell \$●◇

Mr Kris Robbetts, MA, MSc ●

Professor Jeffrey Sharkey BM, MM, MPhil ◇

Mrs Elizabeth Shelton, SRN \$

The Revd Canon Tim Stevens (appointed 10 July 2024) \$◇

The Very Revd Toby Wright (appointed 10 July 2024) ●

** Members of the Finance and Audit Committee*

\$ Members of the Pastoral and Recreation Committee

◇ Members of the Academic Committee

● Members of the Development Committee

○ Members of the Chorister Sub Committee

Parent of a pupil at Wells Cathedral School

The Governing Body currently comprises three members of the Chapter of Wells Cathedral, two of which are anticipated to be the Dean and the Precentor, and up to fifteen lay members who are appointed by the Chapter.

The lay Governors are appointed for three years and retire by rotation.

Group Structure and Relationships

The Wells Cathedral School Foundation ('the Foundation') was established in 2007 as a separate but connected charity, number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School. The Foundation's objects are to advance the education of pupils at the School by means of:

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

REPORT OF THE GOVERNORS (cont'd)

The Foundation's income is from charitable gifts, plus the related gift aid where applicable, from individuals, grant giving trusts and foundations, as well as from savings interest and returns on investments. During the year the Foundation received £224k (2023: £228k) in income and made donations to the School of £138k (2023: £53k) towards bursaries and specific projects.

Whilst the Foundation produces its own separate audited Financial Statements, these Financial Statements are then incorporated with the Financial Statements of the School into the consolidated Financial Statements of the Group.

Recruiting and Training of Governors

The School's Lay Governors are appointed by the Chapter of Wells Cathedral on the basis of nominations agreed between the Chair and the Head Master with regard to the Governing Body's requirements concerning eligibility, personal competence, specialist skills and availability for meetings. A small sub-committee of Governors (the Succession Planning Committee) meets with the Head Master on a regular basis to consider vacancies, names and succession. Checks are made in accordance with Charity Commission direction on each candidate's ability and suitability to serve as a Governor/Charity Trustee. Consideration is taken of any existing or potential conflicts of interest and of their suitability to serve as a Trustee in accordance with the requirements of the Charity Commission and other relevant bodies. The necessary checks from the Disclosure and Barring Service are obtained and other checks consistent with the Independent Schools Inspectorate ('ISI') and Charity Commission direction are conducted. New Governors are inducted into the workings of the School, including Governing Body policy and procedures, by the Chair, the Head Master, the Bursar and the Assistant Clerk to the Governors. The training needs of the Governors are continually assessed and relevant updating sessions are provided, including, but not limited to, development activities provided through membership of the Association of Governing Bodies of Independent Schools (AGBIS).

Charity Governance Code

All Governors of the School:

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

The Governors are familiar with, and acknowledge, the updated version of the Charity Governance Code published in August 2020.

Fundraising Disclosures

The School had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Over the last year the Foundation has undertaken fundraising activities, as in previous years, using its database. These fundraising activities have been undertaken by staff employed by the Foundation and no external persons have been used. The Foundation voluntarily subscribes to the Fundraising Regulator which holds the Foundation to the Code of Fundraising Practice. Over the course of the financial year there have been no failures to comply with the Code, nor have any complaints been received.

REPORT OF THE GOVERNORS (cont'd)

Safeguarding Policy

In order to protect vulnerable people the Governing Body and Trustees of the Foundation comply with the School's safeguarding policy to report concerns of abuse. All members of staff, as well as Governors, receive regular safeguarding training, and safeguarding is an agenda item at all Governors' meetings. This allows Governors and staff members to raise and be aware of any concerns.

Indemnity Insurance

As permitted by the Articles of Association, the Directors are the beneficiaries of a qualifying third party indemnity as defined by Section 234 of the Companies Act 2006. The School also purchased and maintained throughout the financial year Governors' and Officers' liability insurance in respect of itself, its Governors and the Trustees of the Foundation. The cost of insurance is included in the cost of public liability cover which amounted to £29k (2023: £10k) in the year for the Group.

Statement of Going Concern

The School closely monitors its cash flows and has maintained an overdraft facility of £750k to ensure that it remains a going concern. The School has successfully managed its operating costs in order to limit the extent of the deficit. The School has agreed with the Bank to revise the overdraft facility over the next twelve months to provide sufficient facilities that accommodate the anticipated cash flow limitations over that period.

In consideration of the presumption of going concern as the basis for the preparation of the report and Financial Statements, the Governing Body has concluded that no material uncertainties have been identified that may cast significant doubt on the ability of the School to continue as a going concern. The Governors therefore have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the Financial Statements.

Organisational Management

The School's Governors are legally responsible for the overall management and control of the School. The full Governing Body meets at least four times a year. It is responsible for determining the aims, strategy and overall conduct of the School and is accountable for the discharge of its responsibilities to pupils, parents and staff. The work of implementing the policies is carried out by a series of committees:

Finance and Audit Committee: This committee meets four times a year, usually two weeks before a full meeting of the Governing Body, and was chaired by Andrew Campbell-Orde and now by Simon Bernal-Palmer. Its main roles are to:

- consider, monitor, challenge and recommend the annual budgets and fee increases to the board;
- monitor and direct in-year expenditure;
- authorise capital expenditure;
- scrutinise the statutory Financial Statements and recommend them to the Governing Body;
- appoint and appraise the performance of the external auditor;
- scrutinise, monitor, challenge and endorse proposals for staffing and staff remuneration; and
- monitor and advise on the School's human resources function.

Academic Committee: This committee meets three times a year, and is chaired by Martin Cooke. Its objectives are to:

- scrutinise, challenge, support and monitor the School's educational aims; and
- help the School develop new and appropriate ones.

REPORT OF THE GOVERNORS (cont'd)

Pastoral and Recreation Committee: This committee meets three times a year, and is chaired by Prebendary Emeritus Barbara Bates. Its objectives are to:

- monitor and advise in all matters relating to pupil welfare and wellbeing, including matters concerning safeguarding;
- monitor and advise on matters relating to staff welfare;
- review the School's provision of extra-curricular activities, including trips; and
- review and monitor the School's boarding provision.

Development Committee: This committee meets three times a year, and is chaired by Robert Powell. This committee:

- challenges, advises and supports the Head Master in all matters concerning plant, grounds and non-core trading in order to meet the educational needs of the School; and
- monitors and supports the work of the Foundation.

Chorister Sub-Committee: This sub-committee meets three times a year and includes the Cathedral Director of Music, the Assistant Organist and the School's Chorister Tutor. It was chaired by the Acting Precentor of Wells Cathedral, the Reverend Canon Mary Bide. It oversees, monitors and plans all matters to do with the Choristers' life and programme.

The running of the School is delegated to the Head Master, supported by his Senior Management Team. The Head Master reports directly to the Governors, as does the Bursar through the Head Master but with direct access to the Governors for matters relating to the roles of Company Secretary and Clerk to the Governors. The Head Master attends all meetings and committees of the Governors, and members of the Senior Management Team attend meetings according to their responsibilities and at the direction of the Head Master and Clerk to the Governors.

Senior Management Team

During the year the Senior Management Team were:

Head Master	Mr Alastair Tighe MA (Cantab)
Bursar & Clerk to Governors	Mr Robert McCartney BSc (Hons), FCA
Head of Prep School	Mr Jody Wells BEd Hons
Head of Pre-Prep Development	Mrs Rebecca Perdrix BSc (Hons), MA Ed
Director of Music	Mr Alexander Laing MA (Cantab,) DPS
Deputy Head (Pastoral) and Designated Safeguarding Lead	Mr Martin Ashton BA (Hons), PGCE
Deputy Head (Academic)	Mrs Natalie Perry BSc (Hons), MSc, PGCE
Director of Marketing and Admissions	Ms Lucy Llewelyn BEd (Hons) HND (appointed 1 July 2024)
Director of Marketing and Admissions	Mr John Fosbrook BA (Hons), MA (resigned 5 April 2024)

When setting the remuneration and pay structure of the Senior Management Team, a comprehensive benchmarking exercise is undertaken, using Baines Cutler salary benchmark. Governors agree the Head Master's salary and the Head Master agrees the Senior Management Team's salary in consultation with the Governors.

REPORT OF THE GOVERNORS (cont'd)

Volunteers

The School continues to be grateful to the Parents and Friends' Association for the funds it makes available for desirable and useful extras throughout the School and its contribution in arranging social occasions. Also to the Friends of Music of Wells Cathedral School for their constant support for music in the School and for the funding they make available for instruments, musical commissions, etc. It is also grateful to the Board of Wells Cathedral School Hong Kong Music Society, which raises funds in Hong Kong to support Hong Kong scholars at Wells, and to the Trustees of the Wells Cathedral School Foundation.

Employees

Staff in their respective areas (teaching or support) attend regular term meetings/forums to discuss current whole School issues, where they are encouraged to have a voice and participate. They are regularly updated on the current developments of the School including the School's estate projects and its financial position.

The School demonstrates best practice by following a comprehensive recruitment/retention process to ensure equal opportunities for all. Once appointments are made, regular professional development reviews are undertaken to allow all staff to develop their careers further, through training and reflective practice. This includes career development and promotion of disabled people and the continuing employment and training of employees who have become disabled whilst employed by the School. The School has demonstrated how it values all staff by making reasonable adjustments to individuals' work commitments, to enable them to carry out their duties to the best of their ability. If they experience long term health problems and wish to return to work, assistance is provided to aid their recovery. Coaching and counselling services are available for staff.

STRATEGIC REPORT

The Strategic Vision for the School sets out our Key Strategic Focuses as being:

- to develop all-round character and talent of pupils
 - creating a safe, beautiful and stimulating environment
 - cultivating passions
 - generating community-spiritedness and global awareness
- to provide an all-round education
 - excelling academically
 - excelling musically
 - excelling co-curricularly
- to be responsible stewards for the future
 - providing effective budgeting
 - providing strategic estate management
 - fostering the Wellensian Community

The information provided throughout this report gives an overview of how the School is meeting its Key Strategic Focuses. School publications provide further insight and are available from the School and our website.

REPORT OF THE GOVERNORS (cont'd)

Review of Developments, Activities and Achievements

The School roll (excluding Nursery) was 727 (average) during 2023-24; the Senior School was, in effect, full with some limited room for growth in the Prep School.

During the 2023-24 academic year the School received numerous awards including an Optimus Education Wellbeing Award, winners of the Muddy Stilettos 'Dynamic Performing Arts (Prep School)' award, finalist in the Independent School of the Year Awards for 'Performing Arts (Prep School)', finalist in Talk Education Awards 'Best Use of Technology' and finalist in School House Awards 'Pastoral Wellbeing' category.

In line with the national picture, GCSE and A Level results in August 2024 returned to pre-Covid levels, although we were pleased to see an increase in the percentage of A level pupils gaining A* grades compared to 2019, and likewise an increase in the percentages of Grades awarded at 9, 9-7 and 9-6 at GCSE. Three quarters of our departing Upper Sixth pupils have gone on to a Russell Group or other leading university or conservatoire and almost 80% secured a place at their first choice university or conservatoire. At A level, 14% of grades were awarded at A*, 33% A*-A and 84% at A*-C. At GCSE level, 13% of all grades awarded were Grade 9; 48% of all grades fell within the Grade 9 to 7 range (equivalent to A* to A under the old system) and 91% were in the range Grade 9 to 4 (A* to C equivalent).

Musically, the School continued to excel, with almost all our leaving Specialist Music pupils choosing to go onto Music Conservatoires in August 2024, the majority doing so on scholarships. Significant numbers of pupils were selected to perform with national music ensembles, including the National Youth Orchestra and National Youth Choir, and secured considerable success in local, national and international competitions. 6 musicians made it to the final 50 of the 2024 BBC Young Musician of the Year Competition and one pupil to the final six. Another pupil was winner of the BBC Chorister of the Year (Junior) Competition.

Nearly 40 pupils represented their county, region or country in their chosen sport (including three pupils representing Wales and Northern Ireland). The Girls' 1st Hockey Team were runners up in the Tier 2 National Independent Schools Hockey Cup. All pupils have been engaged in an active sporting provision, with many of them representing the School in competitive fixtures.

Drama continues to have a strong presence in the School, with highlights including the Senior School productions of *Treasure Island*, *Romeo and Juliet* and *As You Like It* and the Prep School's production of *The Addams Family* in Cedars Hall, as well as the Pre-Prep's numerous productions across the year.

The Combined Cadet Force ('CCF') continues to have an active presence in the School, and numerous pupils completed either the Bronze, Silver or Gold, Duke of Edinburgh Award Scheme qualifications.

The School's provision of pastoral care continues to be a priority for the School, with the aim of giving all pupils the encouragement and support necessary to ensure they are enabled not only to 'be what you are' (*Esto Quod Es*) in the words of the School motto, but become the best they can be. This aim is threaded through our discourse whenever possible. Pupils should have a sense of belonging and be contented, balanced and confident individuals who have the necessary tools to be able to live safe, healthy and fulfilling lives. They should have a high level of spiritual awareness, emotional intelligence and self-control and also be active and responsible citizens who make a positive contribution to the School and wider world. They should be possessed of a good moral compass and a strong sense of honesty and integrity, and be equipped to work in partnership and in teams. The School's Mental Health Counsellors and Mental Health Practitioner continue to work effectively and 43 Teaching and Support staff have been trained up as Mental Health First Aiders.

REPORT OF THE GOVERNORS (cont'd)

Cedars Hall, our state of the art performance venue, continues to be an integral asset both for the School and in the cultural life of the City of Wells and the South West of England. The School has hosted the public for world-class classical, jazz, pop and commercial music performances, art exhibitions, drama productions, lectures and other important festivals including The Wells Festival of Literature and The Wells Comedy Festival. It is also in continued demand as a top-calibre recording venue admired by, among others, the BBC.

The School continues to maintain its historic and beautiful estate and is undertaking condition surveys of its buildings with a view to generating a strategic masterplan for the utilisation and maintenance of the site and possible new buildings.

Old Wellensian activities remain buoyant. In addition to the annual London Reunion at the RAF Club, the Wellensian Association marked its centenary with a very well-attended summer reunion at the School. Regular bulletins and other communications have been issued as well.

Public Benefit

The School has sought to maximise its public benefit via a variety of activities. Among these have been:

- The provision of substantial levels of bursaries to ensure access to the School is as wide as possible
- Delivering the Government's Music and Dance Scheme provision for our allocation of MDS-funded musicians
- Making Cedars Hall and other School venues available to the local community, both in terms of performances and events but also for charity and other private events
- The running of parent and toddler session in term-time
- Running instrument 'taster days', joint concert collaborations and an A level Music Study Day
- Inviting local school pupils to matinee drama and concert performances
- Running numerous sporting community projects for local sports children
- Hosting a number of 'Be a Mathematician' days as well as a Primary School Maths Festival
- Hosting a Religious Studies Conference for local schools
- Hosting a Head of Schools Conference for pupil leaders in local schools
- Running ever-popular Music Summer Courses open to young people nationally and internationally in all the key music disciplines
- Holding charitable collections in school for local, national and international causes, including the annual School Save the Children Walk, Christmas Cards for local care home residents and our pupil-led Event on the Lawn performance to raise funds for our partner school in Sierra Leone
- Providing opportunities for pupils to volunteer for local charities, schools and other organisations
- Provision of the School swimming pool for use by local residents, as well as other sporting facilities
- Facilitating staff to act as GCSE, A level, ABRSM and Trinity examiners
- Facilitating staff to be members of local schools' Governing Bodies
- Providing for the spiritual and cultural needs of the City of Wells and County of Somerset, especially through the work of the Choristers in helping lead worship at Wells Cathedral.
- Running 'Be a Chorister for a Day' events for local primary school-aged children
- Financing the Outreach Singing Programme for local Primary Schools, in partnership with Wells Cathedral.

REPORT OF THE GOVERNORS (cont'd)

Promotion of the success of the organisation to benefit its members

The Governors confirm that in accordance with Section 172 (1) of the Companies Act 2006 they act in a way they consider most likely to achieve the purposes of the Company. In making this assessment, the Governors consider the relevant actions of the Governing Body as described throughout the report. Taking the areas required for disclosure in turn:

a) The likely consequences of any decision in the long term

The assessment of the long term sustainability of the School's operations is considered by the Governors in one or more of the termly Committee meetings with papers provided in advance. All relevant matters are considered and discussed and, where appropriate, the relevant Committee makes a recommendation to the Full Governing Body before a final decision can be made. This approach ensures strategic long-term decisions are rigorously considered and made having reviewed management information and financial forecasts (including projections of the level of reserves).

b) The interests of the Charity's employees

The School recognises that the professional skill and commitment of its staff are essential to its success. The Governors ensure that regular opportunities exist for staff to hold discussions with Governors and management on a formal and informal basis.

Twice weekly briefings and notices help to keep staff informed and provide opportunities for involvement in the diverse activities of the School. Staff well-being and engagement is a key area of focus at all times.

c) The need to foster the Charity's business relationships with suppliers, customers and others

Parents are kept engaged and up to date through the parent portal, social media posts and the weekly bulletin 'This Week in Wells'. Parent surveys are regularly undertaken. The Governors (several of whom are, or were, parents of children at the School) actively engage with the parent body and the various voluntary organisations set up by parents to support the activities of the School.

The School makes an important contribution to the local economy with many suppliers based in the local area. The School ensures that it acts with integrity in its business relationships including prompt payment of supplier invoices.

d) The impact of the Charity's operations on the community and the environment

The School continues to develop metrics to enable monitoring and reporting of the environmental impact of its activities. These measures are outlined in more detail in the Sustainability section of the Governors' Report. The School continues to engage extensively with the wider community through a wide range of activities described in the Strategic Report.

e) The desirability of the Charity maintaining a reputation for high standards of business conduct

The School has established policies and procedures to govern the conduct of its business. These policies are regularly reviewed by management and are subject to review and validation by relevant committees of the Governing Body on a regular basis.

The School is committed to complying with all applicable laws and regulations.

f) The need to act fairly between members of the Charity

The School's Code of Conduct applies to all members of School staff including Governors. In addition, there is a specific Code of Conduct that applies to Governors. The School has procedures in place to ensure Governors interests are declared and conflicts of interest avoided.

REPORT OF THE GOVERNORS (cont'd)

Risk Management

The Governing Body is responsible for the management of the risks faced by the School. While the Governing Body reviews risks in each of its formal meetings, the Senior Management Team is responsible for managing control procedures. A formal review of the School's risk management process and registers is undertaken at least annually.

The top risks identified by the School are as follows:

Risk Identified	Action taken to mitigate risk
Mental Health	Given the national trend for increasing mental health needs for pupils, we have implemented a pre-emptive support system entitled STEER and enhanced staffing resource.
Maintaining pupil numbers	Regular monitoring of pupil numbers to assess the consequences of changes, and an active programme of recruitment and retention.
Statutory changes	Maintaining an awareness of political policy proposals and scenario assessment of likely impact on the School should new policies (including around taxation, business rates, pensions and wages) be enacted.
Affordability	Careful consideration of market conditions, review and control of cost drivers to ensure fees are set at a level that the market will bear whilst ensuring necessary operating costs continue to be covered. Engaging in affordability surveys for parents.
Estate maintenance	Establishing a programme of planned proactive maintenance and enhancement, informed by a series of Condition Surveys, to ensure that School facilities remain attractive to existing and prospective parents.
Staff costs	Continuous monitoring of planned and actual headcount and associated cost to ensure that staff costs are strictly controlled against Budget.

The key controls used by the School to manage identified risks include:

- A register of key risks, identifying and assessing the risks as well as a responsible manager and risk mitigation strategy for each risk;
- Clear terms of reference for all Committees;
- Formal agendas for all Committee and Governing Body activity;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels;
- Use of external risk assessment resources; and,
- Vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established by the School, the Governors are satisfied that the major risks have been identified and have been mitigated as far as possible within the School's ability. It is recognised that the risk management process can only provide reasonable but not absolute assurance that major risks have been adequately managed.

REPORT OF THE GOVERNORS (cont'd)

Sustainability

Under the requirements of the companies and limited liability partnerships obligations to comply with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ('the 2013 Regulations') and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('the 2018 Regulations'), this report outlines the School's plan to address environmental impacts.

A key part of the School's sustainability strategy is the ability to understand, measure and report on its environmental performance and impact in order to devise a number of Key Performance Indicators that will assist to reduce and off-set carbon emissions now and in the future. This is not only to ensure compliance with certain regulations, but also to ensure that the school benefits from lower energy and resource costs and gains a better understanding of climate change. This also assists it to demonstrate leadership and to provide it with marketable 'green credentials'.

Whilst the School is in the early stages of this process, including measurable reporting, it is taking small steps to carry out work that ensures sustainability and environment are considered. This year these have included:

1. A continued programme of changing lights to LED, with sensors where appropriate.
2. Working with its supplier to increase recycling collections.
3. A programme of condition surveys to identify roof & fabric concerns on its various buildings.
4. Solar panels – improved planned maintenance to ensure efficiency levels.
5. Rolling programme of replacing petrol hand held machines (leaf blowers etc.) with battery operated ones.
6. A replacement programme for the ageing grounds machines, seeking more efficient machines.

The planned engagement with an external firm to assist the School in calculating its current carbon footprint did not proceed. This activity has been deferred but the School remains committed to seeking to set out the scope of appropriate calculations i.e. what should or should not be included. This will enable the resulting strategy to break down the School's carbon footprint into component parts so the School can achieve an aggregated net zero target. This in turn will enable the School to report fully on its environmental impact setting measured against meaningful Key Performance Indicators and to determine financial benefits.

	2023/24	2022/23
UK energy use kWh	Gas: 3,646,577 Electricity: 965,869	Gas: 3,442,412 Electricity: 1,178,482
Associated Greenhouse gas emissions Tonnes CO ² equivalent	Gas consumption: 656.38 Electricity consumption: 183.52	Gas consumption: 619.63 Electricity consumption: 223.91
Intensity ratio Emissions per pupil Total number of pupils 727 (2022/23:724)	0.91	0.86

Associated Greenhouse gases have been calculated using the UK Government conversion factors for company reporting.

REPORT OF THE GOVERNORS (cont'd)

Operational Performance

The School set itself the following strategic objectives for the academic year 2023/24. Progress is indicated in italics.

1. To implement a Governance Restructure including new Articles of Association to avoid Conflicts of Interest with the Wells Cathedral Chapter
This has largely been completed in terms of Governor membership; the final legal changes to the Articles will be completed in late 2024/early 2025.
2. To increase the School's financial rigour and levels of reserves
A new fundraising strategy has been developed and a new fundraising campaign for bursaries has been launched in Autumn 2024. This includes, but is not limited to, finding external funding to plug the MDS funding shortfall. The School continues to expand its Enterprise activity to generate further funds. We have reviewed and made changes to our overall fee remission policy. In addition, the School continues to review its operation costs to ensure it is staffed and run as efficiently as possible.
3. To enhance teaching staff's trust
Partly in conjunction with the difficult need to negotiate changes to Teacher Pensions' arrangements, the Governing Body held a series of 'open chat' opportunities and found other ways of engaging directly with staff - both in person and through improved communications - and feedback has been very positive overall.
4. Expand the pupil roll of the Prep School
This remains a Strategic Objective to enable us to fill the capacity already available within the Prep School. Some limited progress has been made, but the cost of school fees plus the national taxation picture for independent schools means this remains a challenge.
5. To respond to, act on and communicate the key trends from recent Parent Surveys
This has been completed with positive feedback overall.
6. A review of SEND provision and needs
While this remains ongoing, the School has made the level of provision available to parents/pupils clearer and established more regular forums for parental feedback about their experiences. In addition, the School continues to ensure all teaching and pastoral staff are in receipt of regular training and sharing of best practice advice.
7. Chorister Review implementation
Following a survey of all interested stakeholders, a thorough review of Chorister provision and expectations has been carried out and responses made. A significant change of personnel in the Cathedral's Chapter and Music Department between Easter and September 2024 means further changes may well be under consideration in the 2024-25 academic year.
8. Mental health and Medical Resourcing
In response to operational challenges at School and increasing needs nationally, the School has committed more resource to its Medical Team (St Andrew's Lodge) with further reviews continuing. We have also implemented a tracking system (STEER) to try and identify pupil needs sooner and therefore instigate support measures earlier and avoid mental health situations escalating.

REPORT OF THE GOVERNORS (cont'd)

FINANCIAL REVIEW

The financial performance for the year has been influenced by a challenging operating environment. Nonetheless the School has seen increased enrolment. The average pupil numbers have increased from last year by 3 pupils (2023: increased pupils by 2) across the Prep and Senior Schools. The demand for bursary and other fee remissions has risen by £355k (2023: £263k). The School is determined to maintain the quality of its provision whilst ensuring that it operates at a financially sustainable level.

Consolidated Operating Results

Senior school pupil numbers increased by 0.92% (2023: decreased by 2.72%); bursaries and discounts increased by 8.87% (2023: increased by 7.22%); and donations received by the Foundation increased by 160.38% (2023: decreased by 44%). The scholarships awarded increased to £531k (2023: £517k), an increase of 2.71% (2023: increase of 15.66%). The level of gross fee income, the School's charitable income, has increased to £22,951k (2023: £21,657k). The School has continued to invest in staffing and infrastructure in order to maintain the quality of its provision.

The consolidated net result for the year was a deficit of £210k (2023: surplus of £370k) which is composed of the net deficit of the School of £340k (2023: surplus of £251k) and a net surplus from the Foundation of £130k (2023: surplus of £118k). The consolidated results for the year are set out in the Statement of Financial Activities (SOFA) on page 24. Under accounting rules for charities this statement combines transactions of a capital and revenue nature. The operating results for the two constituent charities are outlined below.

Consolidated Activities

During the year the School produced an operating surplus of £590k (2023: surplus of £869k) before depreciation and non-recurring premises projects. After depreciation and non-recurring premises projects its operating result was a deficit of £47k (2023: surplus of £277k).

The consolidated activities are summarised below:

	2024	2023
	£'000	£'000
Income from charitable activities (charitable activities per SOFA plus the School bursaries and discounts)	22,936	21,657
Operating costs of School		
School bursaries and discounts	(4,294)	(3,927)
Expenditure on charitable activities (excluding depreciation)	(18,052)	(16,861)
Operating surplus of the School	590	869
Less:		
Depreciation	(634)	(592)
Premises - non recurring projects	(3)	(-)
Net operating (deficit) / surplus	(47)	277
Income from generated funds	801	600
Realised (loss)/gain on investments	125	(2)
Cost of generating funds	(598)	(484)
Cost of charitable activities not part of operating costs	(71)	(21)
Net (deficit) / surplus in SOFA	(210)	370

REPORT OF THE GOVERNORS (cont'd)

Analysis of the business using Key Performance Indicators (KPI's)

KPI	2024	2023	2022
Net fee income growth %	5%	6%	2%
Bursaries, scholarships and discounts as % of gross fees	20%	19%	19%
Donations and legacies as a % of gross fees	0.4%	1%	1%
Teaching staff costs as a % of gross fees	38%	35%	35%
Welfare costs as a % of gross fees	6%	5%	5%
Premises costs at a % of gross fees	21%	21%	19%
Net Operating surplus/(deficit) of the School as % of gross fees	(0.2)%	1%	4%

The gross fee for these KPIs is £21,578k (2023: £20,107k) (note 3).

The net fee received is £17,284k (2023: £16,180k) (note 3).

The Net Operating deficit of the School is £(47)k (2023: surplus of £277k).

Operating result of Wells Cathedral School Foundation

During the year the Foundation received £126k (2023: £156k) in financial contributions in the form of income from donations and legacies. The Foundation continued to make donations to the School, which in the year under review totalled £138k (2023: £53k). Its operating costs of £70k (2023: £44k), including staff costs and other direct costs associated with the Foundation, were borne by the School. The net movement in funds of the Foundation was a surplus of £130k (2023: surplus of £118k).

Investment Policy, Powers and Performances

In accordance with the Trust Deed, Governors of the School and Trustees of the Foundation may authorise the funds of the Foundation to be invested in any stocks, shares or insurance policies. The Trustees' aim is to generate long-term total return from endowment funds invested, combining both capital growth and income.

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

The Foundation adopts the "Total Return" approach to investments which are considered to be permanent endowments under which, once the value of the permanent endowments reaches a sufficient amount, the total return will be available to be used to award bursaries to pupils of the School, consistent with the Foundation's objectives.

Political and Charitable Contributions

The Foundation made no political or charitable contributions during the year under review (2023: £nil) other than donations to the School of £138k (2023: £53k), as disclosed in the Foundation's Statement of Financial Activities. The Foundation's grant making policy is to make donations only to the School.

REPORT OF THE GOVERNORS (cont'd)

Reserves Policy

The total funds held by the Group at the year-end were £19,996k (2023: £20,206k). The Governors have designated an asset fund so that a framework exists for them to assess appropriate levels of free reserves, as recommended in the Charity Commission guidance paper, "Charities Reserves". Free reserves are defined in the guidance paper as excluding not only funds that are for restricted purposes but also those designated by the Governors for a particular purpose, and any funds only realisable by disposing of fixed assets held for charity use. One thrust of the guidelines is to highlight those charities that are carrying excessive free reserves. The free reserves in the Consolidated Balance Sheet, as defined by the guidelines, are a deficit of £5,265k (2023: deficit of £4,450k) at the end of the financial year. The Governors take comfort from the fact that the School holds significant designated reserves of £19,692k (2023: £19,432k). The Governors believe that, over time, a prudent level of free reserves, consistent with the business risks of the School, equivalent to six months operating costs should be accumulated. The proposed level of such a reserve has yet to be determined, but is considerably higher than the current level of free reserves. It is unlikely that the target will be achieved for many years because of the previous and ongoing policy of the Governors to improve the facilities of the School through the investment of surpluses in School assets.

Restricted Funds

The balance of the restricted funds at the end of the year was £4,445k (2023: £4,222k). These funds are held for capital projects, bursary funds and projects funded by the Department for Education. The balance includes the restricted fund net movement of £37k (2023: deficit £97k) from the Foundation.

Endowment Funds

The endowment funds represent donations received to provide bursaries. Total endowment funds were £1,124k (2023: £1,002k) at the end of the year. Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

Bursaries, Scholarships and Fee Discounts

The following fee discounts were provided to parents of pupils at the School during the academic year:

	Number of pupils		Value £'000		% of Gross Fee Income	
	2024	2023	2024	2023	2024	2023
School bursaries	203	194	1,366	1,259	6.33%	6.27%
Bursaries from the Foundation	4	2	27	23	0.13%	0.12%
Music and Dance Scheme	80	80	1,369	1,199	6.34%	5.97%
Scholarships	189	172	531	517	2.46%	2.57%
Value of fee reductions provided to children of:						
Members of the Clergy of the Church of England			13	12	0.06%	0.06%
Members of the Armed Forces			38	19	0.18%	0.09%
Former pupils of the School			44	35	0.20%	0.17%
Parents with more than one child at the School			233	197	1.08%	0.98%
Employees of the School			604	576	2.80%	2.87%
Special circumstances			26	32	0.12%	0.16%
Ex-choristers of the School			58	58	0.27%	0.29%
Total			4,309	3,927	19.96%	19.55%

REPORT OF THE GOVERNORS (cont'd)

The bursaries from the School and Foundation are awarded on the basis of parental need and are all means tested. The total of £1,393k includes £27k of restricted Foundation bursaries.

The level of support included 6 free places (2023: 2) worth £205k (2023: £57k).

The Music and Dance Scheme (MDS) discounts are subsidies provided to parents of pupils whose places are funded by the MDS, as such funding is capped by the Department for Education (DfE). Support by the DfE to these pupils is also means tested.

Scholarships are awarded to recognise a pupil's academic or sporting achievement, and are not means tested, although additional means tested support in the form of a bursary might also be considered where appropriate.

Statement of Governors' Responsibilities

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

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 Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for the year. In preparing these Financial Statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles set out in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

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

REPORT OF THE GOVERNORS (cont'd)

Statement on Disclosure of Information to the Auditor

So far as each Governor is aware, there is no relevant audit information of which the School's auditor is unaware. 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 auditor is aware of that information.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the School's website.

Independent Auditor

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

Approved by the Governing Body on 17 May 2025 and signed on their behalf:



Mr David Brown
Chair of the Governing Body

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

Opinion

We have audited the financial statements of Wells Cathedral School, Limited for the year ended 31 August 2024 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 August 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Governors' report.

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Governors' report.

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

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

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement on page 18, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the Group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

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

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

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

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

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

Use of our report

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



Tara Westcott
Senior Statutory Auditor

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

Date: 28 May 2025

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

	<i>Note</i>	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2024 £'000	Total 2023 £'000
INCOME FROM:						
Charitable activities:						
Fees receivable	3	-	-	17,284	17,284	16,180
Other educational income	4	-	-	1,246	1,246	1,315
Other ancillary trading income	4	-	-	139	139	258
Donations & legacies	5	-	93	77	170	186
Other trading activities	5	-	-	528	528	365
Income from investments	6	23	-	80	103	49
Total Income		23	93	19,354	19,470	18,353
EXPENDITURE ON:						
Raising funds	7	(6)	-	(592)	(598)	(484)
Charitable activities	7	-	(11)	(19,192)	(19,203)	(17,493)
Other expenditure	7	-	(3)	(1)	(4)	(4)
Total Expenditure		(6)	(14)	(19,785)	(19,805)	(17,981)
Gain/(Loss) on Investments	13	125	-	-	125	(2)
Net (deficit)/income	10	142	79	(431)	(210)	370
Transfers between funds	18, 19, 20	(20)	144	(124)	-	-
Net movement in funds		122	223	(555)	(210)	370
Fund balances brought forward at 1 September 2023	18, 19, 20	1,002	4,222	14,982	20,206	19,836
Fund balances carried forward at 31 August 2024	18, 19, 20	1,124	4,445	14,427	19,996	20,206

The Statement of Financial Activities includes all gains and losses in the year.

The notes on pages 29 to 56 form part of these financial statements.

WELLS CATHEDRAL SCHOOL, LIMITED (Limited by Guarantee)
 GOVERNORS' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED 31 AUGUST 2024

**CONSOLIDATED BALANCE SHEET
 AS AT 31 AUGUST 2024**

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible assets	12	22,563	22,544
Investments	13	1,303	1,161
Current assets			
Stocks	14	15	7
Debtors	15	1,352	1,671
Cash at bank and in hand		4,099	3,010
Total current assets		5,466	4,688
Creditors: Amounts falling due within one year	16	(5,164)	(4,519)
Net current assets/(liabilities)		302	169
Total assets less current liabilities		24,168	23,874
Creditors: Amounts falling due After more than one year	17	(4,172)	(3,668)
Total Net assets		19,996	20,206
The funds of the Group			
Endowment funds	18	1,124	1,002
Restricted funds	19	4,445	4,222
Unrestricted funds	20	14,427	14,982
Total funds		19,996	20,206

These financial statements were approved by the Governing Body on 21 May 2025, and were signed on its behalf by:



Mr Simon Bernal-Palmer
Governor



Mr David Brown
Chair of Governors

Company Registration No.: 00564883

The notes on pages 29 to 56 form part of these accounts.

WELLS CATHEDRAL SCHOOL, LIMITED (Limited by Guarantee)
 GOVERNORS' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED 31 AUGUST 2024

**SCHOOL BALANCE SHEET
 AS AT 31 AUGUST 2024**

	Note	2024 £'000	2023 £'000
Fixed assets			
Tangible assets	12	22,563	22,544
Current assets			
Stocks	14	15	7
Debtors	15	1,307	1,678
Cash at bank and in hand		3,672	2,524
Total current assets		4,994	4,209
Creditors: Amounts falling due within one year	16	(5,151)	(4,512)
Net current liabilities		(157)	(303)
Total assets less current liabilities		22,406	22,241
Creditors: Amounts falling due After more than one year	17	(4,172)	(3,668)
Total Net assets		18,234	18,573
The funds of the Group			
Restricted funds	19	3,938	3,669
Unrestricted funds	20	14,296	14,904
Total funds		18,234	18,573

The net movement in funds for the School in the year is a deficit of £339k (2023: Surplus of £251k).

These financial statements were approved by the Governing Body on 27 May 2025, and were signed on its behalf by:



Mr Simon Bernal-Palmer
Governor



Mr David Brown
Chair of Governors

Company Registration No.: 00564883

The notes on pages 29 to 56 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Note</i>	2024	2023
		£'000	£'000
Net cash provided by operating activities	24	1,980	1,118
Cash flows from investing activities			
Income received from investments	6	103	49
Proceeds from sale of investments	13	265	367
Purchase of tangible fixed assets	12	(659)	(381)
Proceeds from sale of tangible fixed assets	12	-	-
Purchase of investments	13	(310)	(438)
Net cash used in investing activities		(601)	(403)
Cash flows from financing activities			
Repayments of borrowings	26	(128)	(109)
Payment of interest	11	(179)	(160)
Net cash used in financing activities		(307)	(269)
Change in cash and cash equivalents in the reporting year	25, 26	1,072	446
Cash and cash equivalents at the beginning of the reporting year	25	3,038	2,592
Cash and cash equivalents at the end of the reporting year		4,110	3,038
Cash and cash equivalents			
Cash at bank and in hand	25	4,099	3,010
Cash held by investment manager	13	11	28
		4,110	3,038

The notes on pages 29 to 56 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Company status

The school is a charitable company, registered in England and Wales (Company Number: 00564883) limited by guarantee, and not having any share capital. The members undertake to contribute to the assets of the company in the event of it being wound up, either whilst members or within one year of their membership ceasing. The maximum contribution required from each member would be £1. The school is also a charity registered in England and Wales (Charity Number: 310212).

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

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

2. Accounting policies

The financial statements have been prepared on the going concern basis under the historic cost convention with the exception of listed investments which are held at fair value, in accordance with applicable accounting standards in the United Kingdom including the Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102), Statement of Recommended Practice (FRS102) 2015 'Accounting and Reporting by Charities' ('the Charities SORP'), the Charities Act 2011 and the Companies Act 2006.

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

i) Going concern

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

The Governing Body has prepared cash flow forecasts for a period of more than twelve months from the date of approval of these financial statements. These indicate that, taking account of reasonable possible downsides, the Group will have sufficient funds to meet its liabilities as they become due.

In preparing the forecasts, the Governing Body has considered further severe, but plausible, downside scenarios. None of the scenarios indicates that the Group would have insufficient funds to meet its liabilities as they fall due, however, it is anticipated that there will be a breach of one of the School's existing banking covenants.

As a result, conversations have taken place with our bankers who have agreed to extended existing facilities to support the School as it addresses the impact of the recent regulatory changes (imposition of VAT on Independent School Fees; removal of Business Rates relief; and, increase in Employers' National Insurance Contributions) on the Group's cash flow position.

The School has, since January 2025, been implementing a significant programme of cost control and savings realization, including a formal redundancy consultation process to offset the significant financial impact of the recent regulatory changes outlined above.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

i) Going concern (cont'd)

Future pupil numbers are a critical aspect of the forecasts that have been prepared. Additional resources have therefore been directed to the School's Admissions and Marketing departments in order to support ongoing pupil recruitment and retention activity.

As a result, the Governing Body considers that it remains appropriate to adopt the going concern basis in the preparation of the financial statements.

ii) Basis of consolidation

These consolidated financial statements include the financial statements of Wells Cathedral School, Limited ('the School') and The Wells Cathedral School Foundation ('the Foundation').

The Foundation is not a direct subsidiary of the School but has been consolidated into the School's financial statements. Under accounting standard FRS102, the Foundation is classified as a quasi-subsiary as the School indirectly controls and directs the Foundation's activities from which the School benefits. The Charities SORP states that where the objects of the Charity (the Foundation) are substantially or exclusively confined to the benefit of another charity (i.e. the School), and where the School influences the Foundation in its operational plans, i.e. the nature and timing of support, then the criteria for consolidation of the financial statements are deemed to have been met.

These financial statements consolidate the results of the School and the Foundation on a line by line basis. The results of the Foundation are disclosed in note 30 of these financial statements.

In accordance with the provisions of s408 of the Companies Act 2006 and paragraph 397 of the Charities SORP, the School is exempt from the requirement to present its own income and expenditure account and statement of financial activities.

iii) Income

Income in furtherance of the School's activities represents the amounts (excluding value added tax), derived from the provision of educational services and boarding facilities to the pupils during the year, and is accounted for on a receivable basis.

School fees received in the current year in respect of the next or subsequent academic year are not recognised as income in the current year but are transferred to fees received in advance and included in creditors in the balance sheet.

Deposits received from pupils' parents are held in creditors and are classified as falling due within one year. Deposits are repaid when the pupil leaves the School.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

iii) Income (cont'd)

Other income (excluding fee income) in furtherance of the Group's activities is represented by:

- Donations, which comprise primarily donations and charitable gifts from individuals, grant giving trusts and foundations, are accounted for on an accruals basis. Such income is recognised when there is a legally binding commitment to the Foundation for the transfer of funds. Donations of assets are brought into the balance sheet and statement of financial activities at market value, at the date of acquisition. Gift aid on donations is subsequently applied for where applicable;
- Legacies, which are accounted for at the earliest of receipt of estate accounts or cash received. As assessment is performed post year end of up to two months. Any legacies received are considered, their value reliably measured and then accounted for appropriately;
- Income from investments, which represents the interest and dividends earned during the year from bonds, deposits, and the endowment funds and any realised gains on their disposal. Income is accounted for on an accruals basis;
- Other educational income, which comprises educational income other than fees;
- Ancillary trading income, which comprises income associated with the provision of education by the School such as provision of the School bus service and external concerts; and,
- Other trading activities, which comprise income generated from lettings, hire of the School's facilities and external functions.

iv) Accrued Income

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

v) Grants

Grants received in respect of revenue expenditure are credited to income when there is evidence that entitlement to the grant receipt is probable and the amount can be measured reliably.

Grants in respect of fixed assets are recognised in the statement of financial activities when they are receivable, i.e. when the School is entitled to the income. Grant income is included in deferred income in the balance sheet where pre-conditions exist that require the expenditure to be incurred in a future year or where there is uncertainty as to whether the School will be able to fulfil the pre-conditions attached to the grant or part thereof.

vi) Scholarships, Bursaries and Discounts

Scholarships, bursaries and discounts are awarded to certain pupils who attend the School and are accounted for as a reduction in fees. Each award made is matched against fee income for that pupil at the time the fee invoice is raised. Each award is reviewed annually.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

vii) Expenditure

All expenditure is included in the statement of financial activities on an accruals basis. Costs directly attributable to a specific expense heading are allocated to that heading. Expenditure is recognised when a liability is incurred, and in the following categories:

- Expenditure on raising funds, which consists of costs incurred in attracting voluntary income;
- Charitable activities, which comprise expenditure incurred in teaching, boarding and music programmes, and including both the direct costs and support costs relating to these activities;
- All expenditure, including support costs, is classified under activity heading that aggregates all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it is incurred;
- Termination/redundancy payments are accounted for as soon as the School is aware of the obligation to make payments.

viii) Pension costs

The teaching staff are members of the Teachers' Pension Scheme ('TPS'), which is a defined benefit scheme. Under the definitions set out in FRS102, the teachers' pension scheme is a multi-employer pension scheme.

Accordingly, the School has taken advantage of the exemptions available to multi-employer pension schemes and contributions to the scheme are charged to the statement of financial activities when they are payable.

Some other employees are members of a money purchase pension scheme operated by an insurance company on behalf of the School. The amounts charged against income represent the contributions payable to the schemes in respect of the accounting year.

ix) Tangible Fixed Assets and Depreciation

All tangible fixed assets are accounted for at cost less accumulated depreciation. Cost includes the original purchase price of the asset plus the costs attributed to bringing the asset to its working condition for its intended use. Depreciation is provided by the School to write off the cost less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives on a straight line basis as follows:

Freehold buildings	-	1%-10% per annum
Long leasehold land and buildings	-	1%-2% per annum
Fixtures and fittings	-	5%-12.5% per annum
Musical instruments and machinery	-	10% per annum
Information and communications technology equipment (including computer and data communications equipment)	-	10%-25% per annum
Motor vehicles	-	12.5% per annum

The useful economic lives and residual value of fixed assets are reviewed annually. No depreciation is provided on freehold land, and the capitalisation threshold is £2,500. Items under this level are expensed to the statement of financial activities.

Assets in the course of construction are not depreciated until they are completed and brought into use.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

x) Investments

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

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

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

xi) Stocks

Stocks are stated at the lower of cost and net realisable value and using the "first in first out" method. Cost represents the invoice value charged by suppliers. Stocks are reviewed annually and a provision created for any slow moving stock where necessary.

xii) Debtors

Other debtors, intercompany debtors and accrued income are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

xiii) Cash and cash equivalents

Cash is represented by cash in hand.

xiv) Fees Received in Advance

Fees received in advance of education to be provided in future years is treated as deferred income until either taken to income in the School term when used or otherwise refunded.

xv) Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is the shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rental charges are charged to the statement of financial activities on a straight line basis over the life of the lease.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

xvi) Repairs provision

In accordance with the requirements of the block lease, the School commissions a five yearly survey of the state of the repair of the leased buildings. The surveyor's suggestions and recommendations for repairs are then categorised into major repair works and ongoing repairs. The School undertakes the major repair work within its ongoing programme of maintenance over a five year period.

xvii) Endowment funds (restricted)

Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

xviii) Restricted funds

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

xix) Capital fund (restricted)

The capital fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust ("the Trust") and transferred to the School prior to 2005, when the Trust was closed, and contributions by the Trust towards capital projects undertaken by the School ceased. The capital fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

xx) Revenue fund

The revenue fund represents the working capital of the School. Part of this fund has been designated as an asset fund.

xxi) Designated Asset fund

The Governing Body has elected to designate funds equal to the value of land and buildings which are not held within the restricted funds. The asset fund therefore represents the net book value of the tangible fixed assets not funded by the capital fund, less outstanding loans secured on specific assets.

xxii) Transfers between reserves

Transfers between revenue and designated funds are made at the Governing Body's discretion to set aside funds as required. Expenditure on new tangible fixed assets not funded by the capital fund, less any outstanding loans secured on these assets, is transferred to designated reserves. Transfers between revenue and restricted funds reflect the depreciation charge on the capital fund and any purchases of restricted assets.

xxiii) Financial instruments

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

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

xxiv) Critical Accounting Judgements and Estimation of Uncertainty

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

- **Critical judgements**

The Governing Body do not believe that any critical judgements have been made in preparing the financial statements.

The accruals and prepayments are calculated based on firm or historical evidence, except pledges, which are included based on a firm judgement by the Foundation.

- **Estimates and assumptions**

The estimates and assumptions made by the Group consist mainly of an allocation of the School's development department's operating costs associated with the Foundation and the useful economic lives and residual values of the School's fixed assets. These reasonable estimates are based on the knowledge of key management personnel.

xxv) Taxation

The School and Foundation, which are registered charities, are not liable to taxation on the net revenue from their primary activity or investment income and gains.

The School is registered for Value Added Tax and is subject to the partial exemption rules.

3. Fees receivable

	2024	2023
	£'000	£'000
Fees receivable consist of:		
Tuition and boarding fees	19,512	18,137
Music tuition fees	2,066	1,970
Total fees	21,578	20,107
Less:		
DfE cap – Tuition and boarding fees	(1,369)	(1,199)
Bursaries, scholarships and other discounts	(2,925)	(2,728)
	17,284	16,180

The Department for Education ('DfE') cap is the contribution by the School to cover the shortfall which arises because the fees eligible for the Music and Dance Scheme are lower than the full fees. The bursaries include the restricted bursaries donated from the Foundation of £27k (2023: £23k).

NOTES TO THE ACCOUNTS (cont'd)

4. Income from Charitable Activities

	2024	2023
	£'000	£'000
Other educational income:		
School activities	958	1,027
Extra tuition	231	238
Wells Music College income	8	8
Registration fees	34	37
Other income	15	5
	1,246	1,315
Other ancillary trading income:		
Bus service for pupils	96	63
Concert income	18	12
Other income	25	183
	139	258

5. Income from Donations and Legacies

	2024	Group	2024	School
	£'000	2023	£'000	2023
		£'000		£'000
Unrestricted:				
Donations and legacies	77	4	-	-
Restricted / Endowed Donations:				
Donations (restricted)	61	126	8	30
Donations to Music (restricted)	32	56	32	30
	93	182	40	60
	170	186	40	60

Donations to the School from the Foundation totalled £111k (2023: £60k), plus bursaries of £27k (2023: £23k). Net restricted donations received by the Foundation totalled £49k (2023: £152k) and donations to endowed funds were £Nil (2023: £Nil).

NOTES TO THE ACCOUNTS (cont'd)

5. Income from Donations and Legacies (cont'd)

	2024 £'000	2023 £'000
Other trading activities:		
Lettings	101	56
Hire of facilities	266	175
Functions/Concert income	118	86
Solar panels	21	34
Rental	26	20
Deficit on fixed asset disposals	(4)	(6)
	528	365

6. Income from investments

	2024 £'000	Group 2023 £'000	2024 £'000	School 2023 £'000
Interest from short-term deposits	80	25	74	21
Income earned on endowment funds transferred to restricted funds	-	3	-	-
Income earned on endowment funds	23	21	-	-
	103	49	74	21

7. Expenditure

	Staff costs £'000	Other £'000	Depreciation £'000	Total 2024 £'000	Total 2023 £'000
Expenditure on raising funds:					
Fundraising trading costs	358	138	-	496	441
Foundation operating costs	80	22	-	102	43
Total expenditure on raising funds	438	160	-	598	484
Expenditure on charitable activities:					
Teaching costs	7,750	400	85	8,235	7,508
Welfare costs	956	253	-	1,209	1,097
Premises – general	1,778	2,307	549	4,634	4,193
Premises – non recurring projects	-	3	-	3	3
Support costs	2,338	1,438	-	3,776	3,438
School activities	-	958	-	958	1,027
Ancillary trading	78	310	-	388	227
Total expenditure on charitable activities	12,900	5,669	634	19,203	17,493

NOTES TO THE ACCOUNTS (cont'd)

7. Expenditure (cont'd)

	Staff costs	Other	Depreciation	Total	Total
	£'000	£'000	£'000	2024	2023
				£'000	£'000
Other expenditure:					
Other expenditure	-	4	-	4	4
Total expenditure	13,338	5,833	634	19,805	17,981

8. Support costs

	Costs of generating funds	Other charitable activities	Total	Total
	£'000	£'000	2024	2023
			£'000	£'000
Staff costs:	438	2,338	2,776	2,325
Other support costs:				
Staff expenses/development	-	106	106	116
Office	160	1,035	1,195	1,217
Professional advice	-	91	91	72
Finance costs	-	179	179	160
<i>Services provided by the School's auditor:</i>				
Fees payable for the audit (including the Foundation)	-	26	26	35
Fees payable for the Teachers' Pension Certificate	-	1	1	1
	598	3,776	4,374	3,926

Included within the support costs are governance costs of £122k (2023: £62k), which mainly comprise the costs of administering the School, auditor's remuneration and Governing Body meeting expenses.

9. Staff numbers and costs

The monthly average headcount number of persons employed by the Group during the year, analysed by category, was as follows:

	Number of employees	
	2024	2023
Teaching staff	164	160
Non-teaching staff	246	235
	410	395

NOTES TO THE ACCOUNTS (cont'd)

9. Staff numbers and costs (cont'd)

The aggregate payroll costs of these persons were as follows:

	2024	2023
	£'000	£'000
Wages and salaries	10,651	9,318
Social security costs	1,004	887
Pension costs (see note 23)	1,683	1,420
	13,338	11,625

The number of employees earning in excess of £60,000 gross salary per year:

	Number of employees	
	2024	2023
	£'000	£'000
£160,001 - £170,000	1	-
£140,001 - £150,000	-	1
£120,001 - £130,000	1	-
£110,001 - £120,000	-	1
£80,001 - £90,000	2	-
£70,001 - £80,000	2	2
£60,001 - £70,000	5	4

Of the above employees, 10 (2023: 6) were members of the Teachers' Superannuation Pension Scheme which is a defined benefit scheme. The School's contribution to this was £199k (2023: £65k). The remaining 1 employee (2023: 2) was a member of a money purchase pension scheme for which the School's contribution was £13k (2023: £22k).

None of the Governing Body received any emoluments or benefits during the year (2023: Nil). See note 29 for further information. The total amount earned by the Senior Management Team for the year was £723k (2023: £656k).

Settlement payments of £Nil (2023: £15k) were made to 0 (2023: 1) employee in the year.

NOTES TO THE ACCOUNTS (cont'd)

10. Net income before transfers

	2024	2023
	£'000	£'000
Net income before transfers is stated after charging:		
Services provided by the School's auditor:		
Audit Fees		
- School	26	30
- Foundation	-	-
Other services		
- Music and Dance Scheme grant audit	-	1
- Teachers' Pension certificate audit	1	1
- Foundation Corporation Tax return	-	2
Rentals payable under operating leases		
- Land and buildings	91	95
- Other	164	181
Depreciation		
- Owned assets	620	577
- Leased assets	14	15
Amortisation		
- Owned assets	-	52

11. Interest payable

	2024	2023
	£'000	£'000
Interest on bank loans and overdraft	183	160

NOTES TO THE ACCOUNTS (cont'd)

12. Tangible Fixed Assets

Group and School	Freehold Land & buildings	Assets in the course of construction	Leasehold land & buildings	Information & computer technology equipment	Fixtures fittings, machinery, & musical instruments	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1-9-23	24,706	35	1,571	471	2,957	38	29,778
Additions	505	57	-	4	89	4	659
Transfer	27	(27)	-	-	-	-	-
Disposals	-	-	-	-	(14)	(7)	(21)
At 31-8-24	25,238	65	1,571	475	3,032	35	30,416
Depreciation							
At 1-9-23	3,847	-	935	295	2,119	38	7,234
Charge	412	-	26	44	151	1	634
Transfer	-	-	-	-	-	-	-
Disposals	-	-	-	-	(8)	(7)	(15)
At 31-8-24	4,259	-	961	339	2,262	32	7,853
Net book value							
At 31-8-24	20,979	65	610	136	770	3	22,563
At 31-8-23	20,859	35	636	176	838	-	22,544

The School has a finance lease on properties leased from Wells Cathedral, which date back to 1983. Due to the age of the lease, there is insufficient data to be able to accurately disclose the net amount of the associated asset and depreciation for the year. This is not considered to be material to the financial statements.

There is £662k (2023: £662k) in leasehold land and buildings which relates to long term lease improvements.

The £65k (2023: £35k) in "assets in the course of construction" is the continued capitalisation of the "New Entrance"; Nursery improvements; Sixth Form development; and, Brock House improvements.

NOTES TO THE ACCOUNTS (cont'd)

13. Investments

Group	2024	2023
Non-current investments	£'000	£'000
Investment management portfolio comprises:	1,303	1,161

The investments are represented by the following funds:

Endowed funds £1,127,980 (2023: £1,002,500)

Restricted funds £175,022 (2023: £158,552)

The investments consist of a portfolio of equities, funds, bonds and cash managed by Evelyn Partners, the majority of which comprise UK assets. They are categorized as non-current assets as they are held for longer than twelve months.

The objective of the portfolio is to grow the capital over time, such that, in the future, the portfolio is of sufficient size to meaningfully contribute towards the advancement of education. The portfolio achieved a positive return of 12.3% over the twelve months to the end of August, compared to a positive return of 1.4% in the prior year. Over the same timeframe the MSCI PIMFA Growth Index increased by 16.4% compared to an increase of 3.4% in the prior year. In recent years, equity market capitalization has become increasingly concentrated in a small number of large businesses and, over the last twelve months, performance in market indices was largely driven by these companies. Whilst lagging slightly behind the target, the portfolio's performance, net of costs, reflects the genuinely diversified approach being taken and is ahead of similar charity portfolios.

Group	2024	2023
	£'000	£'000
<i>Investments at valuation</i>		
At 1 September 2023	1,161	1,146
Additions at cost	310	438
Disposal proceeds	(276)	(367)
Gain/(Loss) on investment portfolio	125	(27)
Cash management movement	(16)	(54)
(Loss)/Gain on cash	(1)	25
	1,303	1,161

These balances can be further analysed as:

Cash held	11	28
Investments	1,292	1,133
At 31 August 2024	1,303	1,161

NOTES TO THE ACCOUNTS (cont'd)

14. Stocks

These consist of catering supplies and school shop supplies.

15. Debtors

	2024	Group 2023	2024	School 2023
	£'000	£'000	£'000	£'000
Trade debtors – amounts due from parents	777	960	777	960
Other debtors	186	271	141	278
Prepayments	389	440	389	440
	1,352	1,671	1,307	1,678

16. Creditors: amounts falling due within one year

	2024	Group 2023	2024	School 2023
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	136	124	136	124
Fees received in advance	1,496	1,181	1,496	1,181
Pupil deposits	1,291	1,538	1,291	1,538
Fees In Advance Scheme	650	300	650	300
Trade creditors	62	5	62	5
Taxation and social security	224	211	224	211
Finance lease	27	28	27	28
Other creditors	586	605	576	605
Accruals and deferred income	692	527	689	520
	5,164	4,519	5,151	4,512

**Fees In Advance Scheme:
Group and School**

	2024	2023
	£'000	£'000
At 1 September 2023	1,375	-
New contracts	1,323	1,375
Amounts utilised in payment of fees to the School	(300)	-
At 31 August 2024	2,398	1,375

NOTES TO THE ACCOUNTS (cont'd)

16. Creditors: amounts falling due within one year (cont'd)

Fees In Advance Scheme received – aged breakdown:		
Group and School	2024	2023
	£'000	£'000
Fees falling due within:		
- 1 year	650	300
- 1-2 years	1,748	1,075
	2,398	1,375

17. Creditors: amounts falling due after one year

Group and School	2024	2023
	£'000	£'000
Bank loan	2,413	2,554
Finance lease	11	39
Fees In Advance Scheme	1,748	1,075
	4,172	3,668

Bank loans are instalment debts and fees received in advance are non-instalment debts.

There are three (2023: three) bank loans secured on School properties.

The capital for the loans is repayable in monthly instalments which vary from £1k to £18k. The interest rates on these loans vary from 0.9% to 1.95% above base rate. There is an interest offset arrangement in place with the bank for two of the loans whereby a sweep of the loans and cash balances is made daily. A net interest adjustment is then made reflecting the balance of interest received on cash held and the interest to be paid on the outstanding loan balances.

The bank loans are repayable as follows:

Group and School	2024	2023
	£'000	£'000
Within:		
1 year	136	124
1 – 2 years	145	133
2 – 5 years	498	459
After 5 years	1,770	1,962
	2,549	2,678

NOTES TO THE ACCOUNTS (cont'd)

18. Endowment funds

Group	Alan				Ashley			Total £'000
	Chandler fund £'000	Quilter fund £'000	Dulverton fund £'000	Carnegie fund £'000	Vandervell fund £'000	Jones fund £'000	Bursary fund £'000	
At 1-9-23	80	6	40	25	249	14	588	1,002
Additions	-	-	-	-	-	-	14	14
Interest	-	-	-	-	-	-	-	-
Gain on investment	-	-	-	-	-	-	108	108
At 31-8-24	80	6	40	25	249	14	710	1,124

The Chandler fund represents an endowment, the income from which is to be used for music bursaries.

The Alan Quilter fund provides scholarships and bursaries.

The Dulverton fund is to fund bursaries for former boy choristers at Wells Cathedral.

The Carnegie fund is to fund a folk singing scholarship.

The Vandervell fund is to fund scholarships and bursaries.

The Ashley Jones fund represents an endowment, the income from which is to be used to fund bursaries.

The Bursary fund represents donations which are to be used to fund bursaries.

Comparative statement of Endowment Funds for the year ended 31 August 2023

Group	Alan				Ashley			Total £'000
	Chandler fund £'000	Quilter fund £'000	Dulverton fund £'000	Carnegie fund £'000	Vandervell fund £'000	Jones fund £'000	Bursary fund £'000	
At 1-9-22	80	6	40	25	249	14	573	987
Additions	-	-	-	-	-	-	16	16
Interest	-	-	-	-	-	-	1	1
Loss on investments	-	-	-	-	-	-	(2)	(2)
At 31-8-23	80	6	40	25	249	14	588	1,002

NOTES TO THE ACCOUNTS (cont'd)

19. Restricted Funds

Group and school	Project fund	Bursary fund	Capital fund	Other fund	School fund	Consolidated fund	Foundation fund	Group Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Donations and other receipts	-	-	155	-	155	(111)	49	93
Expenditure	-	-	(10)	-	(10)	102	(106)	(14)
Surplus/(Deficit) for year	-	-	145	-	145	(9)	(57)	79
Transfers	-	-	124	-	124	-	20	144
At 1-9-23	74	71	3,215	309	3,669	97	456	4,222
At 31-8-24	74	71	3,484	309	3,938	88	419	4,445

The Project Fund comprises funds from the DfE in respect of specific education based projects with State sector schools.

The Bursary Fund represents restricted bursaries received and awarded during the year.

The Capital Fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust ("the Trust") and transferred to the School prior to 2005, and contributions by the Trust towards capital projects undertaken by the School. This Trust closed in July 2005. The Capital Fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

The Other Fund comprises funds from the Foundation and other specific educational based projects such as Sierra Leone.

The transfers from the Restricted Fund of £124k (2023: £23k) comprise the following:

	2024	2023
	£'000	£'000
Transfer from the Designated Asset Fund to Capital Fund for assets Funded by Friends of Music and the Foundation	97	-
Transfer from revenue fund in respect of restricted bursaries from the Foundation	27	23
Total	124	23

NOTES TO THE ACCOUNTS (cont'd)

19. Restricted Funds (cont'd)

Comparative Statement of Restricted Funds for the year ended 31 August 2023:

Group and school	Project fund £'000	Bursary fund £'000	Capital fund £'000	Other fund £'000	School fund £'000	Consolidated fund £'000	Foundation fund £'000	Group Total £'000
Donations and other receipts	-	-	60	-	60	(30)	152	182
Other trading	-	-	-	2	2	-	-	2
Bank and other interest	-	-	-	-	-	-	3	3
Expenditure	-	-	(17)	(2)	(19)	52	(54)	(21)
Deficit for year	-	-	43	-	43	22	101	166
Transfers	-	-	60	-	60	(23)	(3)	34
At 1-9-22	74	71	3,112	309	3,566	98	358	4,022
At 31-8-23	74	71	3,215	309	3,669	97	456	4,222

20. Unrestricted Funds

	Balance at Sept 2023 £'000	Interest £'000	Incoming £'000	Outgoing £'000	Transfer £'000	Balance at Aug 2024 £'000
Group						
Revenue Fund	(4,450)	81	19,274	(19,277)	(893)	(5,265)
Designated Fund	19,432	-	-	(509)	769	19,692
	14,982	81	19,274	(19,786)	(124)	14,427
School						
Revenue Fund	(4,528)	74	19,223	(19,275)	(808)	(5,314)
Designated Fund	19,432	-	-	(506)	684	19,610
	14,904	74	19,223	(19,781)	(124)	14,296

The transfer deficit of £893k (2023: £484k) is the accumulation of the restricted fund £124k (2023: £37k) and the Designated Fund £769k (2023: £447k).

NOTES TO THE ACCOUNTS (cont'd)

20. Unrestricted Funds (cont'd)

Comparative Statement of Unrestricted Funds for the year ended 31 August 2023

	Balance at Sept 2022 £'000	Interest £'000	Incoming £'000	Outgoing £'000	Transfer £'000	Balance at Aug 2023 £'000
Group						
Revenue Fund	(4,664)	25	18,120	(17,447)	(484)	(4,450)
Designated Fund	19,491	-	-	(506)	447	19,432
	14,827	25	18,120	(17,953)	(37)	14,982
School						
Revenue Fund	(4,737)	21	18,139	(17,444)	(507)	(4,528)
Designated Fund	19,491	-	-	(506)	447	19,432
	14,754	21	18,139	(17,950)	(60)	14,904

21. Financial Instruments

Financial assets that are measured at fair value:

	2024 £'000	Group 2023 £'000
Investments	1,303	1,161

22. Commitments

Group and School

Operating leases

The total commitments under non-cancellable operating leases were as follows:

	2024		2023	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating lease commitments:				
In less than one year	91	197	91	164
In the second to fifth years inclusive	-	387	-	463
	91	584	91	627

NOTES TO THE ACCOUNTS (cont'd)

22. Commitments (cont'd)

The leases of land and buildings are subject to rent reviews which occur over 1 to 7 years. The rent for the properties in Vicars Close is £69,800 per annum (2022: £65,880). The leases on 17 and 18 Vicars Close expired in June 2024 and the leases on 16 and 26 Vicars Close expired in September 2024.

Finance leases

The total commitments under non-cancellable finance leases were as follows:

	2024		2023	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Finance lease commitments:				
In less than one year	140	27	140	28
In the second to fifth years inclusive	560	11	560	39
	700	38	700	67

Commitments under finance leases relate to the rental properties from Wells Cathedral. The lease agreement dated back to 1983 and there is insufficient data to be able to accurately disclose the finance lease creditor amount. This is not considered to be material to the financial statements.

23. Pension Scheme

The School operates two pension schemes.

a) Teachers

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,989k (2023: £1,224k) and at the year-end £162k (2023: £130k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a 'pay as you go' basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023. The latest valuation showed total scheme liabilities of £262,000 million and notional assets of £222,200 million, giving a notional past service deficit of £39,800 million.

NOTES TO THE ACCOUNTS (cont'd)

23. Pension Scheme (cont'd)

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

b) Non-teaching staff

Most of the non-teaching staff are members of a defined contribution scheme.

The pension cost charge for the year represents contributions payable by the School to the funds (Employer's Contribution) analysed as follows:

	2024 £'000	2023 £'000
Non-teaching staff	232	196
Teaching staff	1,451	1,224
	1,683	1,420
Contributions outstanding at 31 August were as follows:		
Non-teaching staff	32	-
Teaching staff	162	130
	194	130

NOTES TO THE ACCOUNTS (cont'd)

24. Reconciliation of net movement in funds to net cash inflow from operating activities

	2024	2023
	£'000	£'000
Net movement in funds	(210)	370
Adjustments for:		
Depreciation	634	592
Loss on sale of fixed assets	6	58
Cash held for re-investment	11	26
(Gain)/Loss on investments	(125)	2
Increase in stocks	(8)	(1)
Decrease in debtors	319	43
Increase/(Decrease) in creditors	1,277	(83)
Income from investments	(103)	(49)
Interest payable	179	160
Net cash provided by operating activities	1,980	1,118

25. Analysis of changes in cash balances

	Sep	Cash	Aug
	2023	flows	2024
	£'000	£'000	£'000
Cash in hand and at bank	3,010	1,089	4,099
Cash held by investment manager	28	(17)	11
Debt due within one year	(124)	(12)	(136)
Debt due after one year	(2,554)	141	(2,413)
Total	360	1,201	1,561

26. Reconciliation of Net Debt

	2024	2023
	£'000	£'000
Increase in cash in the year	1,072	446
Cash inflow from repayment of loans	129	108
Change in net funds resulting from cash flow	1,201	554
Net debt at start of year	360	(194)
Net debt at end of year	1,561	360

NOTES TO THE ACCOUNTS (cont'd)

27. Allocation of Net Assets for the year ended 31 August 2024

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

Group	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Total £'000
Endowment Funds	1,124	-	-	1,124
Restricted Funds	5,612	(1,167)	-	4,445
Unrestricted Funds	17,130	1,469	(4,172)	14,427
	23,866	302	(4,172)	19,996

School	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Total £'000
Restricted Funds	5,452	(1,514)	-	3,938
Unrestricted Funds	17,111	1,357	(4,172)	14,296
	22,563	(157)	(4,172)	18,234

Comparative Statement of Allocation of Net Assets for the year ended 31 August 2023

Group	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Total £'000
Endowment Funds	1,002	-	-	1,002
Restricted Funds	5,514	(1,292)	-	4,222
Unrestricted Funds	17,189	1,461	(3,668)	14,982
	23,705	169	(3,668)	20,206

NOTES TO THE ACCOUNTS (cont'd)

27. Allocation of Net Assets for the year ended 31 August 2023 (cont'd)

School	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Total £'000
Restricted Funds	5,355	(1,686)	-	3,669
Unrestricted Funds	17,189	1,383	(3,668)	14,904
	22,544	(303)	(3,668)	18,573

28. Related Parties

a) Connected Persons

The Chapter of Wells Cathedral ("the Chapter") is a connected person within the terms of the Charities SORP. At the School's Governors meeting in December the Members will include an agenda item to ratify the appointment of new Governors. The articles provide for four Chapter members to be Governors.

During the year:

- Rent was paid to the Chapter of £210k (2023: £188k) under a repairing lease expiring in 2063 in respect of certain School buildings. At the year end, there was a prepayment of £14k (2023: £15k).
- Property insurance was paid to the Chapter of £Nil (2023: £19k). At the year end, there was a prepayment of £Nil (2023: £6k).
- The Chapter contributed £98k (2023: £66k) towards the fees of the Cathedral choristers.
- The School paid £37k (2023: £35k) to the Chapter in respect of the use of the Cathedral facilities for events.
- The School paid £Nil (2023: £10k) to the Chapter in respect of the support of the Chorister Outreach programme.

Veale Wasbrough Vizards, of which a Governor is a partner, received £80k (2023: £39k) from the School, and Patterson Bristol, of which a Governor is a shareholder, received £57k (2023: £59k) from the School.

The School received bursaries of £15k (2023: £15k) from The Sir Keith Showering Trust, of which a Senior Management Team member is a Trustee.

The School received bursaries of £52k (2023: £11k) from The Wells Cathedral Chorister Trust, of which a Governor is a Trustee.

NOTES TO THE ACCOUNTS (cont'd)

28. Related Parties (cont'd)

b) Transactions with Governors and Trustees

During the year, 2 (2023: 1) of the Governors received reimbursement for expenses of £794 (2023: £473).

During the year, 1 Governor (2023: 2) and 1 Trustee (2023: 2) were parents of pupils at the School and paid fees on the same terms as any other parent and received the benefits of Clergy and sibling discounts where appropriate.

During the year, the School provided assistance to a local Care Home, Abbeyfield (Wells) Society Ltd, where one of the Governors is also a Trustee, when the School provided meals to their residents. A nominal charge of £135 was made (2023: £Nil). There was no balance outstanding at the year end (2023: £Nil).

c) Transactions with Wells Cathedral School Foundation

The Foundation, which is a charitable company registered in England & Wales (company number: 02804495) is not a directly owned subsidiary of the School, however, the results of the Foundation have been consolidated into the School's financial statements as the Foundation is indirectly controlled and influenced by the School.

The School has funded the initial set up costs of the Foundation and will fund certain ongoing costs of operation of the Foundation as agreed in the 'memorandum of understanding' between the School and the Foundation. In 2023/24, the Foundation's operating costs of £70k (2023: £44k) were recharged to the School.

During the year the School received £138k (2023: £53k) from the Foundation representing donations for bursaries and specific projects.

29. The Wells Cathedral School Foundation

The Wells Cathedral School Foundation was established in 2007 as a separate but connected charity, charity number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School.

Registered and principal office:	Wells Cathedral School, Limited College Road Wells Somerset BA5 2SX
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NOTES TO THE ACCOUNTS (cont'd)

29. The Wells Cathedral School Foundation (cont'd)

A summary of its results for the year is shown below:

	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2024 £'000
Income:				
Income from charitable activities	22	48	154	224
Expenditure on raising funds	(6)	(105)	(109)	(220)
Unrealised gains/(losses) on investments	125	-	-	125
<hr/>				
Net movement in funds	141	(57)	45	129
Transfers between funds	(20)	20	-	-
Balance brought forward	1,003	456	177	1,636
<hr/>				
Balance carried forward	1,124	419	222	1,765
<hr/>				
The net assets and liabilities were:				2024 £'000
Fixed assets:				
Investments				1,303
Total current assets				472
Creditors: amounts falling due within one year				(10)
Net current assets				462
Net assets				1,765
<hr/>				
Total charity funds				1,765
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NOTES TO THE ACCOUNTS (cont'd)

29. The Wells Cathedral School Foundation (cont'd)

Comparative results for the year ended 31 August 2023:

	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2023 £'000
Income:				
Income from charitable activities	21	156	51	228
Expenditure on raising funds	(7)	(54)	(46)	(107)
Unrealised gains/(losses) on investments	(2)	-	-	(2)
Net movement in funds	12	102	5	119
Transfers between funds	4	(4)	-	-
Balance brought forward	987	358	172	1,517
Balance carried forward	1,003	456	177	1,636
The net assets and liabilities were:				
				2023 £'000
Fixed assets:				
Investments				1,161
Total current assets				487
Creditors: amounts falling due within one year				(12)
Net current assets				475
Net assets				1,636
Total charity funds				1,636

WELLS CATHEDRAL SCHOOL LIMITED

England & Wales - Charity number 310212

Accounts



WELLS CATHEDRAL SCHOOL, LIMITED

(A charitable company limited by guarantee)

GOVERNORS' ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

Company Number: 00564883

Registered Charity Number: 310212

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REFERENCE AND ADMINISTRATIVE INFORMATION

Governors	Mr David Brown MA, OBE (Chair) Prebendary Emeritus Barbara Bates BA, MA, FRSA Mr Andrew Campbell-Orde FCCA Mr Martin Cooke BEd The Revd Canon Dr Megan Daffern MA Hons (Oxon), MA Hons (Cantab), DPhil Mr Andrew Gummer LLB The Revd Canon Nicholas Jepson-Biddle BA, MA, Precentor of Wells Mr Tim Lewis BA (Cantab), FCA Mr Harry Musselwhite BA, FKC Mrs Dorothy Nancekieve MA, BMus, PGCE, Hon Aram Mr Robert Powell Mr Kris Robbetts MA, MSc Professor Jeffrey Sharkey BM, MM, MPhil Mrs Elizabeth Shelton SRN
Head Master	Alastair Tighe MA (Cantab)
Bursar & Clerk to the Governors (& Company Secretary)	Robert McCartney BSc (Hons), FCA
Registered & Principal Office	Wells Cathedral School College Road Wells Somerset BA5 2SX
Independent Auditor	Crowe U.K. LLP 4 th Floor St James House St James Square Cheltenham GL50 2PR
Bankers	National Westminster Bank PLC 7 High Street Wells Somerset BA5 2AD
Solicitors	Harris and Harris 14 Market Place Wells Somerset BA5 2RE Veale Wasbrough Vizards LLP PO Box 3501 Bristol BS2 2FL

REPORT OF THE GOVERNORS

The Governors of Wells Cathedral School, Limited ("the School") present their annual report for the year ended 31 August 2023 under the Charities Act 2011, together with the audited Consolidated Financial Statements for the year and confirm that they comply with the requirements of the Companies Act 2006, the School's Memorandum and Articles of Association and Accounting and Reporting by Charities' Statement of Recommended Practice (FRS 102) ("the Charities SORP").

Purpose and Charitable Objectives

The School has been in existence since 909AD. Its original purpose, which it still fulfills to this day, is to educate the Wells Cathedral choristers. Over time, the School has grown and now provides a family-oriented co-educational boarding and day education for 2-18 year olds which provides an all-round education alongside world-class specialist music training, including to the Choristers of Wells Cathedral. Its vision is to inspire every individual pupil to nurture their talents in a vibrant, creative, spiritual and stimulating environment to become a responsible global citizen.

The School aims to achieve its objectives and realise its vision through the application of the core principles set out in its Mission Statement by:

- **Encouraging** pupils intellectually to set themselves high expectations and aspirational goals;
- **Challenging** pupils to discover new passions and develop existing ones through active engagement in a range of co-curricular and sporting endeavours;
- **Delivering** a world-class specialist music and chorister education for those with particular talents;
- **Stimulating** pupils to be individuals in a uniquely creative and spiritually aware environment;
- **Empowering** pupils to be independent, resilient, confident and kind.

In addition, the School aims to instill in all its pupils our four Core Values, known as our CARE Values, which are Creativity, Aspiration, Responsibility and Endeavour, all of which are aimed to nurture and develop kind, caring and careful citizens.

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

- To advance education in accordance with the doctrine of the Church of England by such means as shall be exclusively charitable and by other associated activities for the benefit of the community;
- The carrying on and development of the School;
- To provide in particular for the training and education of the choristers of the Cathedral Church of St Andrew in Wells, and the other pupils of the School through instruction in every branch of learning, in citizenship, in outdoor pursuits and in arts and crafts of all kinds, and on the basis of Christian principles and in accordance with the doctrine of the Church of England to provide such pupils with spiritual, moral, mental and physical training; and
- To do all such other things as are incidental or conducive to the attainment of the Association's objects or any of them.

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

REPORT OF THE GOVERNORS (cont'd)

Charitable Benefit

The School's primary charitable benefit is the provision of education to the pupils at the School. The School is a co-educational learning community and its pupils consist of both boys and girls at all stages. There are no geographical restrictions upon prospective pupils and 133 pupils (2022: 188), about 18% of total pupils, (2022: 27% of total pupils) from 29 (2022: 27) different overseas nations were pupils during the year. Although education is in accordance with the doctrines of the Church of England, there is no religious restriction upon those who may be admitted and pupils of all faiths are welcomed, with many different religions represented amongst the pupil body. All pupils are assessed academically on entrance to enable appropriate provision for them, and auditions are held for prospective musicians and choristers. Beyond the curriculum offered by the School, charitable benefit is also generated from the following activities:

- Community work carried out by pupils in and out of School;
- Outreach and partnership work conducted by the School, in relation to music, sports and academic activities;
- Provision of School estate and support facilities for community use at cost recovery or reduced rates;
- Links with Schools and music academies and enterprises overseas (Sierra Leone, China including Hong Kong, Malaysia and throughout Europe) to enable the pupils to extend their community work abroad and to understand the needs of pupils in different countries; and
- Charitable fundraising.

Bursaries, Scholarships and Discounts

The School does not have substantial reserves or endowments and relies upon its annual fee income and Foundation fundraising to support its activities. Although fees are payable by parents, an extensive bursary and scholarship support is provided to pupils. The School seeks to provide as many means tested bursaries and scholarships as can be sustained by its annual fee income. Bursaries are reviewed after each phase of education by the School. During the year, the School provided fee remissions of £3,927k (2022:£3,641k), which comprises bursaries of £1,259k (2022:£1,251k), scholarships of £517k (2022:£447k), a subsidy to pupils participating in the Music and Dance Scheme of £1,199k (2022:£1,038k), and £929k (2022:£883k) of discounts (supporting members of the armed forces, clergy, siblings, Old Wellensians, employees and children of ex-choristers of the School). The School also received £23k (2022: £22k) from The Wells Cathedral School Foundation ('the Foundation').

Governance

The School is registered with the Charity Commission and was incorporated in 1956 as a registered company, Limited by Guarantee.

REPORT OF THE GOVERNORS (cont'd)

The Governing Body

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

Mr David Brown MA, OBE

The Very Revd Dr John Davies DL, MA, MPhil, PhD, Dean of Wells (resigned 9th January 2023)

Prebendary Emeritus Barbara Bates BA, MA, FRSA \$◇

Mr Andrew Campbell-Orde FCCA*

Mr Martin Cooke BED ◇\$

The Revd Canon Dr Megan Daffern MA Hons (Oxon), MA Hons (Cantab), DPhil, Canon Chancellor of Wells ○◇
(appointed 25th September 2023)

Mr Andrew Gummer LLB *#

The Revd Canon Nicholas Jepson-Biddle BA, MA, Precentor of Wells ○#\$(resigned 31st August 2023)

Mr Tim Lewis BA (Cantab), FCA*●

Mr Harry Musselwhite, BA, FKC *

Mrs Dorothy Nancekieveil, MA, BMus, PGCE, Hon Aram ◇ (appointed 9th September 2022)

Mr Robert Powell \$●◇

Mr Kris Robbetts, MA, MSc ●

Professor Jeffrey Sharkey BM, MM, MPhil ◇

Mrs Elizabeth Shelton, SRN \$

** Members of the Finance and Audit Committee*

\$ Members of the Pastoral and Recreation Committee

◇ Members of the Academic Committee

● Members of the Development Committee

○ Members of the Chorister Sub Committee

Parent of a pupil at Wells Cathedral School

The Governing Body comprises three members of the Chapter of Wells Cathedral, two of which are anticipated to be the Dean and the Precentor, and up to fifteen lay members who are appointed by the Chapter.

The lay Governors are appointed for three years and retire by rotation.

Group Structure and Relationships

The Wells Cathedral School Foundation ('the Foundation') was established in 2007 as a separate but connected charity, number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School. The Foundation's objects are to advance the education of pupils at the School by means of:

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

The Foundation's income is from charitable gifts, plus the related gift aid, from individuals, grant giving trusts and foundations, as well as from savings interest and returns on investments. During the year the Foundation received £228k (2022: £158k) in income and made donations to the School of £55k (2022: £81k) towards bursaries and specific projects.

REPORT OF THE GOVERNORS (cont'd)

Whilst the Foundation produces its own separate audited Financial Statements, these Financial Statements are then incorporated with the Financial Statements of the School into the consolidated Financial Statements of the Group.

Recruiting and Training of Governors

The School's Lay Governors are appointed by the Chapter of Wells Cathedral on the basis of nominations agreed between the Chair and the Head Master with regard to the Governing Body's requirements concerning eligibility, personal competence, specialist skills and availability for meetings. A small sub-committee of Governors (the Succession Planning Committee) meets with the Head Master on a regular basis to consider vacancies, names and succession. Checks are made in accordance with Charity Commission direction on each candidate's ability and suitability to serve as a Governor/Charity Trustee. Consideration is taken of any existing or potential conflicts of interest and of their suitability to serve as a Trustee in accordance with the requirements of the Charity Commission and other relevant bodies. The necessary checks from the Disclosure and Barring Service are obtained and other checks consistent with the Independent Schools Inspectorate ('ISI') and Charity Commission direction are conducted. New Governors are inducted into the workings of the School, including Governing Body policy and procedures, by the Chair, the Head Master, the Bursar and the Assistant Clerk to the Governors. The training needs of the Governors are continually assessed and relevant updating sessions are provided, including, but not limited to, development activities provided through membership of the Association of Governing Bodies of Independent Schools (AGBIS).

Charity Governance Code

All Governors of the School:

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

The Governors are familiar with, and acknowledge, the updated version of the Charity Governance Code published in August 2020.

Fundraising Disclosures

The School had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Over the last year the Foundation has undertaken fundraising activities, as in previous years, using its database. These fundraising activities have been undertaken by staff employed by the Foundation and no external persons have been used. The Foundation voluntarily subscribes to the Fundraising Regulator which holds the Foundation to the Code of Fundraising Practice. Over the course of the financial year there have been no failures to comply with the Code, nor have any complaints been received.

Safeguarding Policy

In order to protect vulnerable people the Governing Body and Trustees of the Foundation comply with the School's safeguarding policy to report concerns of abuse. All members of staff, as well as Governors, receive regular safeguarding training, and safeguarding is an agenda item at all Governors' meetings. This allows Governors and staff members to raise and be aware of any concerns.

REPORT OF THE GOVERNORS (cont'd)

Indemnity Insurance

As permitted by the Articles of Association, the Directors are the beneficiaries of a qualifying third party indemnity as defined by Section 234 of the Companies Act 2006. The School also purchased and maintained throughout the financial year Governors' and Officers' liability insurance in respect of itself, its Governors and the Trustees of the Foundation. The cost of insurance is included in the cost of public liability cover which amounted to £10k (2022: £9k) in the year for the Group.

Statement of Going Concern

The School closely monitors its cash flows and has maintained an overdraft facility of £750k to ensure that it remains a going concern. The School has successfully managed its operating costs in order to deliver a surplus. The School expects to maintain a positive cash position and does not anticipate the need to utilise its agreed overdraft facility in the next twelve months.

In consideration of the presumption of going concern as the basis for the preparation of the report and Financial Statements, the Governing Body has concluded that no material uncertainties have been identified that may cast significant doubt on the ability of the School to continue as a going concern. The Governors therefore have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the Financial Statements.

Organisational Management

The School's Governors are legally responsible for the overall management and control of the School. The full Governing Body meets at least four times a year. It is responsible for determining the aims, strategy and overall conduct of the School and is accountable for the discharge of its responsibilities to pupils, parents and staff. The work of implementing the policies is carried out by a series of committees:

Finance and Audit Committee: This committee meets four times a year, usually two weeks before a full meeting of the Governing Body, and is chaired by Andrew Campbell-Orde. Its main roles are to:

- consider, monitor, challenge and recommend the annual budgets and fee increases to the board;
- monitor and direct in-year expenditure;
- authorise capital expenditure;
- scrutinise the statutory Financial Statements and recommend them to the Governing Body;
- appoint and appraise the performance of the external auditor;
- scrutinise, monitor, challenge and endorse proposals for staffing and staff remuneration; and
- monitor and advise on the School's human resources function.

Academic Committee: This committee meets three times a year, and is chaired by Martin Cooke. Its objectives are to:

- scrutinise, challenge, support and monitor the School's educational aims; and
- help the School develop new and appropriate ones.

Pastoral and Recreation Committee: This committee meets three times a year, and is chaired by Prebendary Emeritus Barbara Bates. Its objectives are to:

- monitor and advise in all matters relating to pupil welfare and wellbeing, including matters concerning safeguarding;
- monitor and advise on matters relating to staff welfare;
- review the School's provision of extra-curricular activities, including trips; and
- review and monitor the School's boarding provision.

REPORT OF THE GOVERNORS (cont'd)

Development Committee: This committee meets three times a year, and is chaired by Robert Powell. This committee:

- challenges, advises and supports the Head Master in all matters concerning plant, grounds and non-core trading in order to meet the educational needs of the School; and
- monitors and supports the work of the Foundation.

Chorister Sub-Committee: This sub-committee meets three times a year and includes the Cathedral Director of Music, the Assistant Organist and the School's Chorister Tutor. It was chaired by the Precentor of Wells Cathedral, the Reverend Canon Nicholas Jepson-Biddle. It oversees, monitors and plans all matters to do with the Choristers' life and programme.

The running of the School is delegated to the Head Master, supported by his Senior Management Team. The Head Master reports directly to the Governors, as does the Bursar through the Head Master but with direct access to the Governors for matters relating to the roles of Company Secretary and Clerk to the Governors. The Head Master attends all meetings and committees of the Governors, and members of the Senior Management Team attend meetings according to their responsibilities and at the direction of the Head Master and Clerk to the Governors.

Senior Management Team

During the year the Senior Management Team were:

Head Master	Mr Alastair Tighe MA (Cantab)
Bursar & Clerk to Governors	Mr Robert McCartney BSc (Hons), FCA
Head of Prep School	Mr Jody Wells BEd Hons
Head of Pre-Prep Development	Mrs Rebecca Perdrix BSc (Hons), MA Ed
Director of Music	Mr Alexander Laing MA (Cantab,) DPS
Deputy Head (Pastoral) and Designated Safeguarding Lead	Mr Martin Ashton BA (Hons), PGCE
Deputy Head (Academic)	Mrs Natalie Perry BSc (Hons), MSc, PGCE
Director of Marketing and Admissions	Mr John Fosbrook BA (Hons), MA

When setting the remuneration and pay structure of the Senior Management Team, a comprehensive benchmarking exercise is undertaken, using Baines Cutler salary benchmark. Governors agree the Head Master's salary and the Head Master agrees the Senior Management Team's salary in consultation with the Governors.

Volunteers

The School continues to be grateful to the Parents and Friends' Association for the funds it makes available for desirable and useful extras throughout the School and its contribution in arranging social occasions. Also to the Friends of Music of Wells Cathedral School for their constant support for music in the School and for the funding they make available for instruments, musical commissions, etc. It is also grateful to the Board of Wells Cathedral School Hong Kong Music Society, which raises funds in Hong Kong to support Hong Kong scholars at Wells, and to the Trustees of the Wells Cathedral School Foundation.

REPORT OF THE GOVERNORS (cont'd)

Employees

Staff in their respective areas (teaching or support) attend regular term meetings/forums to discuss current whole School issues, where they are encouraged to have a voice and participate. They are regularly updated on the current developments of the School including the School's estate projects and its financial position.

The School demonstrates best practice by following a comprehensive recruitment/retention process to ensure equal opportunities for all. Once appointments are made, regular professional development reviews are undertaken to allow all staff to develop their careers further, through training and reflective practice. This includes career development and promotion of disabled people and the continuing employment and training of employees who have become disabled whilst employed by the School. The School has demonstrated how it values all staff by making reasonable adjustments to individuals' work commitments, to enable them to carry out their duties to the best of their ability. If they experience long term health problems and wish to return to work, assistance is provided to aid their recovery. Coaching and counselling services are available for staff.

STRATEGIC REPORT

The Strategic Vision for the School sets out our Key Strategic Focuses as being:

- to develop all-round character and talent of pupils
 - creating a safe, beautiful and stimulating environment
 - cultivating passions
 - generationing community-spiritedness and global awareness
- to provide an all-round education
 - excelling academically
 - excelling musically
 - excelling co-curricularly
- to be responsible stewards for the future
 - providing effective budgeting
 - providing strategic estate management
 - fostering the Wellensian community

The information provided throughout this report gives an overview of how the School is meeting its Key Strategic Focuses. School publications provide further insight and are available from the School and our website.

Review of Developments, Activities and Achievements

The School was named as a finalist in the 'Co-Educational School of the Year' category of the Independent School of the Year 2022 Awards. The School was winner of the Muddy Stiletto's 'Best Schools Award 2023' for our Senior School Inventive Sports Programme and Finalists in the same competition for 'Special Sixth Form'. It was also shortlisted as Co-Ed School of the Year and Prep School of the Year in the Independent School of the Year 2023 Awards.

In addition, the School was inspected by the Independent Schools Inspectorate in May 2023 and received the highest possible rating of 'excellent' for both pupil achievement and pupil personal development. The full report can be found on the School's [website](#).

The School roll (excluding Nursery) was 724 during 2022-23; the Senior School was, in effect, full with some limited room for growth in the Prep School.

REPORT OF THE GOVERNORS (cont'd)

GCSE and A level grades were awarded with the grading returning to 2019 standards. Even with this change in grading to reduce grade inflation the School performed extremely well. At GCSE level, 16% of all grades awarded were Grade 9; 51% of all grades fell within the Grade 9 to 7 range (equivalent to A* to A under the old system) and 91% were in the range Grade 9 to 4 (A* to C equivalent). At A level, 42.2% of grades awarded were A*-A, with 87.9% falling in the A* to C range. Over 89% of pupils achieved their first choices of university or conservatoire (and almost 100% achieved either their first or insurance choice); this includes two pupils who took up Oxbridge places as well as about 75% taking up places at other Russell Group universities, Music Conservatoires or other prestigious international establishments.

Musically, the School continued to excel, with the vast majority of pupils leaving to go onto Music Conservatoires in August 2023 doing so on scholarships. Significant numbers of pupils were selected to perform with national music ensembles, including the National Youth Orchestra, and secured considerable success in local, national and international competitions. The School continues to strengthen and develop its links with partner institutions at home and abroad. The School is a founder member of Young Music Talents Europe, a collaborative network of specialist music schools across Europe, which is committed to sharing expertise and good practice in the coaching of elite instrumentalists and vocalists. The Director and Deputy Director of Music attended meetings throughout the year with representatives of these schools.

Nearly 40 pupils represented their county, region or country in their chosen sport, and all pupils have been engaged in an active sporting provision, with many of them representing the School in competitive fixtures.

Drama continues to have a strong presence in the School, with highlights including the Senior School productions of *Chicago* at the Strode Theatre, Street, and of *Annie* in Cedars Hall, the Prep School's production of *Oliver* in Cedars Hall, as well as the Pre-Prep's numerous productions across the year.

The Combined Cadet Force ('CCF') continues to have an active presence in the School, and numerous pupils completed either the Bronze, Silver or Gold, Duke of Edinburgh Award Scheme qualifications.

The School's provision of pastoral care continues to be a priority for the School, with the aim of giving all pupils the encouragement and support necessary to ensure they are enabled to not only 'be what you are' (*esto quod es*) in the words of the School motto, but become the best they can be. This aim is threaded through our discourse whenever possible, and we have been successful in gaining national accreditation for our wellbeing provision. Pupils should have a sense of belonging and be contented, balanced and confident individuals who have the necessary tools to be able to live safe, healthy and fulfilling lives. They should have a high level of spiritual awareness, emotional intelligence and self-control and also be active and responsible citizens who make a positive contribution to the School and wider world. They should be possessed of a good moral compass and a strong sense of honesty and integrity, and be equipped to work in partnership and in teams. The School's Mental Health Counsellors and Mental Health Practitioner continue to work effectively and 36 Teaching and Support staff have been trained up as Mental Health First Aiders.

Cedars Hall, our state of the art performance venue, continues to be an integral asset both for the School and in the cultural life of the City of Wells and the South West of England. The School has hosted the public for world-class classical, jazz, pop and commercial music performances, art exhibitions, drama productions, lectures and other important festivals including The Wells Festival of Literature and The Wells Comedy Festival. It is also in continued demand as a top-calibre recording venue admired by, among others, the BBC.

The School continues to maintain its historic and beautiful estate and is undertaking condition surveys of its buildings with a view to generating a strategic masterplan for the utilisation and maintenance of the site and possible new buildings.

REPORT OF THE GOVERNORS (cont'd)

Old Wellensian activities remain buoyant. Sadly, a train strike prevented the London RAF reunion dinner from taking place in January 2023, but the Summer Reunion held at the School was well attended. Regular bulletins and other communications have been issued as well. The Foundation has continued to work with the Old Wellensian Association on communications, and the Head of Foundation continued as Secretary and Vice-Chair of the Association.

Public Benefit

The beneficiaries of the School also include children and young people who are not pupils of the School but who have the opportunity to benefit from educational and entertainment activities undertaken at, or by, the School.

As mentioned above, Cedars Hall is one of the School's primary vehicles for engagement with the wider community. The hall hosted music community events throughout the year, parent and toddler sessions, as well as matinee drama performances for local primary schools and other prep school children. The Sports Department ran numerous sporting community projects for local school children, including for hockey and we hosted a number of 'Be a Mathematician' days across the year as well as a Primary School Maths Festival.

The School hosted its ever-popular Music Summer Courses open to young people nationally and internationally in all the key music disciplines.

Pupils continue to volunteer for local charities, schools and other organisations, and the School held a number of charity-focused events including non-uniform days, the annual Save the Children walk, Christmas Cards for local care home residents, and our annual pupil-led Event on the Lawn which raised funds for our partner schools in Sierra Leone.

The Swimming Pool has been made available to the local population throughout the year, including to Ukrainian refugee families. Other sporting facilities have also regularly been made available to local sporting groups, including cricket and tennis groups, for little or no charge.

A good number of staff continue to act as examiners for GCSE, A level, ABRSM and Trinity examinations taken by maintained School candidates. One member of staff is a governor of a local maintained school.

The Choristers have continued to play an integral part in the worship at Wells Cathedral and, as such, are a significant benefit to the members of the wider community. The School supports the Cathedral in providing mentoring in teaching, and in supporting safeguarding training for the Vicars Choral, and its choral and organ scholars. It also supports children from other Schools to "Be a chorister for a Day" providing staffing, pupils and physical resources. The School has also supported an Outreach Singing Programme for local Primary Schools delivered in conjunction with the Cathedral.

Promotion of the success of the organisation to benefit its members

The Governors confirm that in accordance with Section 172 (1) of the Companies Act 2006 they act in a way they consider most likely to achieve the purposes of the Company. In making this assessment, the Governors consider the relevant actions of the Governing Body as described throughout the report. Taking the areas required for disclosure in turn:

a) The likely consequences of any decision in the long term

The assessment of the long term sustainability of the School's operations is considered in the going concern section of the Governors' report. This assessment is based upon review of management information and financial forecasts (including projections of the level of reserves) by the Governing Body.

REPORT OF THE GOVERNORS (cont'd)

Strategic decisions are subject to discussion and validation by the Governing body prior to implementation. The Governing body also regularly reviews risks that may threaten the achievement of the School vision and strategy to ensure their effective mitigation.

b) The interests of the Charity's employees

The School recognises that the professional skill and commitment of its staff are essential to its success. The Governors ensure regular opportunities to its staff for discussion with Governors and management on a formal and informal basis.

Twice weekly briefings and notices help to keep staff informed and provide opportunities for involvement in the diverse activities of the School. Staff well-being and engagement is a key area of focus at all times.

c) The need to foster the Charity's business relationships with suppliers, customers and others

Parents are kept engaged and up to date through the parent portal, social media posts and the weekly bulletin 'This Week in Wells'. Parent surveys are regularly undertaken. The Governors (several of whom are, or were, parents of children at the School) actively engage with the parent body and the various voluntary organisations set up by parents to support the activities of the School.

The School makes an important contribution to the local economy with many suppliers based in the local area. The School ensures that it acts with integrity in its business relationships including prompt payment of supplier invoices.

d) The impact of the Charity's operations on the community and the environment

The School is developing metrics to enable monitoring and reporting of the environmental impact of its activities. These measures are outlined in more detail in the Sustainability section of the Governors' Report.

The School continues to engage extensively with the wider community through a wide range of activities described in the Strategic Report.

e) The desirability of the Charity maintaining a reputation for high standards of business conduct

The School has established policies and procedures to govern the conduct of its business. These policies are regularly reviewed by management and are subject to review and validation by relevant committees of the Governing Body on a regular basis.

The School is committed to complying with all applicable laws and regulations.

f) The need to act fairly between members of the Charity

The School's Code of Conduct applies to all members of School staff including Governors.

The School has procedures in place to ensure Governors interests are declared and conflicts of interest avoided.

REPORT OF THE GOVERNORS (cont'd)

Risk Management

The Governing Body is responsible for the management of the risks faced by the School. While the Governing Body reviews risks in each of its formal meetings, the Senior Management Team is responsible for managing control procedures. A formal review of the School's risk management process and registers is undertaken at least annually.

The top risks identified by the School are as follows:

Risk Identified	Action taken to mitigate risk
Maintaining the pupil roll	Regular monitoring of pupil numbers to assess the consequences of changes, and an active programme of recruitment and retention.
Statutory changes	Maintaining an awareness of political policy proposals and scenario assessment of likely impact on the School should the policy be enacted.
Affordability	Careful consideration of market conditions, review and control of cost drivers to ensure fees are set at a level that the market will bear whilst ensuring necessary operating costs continue to be covered.
Estate maintenance	Establishing a programme of planned proactive maintenance and enhancement to ensure that School facilities remain attractive to existing and prospective parents.
Staff costs	Continuous monitoring of planned and actual headcount and associated cost to ensure that staff costs are strictly controlled against Budget.

The key controls used by the School to manage identified risks include:

- A register of key risks, identifying and assessing the risks as well as a responsible manager and risk mitigation strategy for each risk;
- Clear terms of reference for all Committees;
- Formal agendas for all Committee and Governing Body activity;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established by the School, the Governors are satisfied that the major risks have been identified and have been mitigated as far as possible within the School's ability. It is recognised that the risk management process can only provide reasonable but not absolute assurance that major risks have been adequately managed.

REPORT OF THE GOVERNORS (cont'd)

Sustainability

Under the requirements of the companies and limited liability partnerships to comply with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ('the 2013 Regulations') and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('the 2018 Regulations'), this report outlines the School's plan to address environmental impacts.

A key part of the School's sustainability strategy will be the ability to understand, measure and report on its environmental performance and impact in order to devise a number of Key Performance Indicators that will assist to reduce and off set carbon emissions now and in the future. This is not only to ensure compliance with certain regulations, but also to ensure that the school benefits from lower energy and resource costs, gains a better understanding of climate change but also to assist it to demonstrate leadership as well as marketable 'green credentials'.

Whilst the School is in the early stages of this process, including measurable reporting, the School is making small steps to carry out work that ensures sustainability and environment are considered. This year these have included:

1. A continued programme of changing lights to LED, with sensors where appropriate.
2. Working with its supplier to increase recycling collections.
3. A programme of condition surveys to identify roof & fabric concerns on its various buildings.
4. Solar panels – improved planned maintenance to ensure efficiency levels.
5. Rolling programme of replacing petrol hand held machines (leaf blowers etc.) with battery operated ones.
6. A replacement programme for the ageing grounds machines, seeking more efficient machines.

The planned engagement with an external firm to assist the School in calculating its current carbon footprint did not proceed. This activity has been deferred but the School remains committed to seeking to set out the scope of appropriate calculations i.e. what should or should not be included. This will enable the resulting strategy to reduce the School's carbon footprint to be broken down into component parts so the School can reduce in parts to achieve an aggregated net zero target. This in turn will enable the School to report fully on its environmental impact setting measured against meaningful Key Performance Indicators and determining financial benefits.

	2022/23	2021/22
UK energy use kWh	Gas: 3,442,412 Electricity: 1,178,482	Gas: 3,259,732 Electricity: 1,101,866
Associated Greenhouse gas emissions Tonnes co2 equivalent	Gas consumption: 619.63 Electricity consumption: 223.91	Gas consumption: 586.75 Electricity consumption: 209.35
Intensity ratio Emissions per pupil Total number of pupils 724 (2021/22:709)	0.86	0.83

Associated Greenhouse gases have been calculated using the UK Government conversion factors for company reporting.

REPORT OF THE GOVERNORS (cont'd)

Operational Performance

The School set itself the following objectives for the academic year 2022/23. Progress is indicated in italics.

1. To raise the level of fundraising for bursaries both at home and abroad, and to create the basis for the next stage of advancement at the School.
Work continues on this, and the Foundation is reviewing its legacy plans for donors among other things. A new Head of Fundraising, and Director of Foundation was appointed at the end of 2022/23 Academic Year, to commence in early 2023/24.
2. To maintain the level and rate of recruitment of pupils at all stages in the School in order to continue to create a balanced model for the School.
Recruitment has been strong and as we enter the next academic year we are looking forward to a full school eventually, slightly larger than the full school of 2022/23. We continue to work to bring our recruitment cycle forward, and we are seeing increasing numbers of prospective families earlier than before, and committing to the School more than a year in advance. Moreover, sections of the School are full, including some year groups.
3. To continue to support families and parents better so that being a member of the Wells community is easier.
Progress continues, including improved communications and a greater sense of collaboration between the various supporting bodies of the School, not least via the creation of the Wells Community online platform.
4. To develop leadership and accountability at all levels throughout the School.
For pupil leadership, our revised Prefect and Captain structure has been embedded and a School Council for pupils in the Senior School has been introduced.
5. To grasp the challenge of the School's diversity and market it accordingly.
Ongoing progress, with continued focus on international pupils, HM Forces pupils, London families, day pupils and musicians. We are also keen to focus on UK boarding pupils of all ages, including those of Prep School age, and have a strategy to further diversify the nationality mix of the school.
6. To maintain the commitment to continuous improvement in the delivery of the School's elite music programme and to widen its offering to embrace more fully commercial genres. To increase engagement with the wider community via the Cedars Hall arts complex.
Progress continues. The outreach of Cedars Hall is ever-growing. We have launched a Wells International Music offering to enable those from abroad or elsewhere in the UK to access the superb 1:1 music teaching Wells provides online. The appointment of a dedicated Enterprises Development Manager has helped us make further progress in this area.
7. To further enhance pastoral care and the wellbeing of the whole community.
The tutor programme was reviewed in 2021 and now runs across the whole of the Senior School daily during the working week in Tutor Groups. Each daily session covers a different and relevant area for focus and incorporates 'Wellbeing Wednesday'. Our current Head of PSHE (Personal, Social, Health & Economic) is highly trained and delivers a compulsory PSHE programme to all pupils from Year 7 to Upper Sixth. Running parallel to this we invite a series of external speakers to speak to pupils of all ages at stages during the Academic Year. A proportion of these speakers engage with parents at remote or physical events in the evenings to help reinforce knowledge and messages to our pupils. Pupils and parents have access to additional support by way of The Wellbeing Hub, offering support and guidance for dealing with social, emotional and educational needs.

REPORT OF THE GOVERNORS (cont'd)

We have an increasing number of staff trained as Mental Health First Aiders via a local charity, 'Heads Up', who also led whole school INSET training in January 2022 and September 2023. The School has recently been granted The Wellbeing Award for Schools. This is a national standard recognising positive mental health and emotional wellbeing initiatives, and has been accredited by Optimus Education in association with the National Children's Bureau.

8. To plan the funding and delivery of capital projects to extend and enhance educational, sport and boarding facilities.
An ongoing Estates Plan is being followed with a prioritisation list under constant review.

The School has monitored performance against key indicators throughout the year. At Wells there are many unseen exam factors, not least that many of the most able pupils at this stage in their development do fewer GCSEs or A levels than at other Schools; this may be because of their musical programme or because so many individual pathways are crafted. The main criterion for entry into the School at any level is that the pupil will be able to flourish and to help other people to do so as well. However there is also a need to make sure that any individual who joins the Wells family can succeed in ways that they want academically. This means providing honest and kind advice to Sixth Form pupils in relation to their preferred route of study.

Large numbers of pupils go to Oxford, Cambridge and other Russell Group universities as well as many excellent universities across the world, or on to eminent music conservatoires around the world, often with significant scholarships. The School focuses most on how they will use all their education to be flexibly minded people of integrity, balance and determination. Our emphasis on independent learning has meant that a significant number of pupils take the Extended Project Qualification, as well as the GCSE level Higher Project Qualification.

Instrumental music exam results have again been excellent throughout the year, with several pupils achieving diploma level qualifications in a range of instruments and voice.

The School continues to strengthen and develop its links with partner institutions at home and abroad. The School is a founder member of Young Music Talents Europe, a collaborative network of specialist music schools across Europe, which is committed to sharing expertise and good practice in the coaching of elite instrumentalists and vocalists. The Director and Deputy Director of Music attended meetings throughout the year with representatives of these schools.

In addition to onsite pre-auditions and auditions, we have been able to reach out by conducting on-line auditions and interviews for all those interested in studying at the School and, for musicians, delivering consultation and regular music lessons for pupils who have expressed an interest in coming to Wells. Furthermore, we have launched Wells Music International, an initiative which will offer a combination of on-line 1:1 music coaching, the opportunity to perform in group performance classes, study music theory and history and benefit from mentoring which will be offered globally during our own term-times alongside on-site residential courses for those on this programme during the Easter and Summer breaks.

The School maintains its link in Sierra Leone with the Ballanta Academy.

REPORT OF THE GOVERNORS (cont'd)

FINANCIAL REVIEW

The financial performance for the year has been influenced by a challenging operating environment. Nonetheless the School has seen increased enrolment. The average pupil numbers have increased from last year by 2 pupils (2022: increased pupils by 35) across the Prep and Senior Schools. The demand for bursary and other fee remissions has risen by £263k (2022: £274k). The School is determined to maintain the quality of its provision whilst ensuring that it operates at a financially sustainable level.

Consolidated Operating Results

Senior school pupil numbers decreased by 2.72% (2022: increased by 1.84%); bursaries and discounts increased by 7.22% (2022: increased by 8.14%); and donations received by the Foundation increased by 44% (2022: decreased by 62%). The scholarships awarded increased to £517k (2022: £447k), an increase of 15.66%. The level of gross fee income, the School's charitable income, has increased to £21,657k (2022: £20,087k). The School has continued to invest in staffing and infrastructure in order to maintain the quality of its provision.

The consolidated net result for the year was a surplus of £370k (2022: surplus of £600k) which is composed of the net surplus of the School of £251k (2022: surplus of £700k) and a net surplus from the Foundation of £118k (2022: deficit of £100k). The consolidated results for the year are set out in the Statement of Financial Activities (SOFA) on page 26. Under accounting rules for charities this statement combines transactions of a capital and revenue nature. The operating results for the two constituent charities are outlined below.

Consolidated Activities

During the year the School produced an operating surplus of £869k (2022: surplus of £1,324k) before depreciation and non-recurring premises projects. After depreciation and non-recurring premises projects its operating result was a surplus of £277k (2022: surplus of £721k).

The consolidated activities are summarised below:

	2023	2022
	£'000	£'000
Income from charitable activities (charitable activities per SOFA plus the School bursaries and discounts)	21,657	20,087
Operating costs of School		
School bursaries and discounts	(3,927)	(3,641)
Expenditure on charitable activities (excluding depreciation)	(16,861)	(15,122)
Operating surplus of the School	869	1,324
Less:		
Depreciation	(592)	(601)
Premises - non recurring projects	-	(2)
Net operating surplus	277	721
Income from generated funds	600	470
Realised (loss)/gain on investments	(2)	(129)
Cost of generating funds	(484)	(445)
Cost of charitable activities not part of operating costs	(21)	(17)
Net income in SOFA	370	600

REPORT OF THE GOVERNORS (cont'd)

Analysis of the business using Key Performance Indicators (KPI's)

KPI	2023	2022	2021
Net fee income growth %	6%	2%	1%
Bursaries, scholarships and discounts as % of gross fees	19%	19%	22%
Donations and legacies as a % of gross fees	1%	1%	1%
Teaching staff costs as a % of gross fees	35%	35%	39%
Welfare costs as a % of gross fees	5%	5%	5%
Premises costs at a % of gross fees	21%	19%	21%
Net Operating surplus/(deficit) of the School as % of gross fees	1%	4%	(2)%

The gross fee for these KPIs is £20,107k (2022: £18,926k) (note 3).

The net fee received is £16,180k (2022: £15,285k) (note 3).

The Net Operating surplus of the School is £277k (2022: surplus of £721k).

Operating result of Wells Cathedral School Foundation

During the year the Foundation received £156k (2022: £88k) in financial contributions in the form of income from donations and legacies. The Foundation continued to make donations to the School, which in the year under review totalled £53k (2022: £81k). Its operating costs of £44k (2022: £46k), including staff costs and other direct costs associated with the Foundation, were borne by the School. The net movement in funds of the Foundation was a surplus of £118k (2022: deficit of £100k).

Investment Policy, Powers and Performances

In accordance with the Trust Deed, Governors of the School and Trustees of the Foundation may authorise the funds of the Foundation to be invested in any stocks, shares or insurance policies. The Trustees' aim is to generate long-term total return from endowment funds invested, combining both capital growth and income.

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

The Foundation adopts the "Total Return" approach to investments which are considered to be permanent endowments under which, once the value of the permanent endowments reaches a sufficient amount, the total return will be available to be used to award bursaries to pupils of the School, consistent with the Foundation's objectives.

Political and Charitable Contributions

The Foundation made no political or charitable contributions during the year under review (2022: £nil) other than donations to the School of £53k (2022: £81k), as disclosed in the Foundation's Statement of Financial Activities. The Foundation's grant making policy is to make donations only to the School.

REPORT OF THE GOVERNORS (cont'd)

Reserves Policy

The total funds held by the Group at the year-end were £20,206k (2022: £19,836k). The Governors have designated an asset fund so that a framework exists for them to assess appropriate levels of free reserves, as recommended in the Charity Commission guidance paper, "Charities Reserves". Free reserves are defined in the guidance paper as excluding not only funds that are for restricted purposes but also those designated by the Governors for a particular purpose, and any funds only realisable by disposing of fixed assets held for charity use. One thrust of the guidelines is to highlight those charities that are carrying excessive free reserves. The free reserves in the Consolidated Balance Sheet, as defined by the guidelines, are a deficit of £4,450k (2022: deficit of £4,664k) at the end of the financial year. The Governors take comfort from the fact that the School holds significant designated reserves of £19,432k (2022: £19,491k). The Governors believe that, over time, a prudent level of free reserves, consistent with the business risks of the School, equivalent to six months operating costs should be accumulated. The proposed level of such a reserve has yet to be determined, but is considerably higher than the current level of free reserves. It is unlikely that the target will be achieved for many years because of the previous and ongoing policy of the Governors to improve the facilities of the School through the investment of surpluses in School assets.

Restricted Funds

The balance of the restricted funds at the end of the year was £4,222k (2022: £4,022k). These funds are held for capital projects, bursary funds and projects funded by the Department for Education. The balance includes the restricted fund net movement of £97k (2022: deficit £35k) from the Foundation.

Endowment Funds

The endowment funds represent donations received to provide bursaries. Total endowment funds were £1,002k (2022: £987k) at the end of the year. Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

Bursaries, Scholarships and Fee Discounts

The following fee discounts were provided to parents of pupils at the School during the academic year:

	Number of pupils		Value £'000		% of Gross Fee Income	
	2023	2022	2023	2022	2023	2022
School bursaries	194	260	1,259	1,251	6.27%	6.61%
Bursaries from the Foundation	2	3	23	22	0.12%	0.12%
Music and Dance Scheme	80	80	1,199	1,038	5.97%	5.48%
Scholarships	172	175	517	447	2.57%	2.36%
Value of fee reductions provided to children of:						
Members of the Clergy of the Church of England			12	14	0.06%	0.07%
Members of the Armed Forces			19	15	0.09%	0.08%
Former pupils of the School			35	32	0.17%	0.17%
Parents with more than one child at the School			197	150	0.98%	0.78%
Employees of the School			576	597	2.87%	3.15%
Special circumstances			32	-	0.16%	0.00%
Ex-choristers of the School			58	75	0.29%	0.40%
Total			3,927	3,641	19.55%	19.23%

REPORT OF THE GOVERNORS (cont'd)

The bursaries from the School and Foundation are awarded on the basis of parental need and are all means tested. The total of £3,927k includes £23k of restricted Foundation bursaries.

The level of support included 2 free places (2022:1) worth £57k (2022: £32k).

The Music and Dance Scheme (MDS) discounts are subsidies provided to parents of pupils whose places are funded by the MDS, as such funding is capped by the Department for Education (DfE). Support by the DfE to these pupils is also means tested.

Scholarships are awarded to recognise a pupil's academic or sporting achievement, and are not means tested, although additional means tested support in the form of a bursary might also be considered where appropriate.

Statement of Governors' Responsibilities

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

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 Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for the year. In preparing these Financial Statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles set out in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

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

REPORT OF THE GOVERNORS (cont'd)

Statement on Disclosure of Information to the Auditor

So far as each Governor is aware, there is no relevant audit information of which the School's auditor is unaware. 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 auditor is aware of that information.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the School's website.

Independent Auditor

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

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

Mr David Brown

Chair of the Governing Body

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

Opinion

We have audited the financial statements of Wells Cathedral School, Limited for the year ended 31 August 2023 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 August 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Governors' report.

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Governors' report.

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

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

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement on page 19, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the Group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

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

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

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

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

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

Use of our report

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

Tara Westcott

Senior Statutory Auditor

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

Date: 20 December 2023

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

	<i>Note</i>	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2023 £'000	Total 2022 £'000
INCOME FROM:						
Charitable activities:						
Fees receivable	3	-	-	16,180	16,180	15,285
Other educational income	4	-	-	1,315	1,315	815
Other ancillary trading income	4	-	-	258	258	346
Donations & legacies	5	-	182	4	186	136
Other trading activities	5	-	2	363	365	309
Income from investments	6	21	3	25	49	25
Total Income		21	187	18,145	18,353	16,916
EXPENDITURE ON:						
Raising funds	7	(7)	-	(477)	(484)	(445)
Charitable activities	7	-	(19)	(17,474)	(17,493)	(15,742)
Other expenditure	7	-	(2)	(2)	(4)	-
Total Expenditure		(7)	(21)	(17,953)	(17,981)	(16,187)
Loss on Investments	13	(2)	-	-	(2)	(129)
Net income	10	12	186	192	370	600
Transfers between funds	18, 19, 20	3	14	(37)	-	-
Net movement in funds		15	200	155	370	600
Fund balances brought forward at 1 September 2022	18, 19, 20	987	4,022	14,827	19,836	19,236
Fund balances carried forward at 31 August 2023	18, 19, 20	1,002	4,222	14,982	20,206	19,836

The Statement of Financial Activities includes all gains and losses in the year.

The notes on pages 29 to 56 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2023**

	<i>Note</i>	£'000	2023 £'000	2022 £'000
Fixed assets				
Tangible assets	12		22,544	22,813
Investments	13		1,161	1,146
Current assets				
Stocks	14	7		6
Debtors	15	1,671		1,713
Cash at bank and in hand		3,010		2,535
Total current assets				
		4,688		4,254
Creditors: Amounts falling due within one year	16	(4,519)		(5,674)
Net current assets/(liabilities)				
			169	(1,420)
Total assets less current liabilities				
			23,874	22,539
Creditors: Amounts falling due After more than one year	17		(3,668)	(2,703)
Total Net assets				
			20,206	19,836
The funds of the Group				
Endowment funds	18		1,002	987
Restricted funds	19		4,222	4,022
Unrestricted funds	20		14,982	14,827
Total funds				
			20,206	19,836

These financial statements were approved by the Governing Body on 11 December 2023, and were signed on its behalf by:

Mr Tim Lewis
Governor

Mr David Brown
Chair of Governors

Company Registration No.: 00564883

The notes on pages 29 to 56 form part of these accounts.

**SCHOOL BALANCE SHEET
 AS AT 31 AUGUST 2023**

	<i>Note</i>	2023	2022
		£'000	£'000
Fixed assets			
Tangible assets	12	22,544	22,813
Current assets			
Stocks	14	7	6
Debtors	15	1,678	1,706
Cash at bank and in hand		2,524	2,180
Total current assets		4,209	3,892
Creditors: Amounts falling due within one year	16	(4,512)	(5,682)
Net current liabilities		(303)	(1,790)
Total assets less current liabilities		22,241	21,023
Creditors: Amounts falling due After more than one year	17	(3,668)	(2,703)
Total Net assets		18,573	18,320
The funds of the Group			
Restricted funds	19	3,669	3,566
Unrestricted funds	20	14,904	14,754
Total funds		18,573	18,320

The net movement in funds for the School in the year is a surplus of £251k (2022: Surplus of £700k).

These financial statements were approved by the Governing Body on 11 December 2023, and were signed on its behalf by:

Mr Tim Lewis
 Governor

Mr David Brown
 Chair of Governors

Company Registration No.: 00564883

The notes on pages 29 to 56 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Note</i>	£'000	2023 £'000	2022 £'000
Net cash provided by operating activities	24		1,118	1,180
Cash flows from investing activities				
Income received from investments	6	49		25
Proceeds from sale of investments	13	367		307
Purchase of tangible fixed assets	12	(381)		(458)
Proceeds from sale of tangible fixed assets	12	-		9
Purchase of investments	13	(438)		(335)
Net cash used in investing activities			(403)	(452)
Cash flows from financing activities				
Repayments of borrowings	26	(109)		(230)
Payment of interest	11	(160)		(58)
Net cash used in financing activities			(269)	(288)
Change in cash and cash equivalents in the reporting year	25, 26		446	440
Cash and cash equivalents at the beginning of the reporting year	25		2,592	2,152
Cash and cash equivalents at the end of the reporting year			3,038	2,592
Cash and cash equivalents				
Cash at bank and in hand	25		3,010	2,535
Cash held by investment manager	13		28	57
			3,038	2,592

The notes on pages 29 to 56 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Company status

The school is a charitable company, registered in England and Wales (Company Number: 00564883) limited by guarantee, and not having any share capital. The members undertake to contribute to the assets of the company in the event of it being wound up, either whilst members or within one year of their membership ceasing. The maximum contribution required from each member would be £1. The school is also a charity registered in England and Wales (Charity Number: 310212).

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

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

2. Accounting policies

The financial statements have been prepared on the going concern basis under the historic cost convention with the exception of listed investments which are held at fair value, in accordance with applicable accounting standards in the United Kingdom including the Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102), Statement of Recommended Practice (FRS102) 2015 'Accounting and Reporting by Charities' ("the Charities SORP"), the Charities Act 2011 and the Companies Act 2006.

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

i) Going concern

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

The Governing Body has prepared cash flow forecasts for a period of more than twelve months from the date of approval of these financial statements. These indicate that, taking account of reasonable possible downsides, the Group will have sufficient funds to meet its liabilities as they become due.

In preparing the forecasts, the Governing Body has considered further severe, but plausible, downside scenarios. None of the scenarios indicates that the Group would have insufficient funds to meet its liabilities as they fall due or fail to comply with its banking covenants. As a result, the Governing Body considers that it remains appropriate to adopt the going concern basis in the preparation of the financial statements.

The Governing Body has reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as the continuing employment of staff.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

ii) Basis of consolidation

These consolidated financial statements include the financial statements of Wells Cathedral School, Limited ('the School') and The Wells Cathedral School Foundation ('the Foundation').

The Foundation is not a direct subsidiary of the School but has been consolidated into the School's financial statements. Under accounting standard FRS102, the Foundation is classified as a quasi-subsiary as the School indirectly controls and directs the Foundation's activities from which the School benefits. The Charities SORP states that where the objects of the Charity (the Foundation) are substantially or exclusively confined to the benefit of another charity (i.e. the School), and where the School influences the Foundation in its operational plans, i.e. the nature and timing of support, then the criteria for consolidation of the financial statements are deemed to have been met.

These financial statements consolidate the results of the School and the Foundation on a line by line basis. The results of the Foundation are disclosed in note 30 of these financial statements.

In accordance with the provisions of s408 of the Companies Act 2006 and paragraph 397 of the Charities SORP, the School is exempt from the requirement to present its own income and expenditure account and statement of financial activities.

iii) Income

Income in furtherance of the School's activities represents the amounts (excluding value added tax), derived from the provision of educational services and boarding facilities to the pupils during the year, and is accounted for on a receivable basis.

School fees received in the current year in respect of the next or subsequent academic year are not recognised as income in the current year and are transferred to fees received in advance and included in creditors in the balance sheet.

Deposits received from pupils' parents are held in creditors and are classified as falling due within one year. Deposits are repaid when the pupil leaves the School.

Other income (excluding fee income) in furtherance of the Group's activities is represented by:

- Donations, which comprise primarily donations and charitable gifts from individuals, grant giving trusts and foundations, are accounted for on an accruals basis. Such income is recognised when there is a legally binding commitment to the Foundation for the transfer of funds. Donations of assets are brought into the balance sheet and statement of financial activities at market value, at the date of acquisition. Gift aid on donations is subsequently applied for where applicable;
- Legacies, which are accounted for at the earliest of receipt of estate accounts or cash received. As assessment is performed post year end of up to two months. Any legacies received are considered, their value reliably measured and then accounted for appropriately;
- Income from investments, which represents the interest and dividends earned during the year from bonds, deposits, and the endowment funds and any realised gains on their disposal. Income is accounted for on an accruals basis;
- Other educational income, which comprises educational income other than fees;

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

iii) Income (cont'd)

- Ancillary trading income, which comprises income associated with the provision of education by the School such as provision of the School bus service and external concerts; and,
- Other trading activities, which comprise income generated from lettings, hire of the School's facilities and external functions.

iv) Accrued Income

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

v) Grants

Grants received in respect of revenue expenditure are credited to income when there is evidence that entitlement to the grant receipt is probable and the amount can be measured reliably.

Grants in respect of fixed assets are recognised in the statement of financial activities when they are receivable, i.e. when the School is entitled to the income. Grant income is included in deferred income in the balance sheet where pre-conditions exist that require the expenditure to be incurred in a future year or where there is uncertainty as to whether the School will be able to fulfil the pre-conditions attached to the grant or part thereof.

vi) Scholarships, Bursaries and Discounts

Scholarships, bursaries and discounts are awarded to certain pupils who attend the School and are accounted for as a reduction in fees. Each award made is matched against fee income for that pupil at the time the fee invoice is raised. Each award is reviewed annually.

vii) Expenditure

All expenditure is included in the statement of financial activities on an accruals basis. Costs directly attributable to a specific expense heading are allocated to that heading. Expenditure is recognised when a liability is incurred, and in the following categories:

- Expenditure on raising funds, which consists of costs incurred in attracting voluntary income;
- Charitable activities, which comprise expenditure incurred in teaching, boarding and music programmes, and including both the direct costs and support costs relating to these activities;
- All expenditure, including support costs, is classified under activity heading that aggregates all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it is incurred;
- Termination/redundancy payments are accounted for as soon as the School is aware of the obligation to make payments.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

viii) Pension costs

The teaching staff are members of the Teachers' Pension Scheme ('TPS'), which is a defined benefit scheme. Under the definitions set out in FRS102, the teachers' pension scheme is a multi-employer pension scheme.

Accordingly, the School has taken advantage of the exemptions available to multi-employer pension schemes and contributions to the scheme are charged to the statement of financial activities when they are payable.

Some other employees are members of a money purchase pension scheme operated by an insurance company on behalf of the School. The amounts charged against income represent the contributions payable to the schemes in respect of the accounting year.

ix) Tangible Fixed Assets and Depreciation

All tangible fixed assets are accounted for at cost less accumulated depreciation. Cost includes the original purchase price of the asset plus the costs attributed to bringing the asset to its working condition for its intended use. Depreciation is provided by the School to write off the cost less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives on a straight line basis as follows:

Freehold buildings	-	1%-10% per annum
Long leasehold land and buildings	-	1%-2% per annum
Fixtures and fittings	-	5%-12.5% per annum
Musical instruments and machinery	-	10% per annum
Information and communications technology equipment (including computer and data communications equipment)	-	10%-25% per annum
Motor vehicles	-	12.5% per annum

The useful economic lives and residual value of fixed assets are reviewed annually.

No depreciation is provided on freehold land.

The capitalisation threshold is £1,000. Items under this level are expensed to the statement of financial activities.

Assets in the course of construction are not depreciated until they are completed and brought into use.

x) Investments

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

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

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

x) Investments (cont'd)

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

xi) Stocks

Stocks are stated at the lower of cost and net realisable value and using the "first in first out" method. Cost represents the invoice value charged by suppliers. Stocks are reviewed annually and a provision created for any slow moving stock where necessary.

xii) Debtors

Other debtors, intercompany debtors and accrued income are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

xiii) Cash and cash equivalents

Cash is represented by cash in hand.

xiv) Fees Received in Advance

Fees received in advance of education to be provided in future years is treated as deferred income until either taken to income in the School term when used or otherwise refunded.

xv) Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is the shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rental charges are charged to the statement of financial activities on a straight line basis over the life of the lease.

xvi) Repairs provision

In accordance with the requirements of the block lease, the School commissions a five yearly survey of the state of the repair of the leased buildings. The surveyor's suggestions and recommendations for repairs are then categorised into major repair works and ongoing repairs. The School undertakes the major repair work within its ongoing programme of maintenance over a five year period.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

xvii) Endowment funds (restricted)

Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

xviii) Restricted funds

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

xix) Capital fund (restricted)

The capital fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust ("the Trust") and transferred to the School prior to 2005, when the Trust was closed, and contributions by the Trust towards capital projects undertaken by the School ceased. The capital fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

xx) Revenue fund

The revenue fund represents the working capital of the School. Part of this fund has been designated as an asset fund.

xxi) Designated Asset fund

The Governing Body has elected to designate funds equal to the value of land and buildings which are not held within the restricted funds. The asset fund therefore represents the net book value of the tangible fixed assets not funded by the capital fund, less outstanding loans secured on specific assets.

xxii) Transfers between reserves

Transfers between revenue and designated funds are made at the Governing Body's discretion to set aside funds as required. Expenditure on new tangible fixed assets not funded by the capital fund, less any outstanding loans secured on these assets, is transferred to designated reserves. Transfers between revenue and restricted funds reflect the depreciation charge on the capital fund and any purchases of restricted assets.

xxiii) Financial instruments

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

xxiv) Critical Accounting Judgements and Estimation of Uncertainty

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

- **Critical judgements**

The Governing Body do not believe that any critical judgements have been made in preparing the financial statements.

The accruals and prepayments are calculated based on firm or historical evidence, except pledges, which are included based on a firm judgement by the Foundation.

NOTES TO THE ACCOUNTS (cont'd)

2. Accounting policies (cont'd)

xxv) Critical Accounting Judgements and Estimation of Uncertainty (cont'd)

- **Estimates and assumptions**
 The estimates and assumptions made by the Group consist mainly of an allocation of the School's development department's operating costs associated with the Foundation and the useful economic lives and residual values of the School's fixed assets. These reasonable estimates are based on the knowledge of key management personnel.

xxvi) Taxation

The School and Foundation, which are registered charities, are not liable to taxation on the net revenue from their primary activity or investment income and gains.

The School is registered for Value Added Tax and is subject to the partial exemption rules.

3. Fees receivable

	2023	2022
	£'000	£'000
Fees receivable consist of:		
Tuition and boarding fees	18,137	16,974
Music tuition fees	1,970	1,952
<hr/>		
Total fees	20,107	18,926
Less:		
DfE cap – Tuition and boarding fees	(1,199)	(1,038)
Bursaries, scholarships and other discounts	(2,728)	(2,603)
<hr/>		
	16,180	15,285
<hr/>		

The Department for Education ('DfE') cap is the contribution by the School to cover the shortfall which arises because the fees eligible for the Music and Dance Scheme are lower than the full fees. The bursaries include the restricted bursaries donated from the Foundation of £23k (2022: £22k).

NOTES TO THE ACCOUNTS (cont'd)

4. Income from Charitable Activities

	2023	2022
	£'000	£'000
Other educational income:		
School activities	1,027	599
Extra tuition	238	167
Wells Music College income	8	8
Registration fees	37	37
Other income	5	4
	1,315	815
Other ancillary trading income:		
Bus service for pupils	63	114
Concert income	12	4
Other income	183	228
	258	346

5. Income from Donations and Legacies

	2023	Group		
	£'000	2022		
		£'000		
Unrestricted:				
Donations and legacies	4	21		
Restricted / Endowed				
Donations:				
Donations (restricted)	126	100	30	82
Donations to Music (restricted)	56	7	30	7
Donations (endowed)	-	8	-	-
	182	115	60	89

Donations to the School from the Foundation totalled £60k (2022: £82k), including bursaries of £23k (2022: £22k). Net restricted donations received by the Foundation totalled £152k (2022: £59k) and donations to endowed funds were £Nil (2022: £8k).

NOTES TO THE ACCOUNTS (cont'd)

5. Income from Donations and Legacies (cont'd)

	2023	2022
	£'000	£'000
Other trading activities:		
Lettings	56	53
Hire of facilities	175	171
Functions/Concert income	86	60
Solar panels	34	12
Rental	20	32
Deficit on fixed asset disposals	(6)	(19)
	365	309

6. Income from investments

	2023	Group	2023	School
	£'000	2022	£'000	2022
		£'000		£'000
Interest from short-term deposits	25	1	21	1
Income earned on endowment funds transferred to restricted funds	3	3	-	-
Income earned on endowment funds	21	21	-	-
	49	25	21	1

7. Expenditure

	Staff costs	Other	Depreciation	Total	Total
	£'000	£'000	£'000	2023	2022
				£'000	£'000
Expenditure on raising funds:					
Fundraising trading costs	257	184	-	441	399
Foundation operating costs	37	6	-	43	46
Total expenditure on raising funds	294	190	-	484	445
Expenditure on charitable activities:					
Teaching costs	6,973	440	95	7,508	7,060
Welfare costs	817	280	-	1,097	956
Premises – general	1,523	2,121	549	4,193	3,565
Premises – non recurring projects	-	3	-	3	2
Support costs	2,031	1,407	-	3,438	3,363
School activities	-	1,027	-	1,027	599
Ancillary trading	53	174	-	227	197
Total expenditure on charitable activities	11,397	5,452	644	17,493	15,742

NOTES TO THE ACCOUNTS (cont'd)

7. Expenditure (cont'd)

	Staff costs	Other	Depreciation	Total	Total
	£'000	£'000	£'000	2023	2022
	£'000	£'000	£'000	£'000	£'000
Other expenditure:					
Other expenditure	4	-	-	4	-
Total expenditure	11,695	5,642	644	17,981	16,187

8. Support costs

	Costs of generating funds	Other charitable activities	Total	Total
	£'000	£'000	2023	2022
	£'000	£'000	£'000	£'000
Staff costs:	294	2,031	2,325	2,070
Other support costs:				
Staff expenses/development	-	116	116	135
Office	92	1,125	1,217	1,183
Professional advice	-	72	72	190
Finance costs	-	160	160	101
<i>Services provided by the School's auditor:</i>				
Fees payable for the audit (including the Foundation)	-	35	35	28
Fees payable for the Teachers' Pension Certificate	-	1	1	1
	386	3,540	3,926	3,708

Included within the support costs are governance costs of £62k (2022: £42k), which mainly comprise the costs of administering the School, auditor's remuneration and Governing Body meeting expenses.

9. Staff numbers and costs

The monthly average headcount number of persons employed by the Group during the year, analysed by category, was as follows:

	Number of employees	
	2023	2022
Teaching staff	160	160
Non-teaching staff	235	221
	395	381

NOTES TO THE ACCOUNTS (cont'd)

9. Staff numbers and costs (cont'd)

The aggregate payroll costs of these persons were as follows:

	2023	2022
	£'000	£'000
Wages and salaries	9,318	8,761
Social security costs	887	804
Pension costs (see note 23)	1,420	1,312
	11,625	10,877

The number of employees earning in excess of £60,000 gross salary per year:

	Number of employees	
	2023	2022
	£'000	£'000
£140,001 - £150,000	1	-
£130,001 - £140,000	-	-
£120,001 - £130,000	-	1
£110,001 - £120,000	1	-
£100,001 - £110,000	-	-
£90,001 - £100,000	-	-
£80,001 - £90,000	-	-
£70,001 - £80,000	2	-
£60,001 - £70,000	4	2

Of the above employees, 6 (2022: 2) were members of the Teachers' Superannuation Pension Scheme which is a defined benefit scheme. The School's contribution to this was £65k (2022: £46k). The remaining 2 employees (2022: 1) were members of a money purchase pension scheme for which the School's contribution was £22k (2022: £9k).

None of the Governing Body received any emoluments or benefits during the year (2022: Nil). See note 29 for further information. The total amount earned by the Senior Management Team for the year was £656k (2022: £654k).

Settlement payments of £15k (2022: £13k) were made to 1 (2022: 2) employee in the year.

NOTES TO THE ACCOUNTS (cont'd)

10. Net income before transfers

	2023	2022
	£'000	£'000
Net income before transfers is stated after charging:		
Services provided by the School's auditor:		
Audit Fees		
- School	30	27
- Foundation	-	-
Other services		
- Music and Dance Scheme grant audit	1	1
- Teachers' Pension certificate audit	1	1
- Foundation Corporation Tax return	2	2
- Employment tax advice (COVID related)	-	2
Rentals payable under operating leases		
- Land and buildings	95	66
- Other	181	97
Depreciation		
- Owned assets	577	575
- Leased assets	15	26
Amortisation		
- Owned assets	52	-

11. Interest payable

	2023	2022
	£'000	£'000
Interest on bank loans and overdraft	160	58

NOTES TO THE ACCOUNTS (cont'd)

12. Tangible Fixed Assets

Group and School	Freehold Land & buildings	Assets in the course of construction	Leasehold land & buildings	Information & computer technology equipment	Fixtures fittings, machinery, & musical instruments	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1-9-22	24,653	66	1,571	434	2,709	38	29,471
Additions	43	31	-	37	270	-	381
Transfer	10	(10)	-	-	-	-	-
Disposals	-	(52)	-	-	(22)	-	(74)
At 31-8-23	24,706	35	1,571	471	2,959	38	29,778
Depreciation							
At 1-9-22	3,488	-	909	246	1,980	35	6,658
Charge	359	-	26	49	155	3	592
Transfer	-	-	-	-	-	-	-
Disposals	-	-	-	-	(16)	-	(16)
At 31-8-23	3,847	-	935	295	2,119	38	7,234
Net book value							
At 31-8-23	20,859	35	636	176	838	-	22,544
At 31-8-22	21,165	66	662	188	729	3	22,813

The School has a finance lease on properties leased from Wells Cathedral, which date back to 1983. Due to the age of the lease, there is insufficient data to be able to accurately disclose the net amount of the associated asset and depreciation for the year. This is not considered to be material to the financial statements.

There is £662k (2022: £662k) in leasehold land and buildings which relates to long term lease improvements.

The £35k (2022: £66k) in "assets in the course of construction" is the continued capitalisation of the "New Entrance", Art Department development and Nursery improvements.

NOTES TO THE ACCOUNTS (cont'd)

13. Investments

Group	2023	2022
Non-current investments	£'000	£'000
Investment management portfolio comprises:	1,161	1,146

The investments are represented by the following funds:

Endowed funds £1,002,500 (2022: £987,017)

Restricted funds £158,552 (2022: £158,453)

The investments consist of a portfolio of equities, funds, bonds and cash managed by Evelyn Partners, the majority of which comprise UK assets. They are categorized as non-current assets as they are held for longer than twelve months.

The objective of the portfolio is to grow the capital over time, such that, in the future, the portfolio is of sufficient size to meaningfully contribute towards the advancement of education. The portfolio achieved a positive return of 1.4% over the twelve months to the end of August, compared to a negative return of 8.3% in the prior year. The current year outcome reflects a continued challenging market place which has in particular impacted portfolios with a growth bias. Over the same timeframe the MSCI WMA Growth Index declined 3.4% compared to a decline of 1.4% in the prior year. Whilst lagging slightly behind the target, the portfolio's performance, net of costs, has held up much better than similar charity portfolios.

Group	2023	2022
	£'000	£'000
Investments at valuation		
At 1 September 2022	1,146	1,247
Additions at cost	438	335
Disposal proceeds	(367)	(307)
Loss on investment portfolio	(27)	(129)
Cash management movement	(54)	-
Gain on cash	25	-
	1,161	1,146

These balances can be further analysed as:

Cash held	28	57
Investments	1,133	1,089
At 31 August 2023	1,161	1,146

NOTES TO THE ACCOUNTS (cont'd)

14. Stocks

These consist of catering supplies.

15. Debtors

	2023	Group	2023	School
	£'000	2022	£'000	2022
		£'000	£'000	£'000
Trade debtors – amounts due from parents	960	1,012	960	1,012
Other debtors	271	378	278	371
Prepayments	440	323	440	323
	1,671	1,713	1,678	1,706

16. Creditors: amounts falling due within one year

	2023	Group	2023	School
	£'000	2022	£'000	2022
		£'000	£'000	£'000
Bank loans and overdrafts	124	161	124	161
Fees received in advance	1,181	2,521	1,181	2,521
Pupil deposits	1,538	1,623	1,538	1,623
Fees In Advance Scheme	300	-	300	-
Trade creditors	5	5	5	5
Taxation and social security	211	182	211	182
Finance lease	28	29	28	29
Other creditors	605	533	605	533
Accruals and deferred income	527	620	520	628
	4,519	5,674	4,512	5,682

In the normal course of business and assuming the going concern basis, the expected repayment of deposits to parents of pupils leaving the School will be £1,538k (2022: £1,623k).

Fees received in advance:

Group and School

	2023	2022
	£'000	£'000
At 1 September 2022	2,532	2,134
New contracts	-	16
Fees received in advance of next academic year	1,181	2,370
Amounts utilised in payment of fees to the School	(2,532)	(1,988)
At 31 August 2023	1,181	2,532

NOTES TO THE ACCOUNTS (cont'd)

16. Creditors: amounts falling due within one year (cont'd)

Fees received in advance – aged breakdown:		
Group and School	2023	2022
	£'000	£'000
Fees falling due within:		
- 1 year	1,181	2,521
- 1-2 years	-	11
	1,181	2,532

17. Creditors: amounts falling due after one year

Group and School	2023	2022
	£'000	£'000
Bank loan	2,554	2,625
Finance lease	39	67
Fees received in advance	-	11
Fees In Advance Scheme	1,075	-
	3,668	2,703

Bank loans are instalment debts and fees received in advance are non-instalment debts.

There are three (2022: three) bank loans secured on School properties.

The capital for the loans is repayable in monthly instalments which vary from £1k to £18k. The interest rates on these loans vary from 0.9% to 1.95% above base rate. There is an interest offset arrangement in place with the bank for two of the loans whereby a sweep of the loans and cash balances is made daily. A net interest adjustment is then made reflecting the balance of interest received on cash held and the interest to be paid on the outstanding loan balances.

The bank loans are repayable as follows:

Group and School	2023	2022
	£'000	£'000
Within:		
1 year	124	161
1 – 2 years	133	169
2 – 5 years	459	537
After 5 years	1,962	1,919
	2,678	2,786

NOTES TO THE ACCOUNTS (cont'd)

18. Endowment funds

Group	Alan				Ashley			Total £'000
	Chandler fund £'000	Quilter fund £'000	Dulverton fund £'000	Carnegie fund £'000	Vandervell fund £'000	Jones fund £'000	Bursary fund £'000	
At 1-9-22	80	6	40	25	249	14	573	987
Additions	-	-	-	-	-	-	16	16
Interest	-	-	-	-	-	-	1	1
Loss on investment	-	-	-	-	-	-	(2)	(2)
At 31-8-23	80	6	40	25	249	14	588	1,002

The Chandler fund represents an endowment, the income from which is to be used for music bursaries.

The Alan Quilter fund provides scholarships and bursaries.

The Dulverton fund is to fund bursaries for former boy choristers at Wells Cathedral.

The Carnegie fund is to fund a folk singing scholarship.

The Vandervell fund is to fund scholarships and bursaries.

The Ashley Jones fund represents an endowment, the income from which is to be used to fund bursaries.

The Bursary fund represents donations which are to be used to fund bursaries.

Comparative statement of Endowment Funds for the year ended 31 August 2022

Group	Alan				Ashley			Total £'000
	Chandler fund £'000	Quilter fund £'000	Dulverton fund £'000	Carnegie fund £'000	Vandervell fund £'000	Jones fund £'000	Bursary fund £'000	
At 1-9-21	80	6	40	25	249	14	656	1,070
Additions	-	-	-	-	-	-	8	8
Interest	-	-	-	-	-	-	21	21
Loss on investments	-	-	-	-	-	-	(112)	(112)
At 31-8-22	80	6	40	25	249	14	573	987

NOTES TO THE ACCOUNTS (cont'd)

19. Restricted Funds

Group and school	Project fund £'000	Bursary fund £'000	Capital fund £'000	Other fund £'000	School fund £'000	Consolidated fund £'000	Foundation fund £'000	Group Total £'000
Donations and other receipts	-	-	60	-	60	(30)	152	182
Other trading	-	-	-	2	2	-	-	2
Bank and other interest	-	-	-	-	-	-	3	3
Expenditure	-	-	(17)	(2)	(19)	52	(54)	(21)
Deficit for year	-	-	43	-	43	22	101	166
Transfers	-	-	60	-	60	(23)	(3)	34
At 1-9-22	74	71	3,112	309	3,566	98	358	4,022
At 31-8-23	74	71	3,215	309	3,669	97	456	4,222

The Project Fund comprises funds from the DfE in respect of specific education based projects with State sector schools.

The Bursary Fund represents restricted bursaries received and awarded during the year.

The Capital Fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust ("the Trust") and transferred to the School prior to 2005, and contributions by the Trust towards capital projects undertaken by the School. This Trust closed in July 2005. The Capital Fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

The Other Fund comprises funds from the Foundation and other specific educational based projects such as Sierra Leone.

The transfers from the Restricted Fund of £23k (2022: £71k) comprise the following:

	2023 £'000	2022 £'000
Transfer from the Designated Asset Fund to Capital Fund for assets Funded by Friends of Music and the Foundation	-	49
Transfer from revenue fund in respect of restricted bursaries from the Foundation	23	22
Total	23	71

NOTES TO THE ACCOUNTS (cont'd)

19. Restricted Funds (cont'd)

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

Group and school

	Project fund £'000	Bursary fund £'000	Capital fund £'000	Other fund £'000	School fund £'000	Consolidated fund £'000	Foundation fund £'000	Group Total £'000
Donations and other receipts	-	22	42	25	89	(41)	59	107
Bank and other interest	-	-	-	-	-	-	3	3
Expenditure	-	-	(88)	(17)	(105)	41	(98)	(162)
Deficit for year	-	22	(46)	8	(16)	-	(36)	(52)
Transfers	-	22	49	-	71	-	-	71
At 1-9-21	74	27	3,109	301	3,511	-	492	4,003
At 31-8-22	74	71	3,112	309	3,566	-	456	4,022

20. Unrestricted Funds

	Balance at Sept 2022 £'000	Interest £'000	Incoming £'000	Outgoing £'000	Transfer £'000	Balance at Aug 2023 £'000
Group						
Revenue Fund	(4,664)	25	18,120	(17,447)	(484)	(4,450)
Designated Fund	19,491	-	-	(506)	447	19,432
	14,827	25	18,120	(17,953)	(37)	14,982
School						
Revenue Fund	(4,737)	21	18,139	(17,444)	(507)	(4,528)
Designated Fund	19,491	-	-	(506)	447	19,432
	14,754	21	18,139	(17,950)	(60)	14,904

The transfer deficit of £484k (2022: £726k) is the accumulation of the restricted fund £37k (2022: £71k) and the Designated Fund £447k (2022: £655k).

NOTES TO THE ACCOUNTS (cont'd)

20. Unrestricted Funds (cont'd)

Comparative Statement of Unrestricted Funds for the year ended 31 August 2022

	Balance at Sept 2021 £'000	Interest £'000	Incoming £'000	Outgoing £'000	Transfer £'000	Balance at Aug 2022 £'000
Group						
Revenue Fund	(5,187)	1	16,776	(15,528)	(726)	(4,664)
Designated Fund	19,350	-	-	(514)	655	19,491
	14,163	1	16,776	(16,042)	(71)	14,827
School						
Revenue Fund	(5,241)	1	17,036	(15,807)	(726)	(4,737)
Designated Fund	19,350	-	-	(514)	655	19,491
	14,827	1	17,036	(16,321)	(71)	14,754

21. Financial Instruments

Financial assets that are measured at fair value:

	2023 £'000	Group 2022 £'000
Investments	1,161	1,146

22. Commitments

Group and School

Operating leases

The total commitments under non-cancellable operating leases were as follows:

	2023		2022	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating lease commitments:				
In less than one year	91	164	66	220
In the second to fifth years inclusive	-	463	150	624
	91	627	216	844

NOTES TO THE ACCOUNTS (cont'd)

22. Commitments (cont'd)

The leases of land and buildings are subject to rent reviews which occur over 1 to 7 years. The rent for the properties in Vicars Close is £69,800 per annum (2022: £65,880). The leases on 17 and 18 Vicars Close expire in June 2024 and the leases on 16 and 26 Vicars close expire in September 2024.

Finance leases

The total commitments under non-cancellable finance leases were as follows:

	2023		2022
	Land and	Other	Land and
	buildings		buildings
	£'000	£'000	£'000
			Other
			£'000
Finance lease commitments:			
In less than one year	140	-	103
In the second to fifth years inclusive	560	-	411
	700	-	514

Commitments under finance leases relate to the rental properties from Wells Cathedral. The lease agreement dated back to 1983 and there is insufficient data to be able to accurately disclose the finance lease creditor amount. This is not considered to be material to the financial statements.

23. Pension Scheme

The School operates two pension schemes.

a) Teachers

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,224k (2022: £1,143k) and at the year-end £130k (2022: £168k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a 'pay as you go' basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

NOTES TO THE ACCOUNTS (cont'd)

23. Pension Scheme (cont'd)

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

- b) Non-teaching staff
 Most of the non-teaching staff are members of a defined contribution scheme.

The pension cost charge for the year represents contributions payable by the School to the funds (Employer's Contribution) analysed as follows:

	2023	2022
	£'000	£'000
Non-teaching staff	196	168
Teaching staff	1,224	1,143
	1,420	1,311
Contributions outstanding at 31 August were as follows:		
Non-teaching staff	-	-
Teaching staff	130	124
Net contributions outstanding	130	124

NOTES TO THE ACCOUNTS (cont'd)

24. Reconciliation of net movement in funds to net cash inflow from operating activities

	2023	2022
	£'000	£'000
Net movement in funds	370	600
Adjustments for:		
Depreciation	592	601
Loss on sale of fixed assets	58	19
Cash held for re-investment	26	57
Loss on investments	2	129
Increase in stocks	(1)	-
Decrease/(Increase) in debtors	43	(339)
(Decrease)/Increase in creditors	(83)	80
Income from investments	(49)	(25)
Interest payable	160	58
Net cash provided by operating activities	1,118	1,180

25. Analysis of changes in cash balances

	Sep	Cash	Aug
	2022	flows	2023
	£'000	£'000	£'000
Cash in hand and at bank	2,535	475	3,010
Cash held by investment manager	57	(29)	28
Debt due within one year	(161)	37	(124)
Debt due after one year	(2,625)	71	(2,554)
Total	(194)	554	(360)

26. Reconciliation of Net Debt

	2023	2022
	£'000	£'000
Increase in cash in the year	446	440
Cash inflow from repayment of loans	108	230
Change in net funds resulting from cash flow	554	670
Net debt at start of year	(194)	(864)
Net debt at end of year	(360)	(194)

NOTES TO THE ACCOUNTS (cont'd)

27. Allocation of Net Assets for the year ended 31 August 2023

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

Group	Fixed assets	Net current assets/ (liabilities)	Long term liabilities	Total
	£'000	£'000	£'000	£'000
Endowment Funds	1,002	-	-	1,002
Restricted Funds	5,514	(1,292)	-	4,222
Unrestricted Funds	17,189	1,461	(3,668)	14,982
	23,705	169	(3,668)	20,206

School	Fixed assets	Net current assets/ (liabilities)	Long term liabilities	Total
	£'000	£'000	£'000	£'000
Restricted Funds	5,355	(1,686)	-	3,669
Unrestricted Funds	17,189	1,383	(3,668)	14,904
	22,544	(303)	(3,668)	18,573

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

Group	Fixed assets	Net current assets/ (liabilities)	Long term liabilities	Total
	£'000	£'000	£'000	£'000
Endowment Funds	1,146	(159)	-	987
Restricted Funds	5,773	(1,751)	-	4,022
Unrestricted Funds	17,040	490	(2,703)	14,827
	23,959	(1,420)	(2,703)	19,836

NOTES TO THE ACCOUNTS (cont'd)

27. Allocation of Net Assets for the year ended 31 August 2023 (cont'd)

School	Fixed assets £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Total £'000
Restricted Funds	5,774	(2,208)	-	3,566
Unrestricted Funds	17,039	418	(2,703)	14,754
	22,813	(1,790)	(2,703)	18,320

28. Related Parties

a) Connected Persons

The Chapter of Wells Cathedral ("the Chapter") is a connected person within the terms of the Charities SORP. At the School's Governors meeting in December the Members will include an agenda item to ratify the appointment of new Governors. The articles provide for three Chapter members to be Governors.

During the year:

- Rent was paid to the Chapter of £188k (2022: £169k) under a repairing lease expiring in 2063 in respect of certain School buildings. At the year end, there was a prepayment of £15k (2022: £37k).
- Property insurance was paid to the Chapter of £19k (2002: £Nil). At the year end, there was a prepayment of £6k (2022: £Nil).
- The Chapter contributed £66k (2022: £81k) towards the fees of the Cathedral choristers.
- The School paid £35k (2022: £30k) to the Chapter in respect of the use of the Cathedral facilities for events.
- The School paid £10k (2022: £3k) to the Chapter in respect of the support of the Chorister Outreach programme.

Veale Wasbrough Vizards, of which a Governor is a partner, received £39k (2022: £14k) from the School, and Patterson Bristol, of which a Governor is a shareholder, received £59k (2022: £7k) from the School.

The School received bursaries of £15k (2022: £15k) from The Sir Keith Showering Trust, of which a Senior Management Team member is a Trustee.

The School received bursaries of £11k (2022: £32k) from The Wells Cathedral Chorister Trust, of which a Governor is a Trustee.

NOTES TO THE ACCOUNTS (cont'd)

28. Related Parties (cont'd)

- b) Transactions with Governors and Trustees
During the year, 1 (2022: 2) of the Governors received reimbursement for expenses of £473 (2022: £418).

During the year, 2 Governors (2022: 3) and 2 Trustees (2022: 3) were parents of pupils at the School and paid fees on the same terms as any other parent and received the benefits of Clergy and sibling discounts where appropriate.

- c) Transactions with Wells Cathedral School Foundation
The Foundation, which is a charitable company registered in England & Wales (company number: 2804495) is not a directly owned subsidiary of the School, however, the results of the Foundation have been consolidated into the School's financial statements as the Foundation is indirectly controlled and influenced by the School.

The School has funded the initial set up costs of the Foundation and will fund certain ongoing costs of operation of the Foundation as agreed in the 'memorandum of understanding' between the School and the Foundation. In 2022/23, the Foundation's operating costs of £44k (2022: £46k) were recharged to the School.

During the year the School received £97k (2022: £82k) from the Foundation representing donations for bursaries and specific projects.

29. The Wells Cathedral School Foundation

The Wells Cathedral School Foundation was established in 2007 as a separate but connected charity, charity number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School.

Registered and principal office: Wells Cathedral School, Limited
 College Road
 Wells
 Somerset
 BA5 2SX

NOTES TO THE ACCOUNTS (cont'd)

29. The Wells Cathedral School Foundation (cont'd)

A summary of its results for the year is shown below:

	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2023 £'000
Income:				
Income from charitable activities	21	156	51	228
Expenditure on raising funds	(7)	(55)	(46)	(108)
Unrealised gains/(losses) on investments	(2)	-	-	(2)
Net movement in funds	12	101	5	118
Transfers between funds	(3)	3	-	-
Balance brought forward	987	358	172	1,517
Balance carried forward	996	462	177	1,635

The net assets and liabilities were:

	2023 £'000
Fixed assets:	
Investments	1,161
Total current assets	487
Creditors: amounts falling due within one year	(12)
Net current assets	475
Net assets	1,636
Total charity funds	1,636

NOTES TO THE ACCOUNTS (cont'd)

29. The Wells Cathedral School Foundation (cont'd)

Comparative results for the year ended 31 August 2022:

	Endowment funds £'000	Restricted funds £'000	Unrestricted funds £'000	Total 2022 £'000
Income:				
Income from charitable activities	29	62	67	158
Expenditure on raising funds	-	(81)	(48)	(129)
Unrealised gains/(losses) on investments	(112)	(17)	-	(129)
Net movement in funds	(83)	(36)	19	(100)
Balance brought forward	1,070	394	153	1,617
Balance carried forward	987	358	172	1,517
The net assets and liabilities were:				2022 £'000
Fixed assets:				
Investments				1,146
Total current assets				371
Creditors: amounts falling due within one year				-
Net current assets				371
Net assets				1,517
Total charity funds				1,517

WELLS CATHEDRAL SCHOOL LIMITED

England & Wales - Charity number 310212

Accounts

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

**Governors' Report and Consolidated Financial Statements
Registered Company number 00564883
Registered Charity number 310212
Year ended 31 August 2022**

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GOVERNORS' REPORT

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

Governance

The School has been in existence since 909AD. Its original purpose, which it still fulfils to this day, is to educate the Wells Cathedral choristers. It is registered with the Charity Commission and was incorporated in 1956 as a registered company, Limited by Guarantee.

The Governing Body

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

The Very Reverend Dr John Davies DL, MA, MPhil, PhD, Dean of Wells
The Reverend Canon Nicholas Jepson-Biddle BA, MA, Precentor of Wells ○#
The Reverend Canon Dr Robert James PhD, MPhil, MLitt, MA BA (Hons) Chancellor of Wells (*resigned 15th August 2022*) ◇
Prebendary Emeritus Barbara Bates BA, MA, FRSA \$◇
Mr David Brown MA, OBE ●#
Mr Tim Lewis BA (Cantab), FCA*
Mr Robert Powell \$ ●◇
Mr Andrew Campbell-Orde FCCA*
Mr Martin Cooke BEd ◇\$
Mr Andrew Gummer LLB *#
Mr Kris Robbets, MA MSc ●
Mrs Elizabeth Shelton, SRN \$
Mr Harry Musselwhite, BA FKC *
Professor Jeffrey Sharkey BM, MM, MPhil ◇ (*appointed 23rd March 2022*)
Mrs Dorothy Nancekieve, MA, BMus, PGCE, Hon Aram ◇ (*appointed 9th September 2022*)

* Members of the Finance and Audit Committee
\$ Members of the Pastoral and Recreation Committee
◇ Members of the Academic Committee
● Members of the Development Committee
○ Members of the Chorister Sub Committee
Parent of a pupil at Wells Cathedral School

The board comprises three of the seven members of the chapter of Wells Cathedral, two of which are anticipated to be the Dean and the Precentor, and up to 15 lay members who are appointed by the Chapter.

The lay Governors are appointed for three years and retire by rotation.

Governors Report (continued)
Legal and Administrative Details

Registered and principal office	Wells Cathedral School Limited College Road Wells Somerset BA5 2SX
Bankers	National Westminster Bank PLC 7 High Street Wells Somerset BA5 2AD
Solicitors	Harris and Harris Diocesan Registry 14 Market Place Wells Somerset BA5 2RE
Insurance Brokers	Hettle Andrews & Associates Ltd Eleven Brindleyplace 2 Brunswick Square Birmingham B1 2LP
Independent Auditor	Crowe U.K. LLP 4 th Floor St James House St James' Square Cheltenham GL50 2PR
Company Secretary	Mr Peter Knell (<i>resigned 12th July 22</i>) Mr Robert McCartney (<i>appointed 18th July 22</i>) Wells Cathedral School Limited College Road Wells Somerset BA5 2SX
Connected Charity	Wells Cathedral School Foundation Limited College Road Wells Somerset BA5 2SX

Governors Report (continued)
Charitable Objectives

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

- To advance education in accordance with the doctrine of the Church of England by such means as shall be exclusively charitable and by other associated activities for the benefit of the community;
- The carrying on and development of the School;
- To provide in particular for the training and education of the choristers of the Cathedral Church of St Andrew in Wells, and the other pupils of the School through instruction in every branch of learning, in citizenship, in outdoor pursuits and in arts and crafts of all kinds, and on the basis of Christian principles and in accordance with the doctrine of the Church of England to provide such pupils with spiritual, moral, mental and physical training; and
- To do all such other things as are incidental or conducive to the attainment of the Association's objects or any of them.

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

The School provides a family-oriented co-educational boarding and day School for 2 - 18 year olds which provides an all-round education alongside world-class specialist music training, including to the Choristers of the Cathedral. Its vision is to inspire every individual pupil to nurture his or her talents in a vibrant, creative, spiritual and stimulating environment to become a responsible global citizen.

The School aims to achieve its objectives and realise its vision through the application of the core principles set out in its Mission Statement by:

- **Encouraging** pupils intellectually to set themselves high expectations and aspirational goals
- **Challenging** pupils to discover new passions and develop existing ones through active engagement in a range of co-curricular and sporting endeavours
- **Delivering** a world-class specialist music and chorister education for those with particular talents
- **Stimulating** pupils to be individuals in a uniquely creative and spiritually aware environment
- **Empowering** pupils to be independent, resilient, confident and kind

Charitable Benefit

The School's primary charitable benefit is the provision of education to the boys and girls at the School. The School is a co-educational learning community and its pupils consist of both boys and girls at all stages. There are no geographical restrictions upon prospective pupils and 188 children (2021: 170), about 27% of total pupils, (2021: 25% of total pupils) from 27 (2021: 24) different overseas nations were pupils during the year. Although education is in accordance with the doctrines of the Church of England, there is no religious restriction upon those who may be admitted and pupils of all faiths are welcomed, with many different religions represented amongst the pupil body. All pupils are assessed academically on entrance to enable appropriate provision for them, and auditions are held for prospective musicians and choristers. Beyond the curriculum offered by the School, charitable benefit is also generated from the following activities:

- Community work carried out by pupils in and out of School;
- Outreach and partnership work conducted by the School, in relation to music, sports and academic activities;
- Provision of School estate and support facilities for community use at cost recovery or reduced rates;
- Links with Schools and music academies and enterprises overseas (Sierra Leone, China including Hong Kong, Malaysia, Russia and throughout Europe) to enable the pupils to extend their community work abroad and to understand the needs of pupils in different countries; and
- Charitable fundraising.

Governors Report (continued)
Bursaries, Scholarships and Discounts

The School does not have substantial reserves or endowments and largely relies upon its annual fee income and Foundation fundraising to support its activities. Although fees are payable by parents, an extensive bursary and scholarship support is provided to pupils. The School seeks to provide as many means tested bursaries and scholarships as can be sustained by its annual fee income. Bursaries are reviewed after each phase of education by the School. During the year, the School provided fee remissions of £3,641k (2021:£3,367k), which comprises bursaries of £1,251k (2021:£1,135k), scholarships of £447k (2021:£381k), a subsidy to pupils participating in the Music and Dance Scheme of £1,038k (2021:£946k), and £883k (2021:£847k) of discounts (supporting members of the armed forces, clergy, siblings, Old Wellensians, employees and children of ex-choristers of the School). The School also received £22k (2021: £58k) from the Foundation.

Group Structure and Relationships

The Wells Cathedral School Foundation ("the Foundation") was established in 2007 as a separate but connected charity, number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School. The Foundation's objects are to advance the education of pupils at the School by means of:

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

The Foundation's income is from charitable gifts, plus the related gift aid, from individuals, grant giving trusts and foundations, as well as from savings interest and returns on investments. During the year the Foundation received £157,766 (2021: £269,068) in income and made donations to the School of £81,520 (2021: £98,545) towards bursaries and specific projects. Note the comparison 2021 is a period of 13 months.

Whilst the Foundation produces its own separate audited Financial Statements, these Financial Statements are then incorporated with the Financial Statements of the School into the consolidated Financial Statements of the group.

Recruiting and Training of Governors

The School's lay Governors are appointed at a meeting of the Board on the basis of nominations agreed between the Chairman and the Head Master with regard to the Board's requirements concerning eligibility, personal competence, specialist skills and availability for meetings. A small sub-committee of Governors (the Succession Planning Committee) meets with the Head Master on a regular basis to consider vacancies, names and succession. Governors are inducted into the workings of the School, including Board policy and procedures, by the Chairman, the Head Master, the Bursar and the Assistant Clerk to the Governors. The training needs of the Governors are continually assessed and relevant updating sessions are provided, including, but not limited to, development activities provided through membership of the Association of Governing Bodies of Independent Schools (AGBIS).

Charity Governance Code

All Governors of the School:

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

Governors Report (*continued*)

The Governors are familiar with, and acknowledge, the updated version of the Charity Governance Code published in July 2017, and the code's principles are reviewed at the Governors' away days.

Fundraising Disclosures

The School had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Over the last year the Foundation has undertaken fundraising activities as in previous years using its database. These fundraising activities have been undertaken by staff employed by the Foundation and no external persons have been used. The Foundation has voluntarily subscribed to the Fundraising Regulator which holds the Foundation to the Code of Fundraising Practice. Over the course of the financial year there have been no failures to comply with the Code, nor have any complaints been received.

Safeguarding Policy

In order to protect vulnerable people the Board and Trustees of the Foundation comply with the School's safeguarding policy to report concerns of abuse. All members of staff, as well as Governors, receive regular safeguarding training, and safeguarding is an agenda item at all Governors meetings. This allows Governors and staff members to raise and be aware of any concerns.

Indemnity Insurance

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

The cost of insurance is included in the cost of public liability cover which amounted to £9,139 (*2021: £7,846*) in the year for the group.

Statement of Going Concern

The School closely monitors its cash flows and has maintained an overdraft facility of £750k to ensure that it remains a going concern. The School has successfully managed its operating costs in order to deliver a surplus, despite the challenging environment of a second financial period affected by the covid pandemic. The School expects to maintain a positive cash position and does not anticipate the need to utilise its agreed overdraft facility in the next 12 months.

The School has breached its Capital covenant for the loans by £3k which the bank is fully aware of and are not concerned.

In consideration of the presumption of going concern as the basis for the preparation of the report and Financial Statements, they have concluded that no material uncertainties have been identified that may cast significant doubt on the ability of the School to continue as a going concern. The Governors therefore have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the Financial Statements.

Organisational Management

The School's Governors are legally responsible for the overall management and control of the School. The full Governing Body meets at least four times a year, and is chaired by the Dean of Wells Cathedral or by the Deputy Chairman. It is responsible for determining the aims, strategy and overall conduct of the School and is accountable for the discharge of its responsibilities to pupils, parents and staff. The work of implementing the policies is carried out by a series of committees:

- Finance and Audit Committee: This committee meets four times a year, usually two weeks before a full meeting of the Governing Body, and is chaired by Andrew Campbell-Orde. Its main roles are to:

Governors Report (*continued*)

- consider, monitor, challenge and recommend the annual budgets and fee increases to the board;
 - monitor and direct in-year expenditure;
 - authorise capital expenditure;
 - scrutinise the statutory Financial Statements and recommend them to the governing body;
 - appoint and appraise the performance of the external auditor;
 - scrutinise, monitor, challenge and endorse proposals for staffing and staff remuneration; and
 - monitor and advise on the School's human resources function.
- **Academic Committee:** This committee meets three times a year, and is chaired by Martin Cooke. Its objectives are to:
 - scrutinise, challenge, support and monitor the School's educational aims; and
 - help the School develop new and appropriate ones.
 - **Pastoral and Recreation Committee:** This committee meets three times a year, and is chaired by Prebendary Emeritus Barbara Bates. Its objectives are to:
 - monitor and advise in all matters relating to pupil welfare and wellbeing, including matters concerning safeguarding;
 - monitor and advise on matters relating to staff welfare;
 - review the School's provision of extra-curricular activities including trips; and
 - review and monitor the School's boarding provision.
 - **Development Committee:** This committee meets three times a year, and is chaired by David Brown. This committee:
 - challenges, advises and supports the Head Master in all matters concerning plant, grounds and non-core trading in order to meet the educational needs of the School; and
 - monitors and supports the work of the Foundation.

The Chorister Sub Committee meets three times a year and includes the Cathedral Director of Music, the assistant organist and the School's chorister tutor. It is chaired by the Precentor of Wells Cathedral, the Reverend Canon Nicholas Jepson-Biddle. It oversees, monitors and plans all matters to do with the choristers' life and programme.

The running of the School is delegated to the Head Master, supported by his Senior Management Team which consists of the Heads of the Prep and Pre-Prep Schools, the Director of Music, the Bursar, who is also the Clerk to the Governors, the Director of Admissions and Marketing and two Deputy Heads, Pastoral and Academic. The Head Master reports directly to the Governors, as does the Bursar through the Head Master but with direct access for matters relating to the roles of Company Secretary and Clerk to the Governors. The Head Master attends all meetings and committees of the Governors, and members of the Management Team attend meetings according to their responsibilities and at the direction of the Head Master and Clerk to the Governors.

Officers

During the year the executive officers were:

Head Master	Mr Alastair Tighe MA (Cantab)
Bursar & Clerk to Governors	Mr Peter Knell BSc (Hons), MA, MSc, MBA, CITP, FCIPD, FCIS, FCMA, CDir (<i>resigned 31st July 22</i>)
Bursar & Clerk to Governors	Mr Robert McCartney FCA, BSc (Hons) (<i>appointed 18th July 22</i>)
Head of Prep School	Mr Jody Wells BEd Hons
Head of Pre-Prep Development	Miss Rebecca Perdrix BSc (Hons), MA Ed
Director of Music and Managing Director, Cedars Hall	Mr Mark Stringer GMusRNCM (Hons), FTCL, ARCO (CHM), ARCM, HonFTCL, HonLRSL, PGCE (<i>resigned 31st December 21</i>) Alexander Laing MA (Cantab,) DPS (<i>appointed 25th April 22</i>)
Director of Music	
Deputy Head (Pastoral) and Designated Safeguarding Lead	Mr Martin Ashton BA (Hons), PGCE
Deputy Head (Academic)	Mrs Natalie Perry BSc (Hons), MSc, PGCE
Director of Marketing and Admissions	Mr John Fosbrook BA (Hons), MA

Governors Report *(continued)*

When setting the remuneration and pay structure of the senior executives, a comprehensive benchmarking exercise is undertaken, using Baines Cutler salary guidance and assessing competitors' information for comparison. Governors agree the Head Master's salary and the Head Master agrees the senior team's salary in consultation with the Governors.

Volunteers

The School continues to be grateful to the Parents and Friends' Association for the funds it makes available for desirable and useful extras throughout the School and its contribution in arranging social occasions. Also to the Friends of Music of Wells Cathedral School for their constant support for music in the School and for the funding they make available for instruments, musical commissions, etc. It is also grateful to the board of Wells Cathedral School Hong Kong Music Society, which raises funds in Hong Kong to support Hong Kong scholars at Wells, and to the Trustees of the Wells Cathedral School Foundation.

Employees

Staff in their respective areas (teaching or support) attend regular term meetings/forums to discuss current whole School issues, where they are encouraged to have a voice and participate. They are regularly updated on the current developments of the School including the School's estate projects and its financial position.

The School demonstrates best practice by following a comprehensive recruitment/retention process to ensure equal opportunities for all. Once appointments are made, regular professional development reviews are undertaken to allow all staff to develop their careers further, through training and reflective practice. This includes career development and promotion of disabled people and the continuing employment and training of employees who have become disabled whilst employed by the School. The School has demonstrated how it values all staff by making reasonable adjustments to individuals' work commitments, to enable them to carry out their duties to the best of their ability. If they experience long term health problems and wish to return to work, assistance is provided to aid their recovery. Coaching and counselling services are available for staff

STRATEGIC REPORT

Review of Developments, Activities and Achievements

During 2021/22, the in-year average numbers in the Senior School increased to 554 (20/21: 544) and in the Prep School increased to 155 (2020/21: 130), excluding the Nursery. The average overall School roll therefore increased to 709 (2020/21: 674). This was thirty pupils above the anticipated roll of 679, excluding nursery. The Board's long term intention is for the overall size and disposition of pupils (the 'shape' of the School) to increase numbers towards approximately 750 pupils and at the same time create a more even distribution of pupil numbers throughout all year groups

The covid pandemic has had a considerable operational effect on the School in the year. The School returned to onsite learning in September 2021 after an extended year of lockdown, but there were multiple covid measures in place to ensure the safe operation of the School during this time. A further period of remote learning lasted from January 2021 to mid-March 2021 as a result of the Government's national lockdown requirements. While the majority of pupils were learning off-site during this time, approximately 50 boarders were in residence throughout, and a further 50 or so pupils attended daily as children of key workers (in addition to the Nursery which remained open). The School maximised the financial savings opportunities afforded by the closure of most of the physical site and applied these savings to fees for the Epiphany and Lent Terms, in order to alleviate the financial effects suffered by parents, other fee payers and grant giving bodies.

Cedars Hall, now well-established as an integral asset both for the School and in the cultural life of the City of Wells and the South West of England, has been able to operate as expected following covid with live audiences etc. but audience numbers have reduced as a result of ongoing effects of the pandemic. Despite reduced audience numbers, the School has been able to provide the opportunities afforded by Cedars Hall, building on its offer of world-class 'classical' and jazz performances and including popular and 'commercial' music to embrace a wider audience, often in a cabaret-style format, as well as an art lecture series entitled CHATS.. The Hall continues to host art exhibitions, drama and other important festivals in Wells, e.g. The Festival of Literature and the Comedy Festival, amongst others. The Hall also continues to welcome community events such as toddler groups on a regular basis. The Hall is in demand as a top-calibre recording venue and is admired by the BBC which has recorded three major chamber music festivals at the venue.

Governors Report (*continued*)

The development plan for the whole School site continues to form the basis of the School's estate strategy, and is adjusted according to changes in the environment and implemented according to changing needs. An Estates Strategy Group continues to meet regularly to consider a number of long term strategies for the School estate, the utilisation of site buildings, the shape and size of the School and possible future new building projects. This is in addition to maintaining the regular cycle of maintenance of School buildings.

The School continues to develop its curriculum offering, in response to both pupil demand and its overall academic strategy. Alongside this the School continues to enhance well established links with external experts to augment its own internal expertise in areas of teaching, learning, coaching and mental health. This programme continues to be extended to parents, and the continuation of the 'Parental Engagement Programme' (PEP) has been popular, with good outcomes for pupils' learning as School and parents share the same message.

The School is conscious of the need to be informed by academic research, and we continue to encourage staff to engage in research projects. Others are involved in 'lesson study' projects, with some staff studying towards formal masters level qualifications.

With regard to supporting its business processes, the School continues to develop tools internally in order to make better use of its data. These include reporting and administration tools in areas such as admissions, finance, music timetabling, asset management, human resources and others.

Pastoral care is provided to all pupils with the aim of giving them the encouragement and support necessary to ensure they are enabled to not only 'be what they are' (*esto quod es*) in the words of the School motto, but become the best they can be. This aim is threaded through our discourse whenever possible. Pupils should have a sense of belonging and be contented, balanced and confident individuals who have the necessary tools to be able to live safe, healthy and fulfilling lives. They should have a high level of spiritual awareness, emotional intelligence and self-control and also be active and responsible citizens who make a positive contribution to the School and wider world. They should be possessed of a good moral compass and a strong sense of honesty and integrity, and be equipped to work in partnership and in teams. To achieve this, the School has continued to develop its pastoral care and facilities. It continues to work towards further improving boarding, through enhancement work. Pupils' wellbeing remains high on the agenda and a Wellbeing Fundraising Campaign was launched for the calendar year 2022. The School's Mental Health Counsellors and Mental Health Practitioner continue to work effectively and a good number of teaching and support staff have been trained up as Mental Health First Aiders.

In other estates work, the School has secured funds via fundraising and an annual fund to build a Multi Use Games Area (MUGA) for use by the whole School. In addition, the Estates budget was used to refurbish the Plumtre courts and Claver Morris boarding house, and to decorate De Salis boarding house externally as well as Mullins building. Of course there are also the year round small improvement works that have been carried out, as we constantly strive to improve the site and buildings and keep on top of essential maintenance of Listed Buildings.

Pupils have also continued to be educated about their use of mobile phones and technology and how it can affect their well-being. We strengthened our mobile phone policy from September 2021 and this year will be launching an E safety committee headed by some of our Upper Sixth Captains. We have also continued to respond to some of the social matters which have arisen recently as a result of Black Lives Matter, Everyone's Invited and Climate Change through a continued series of 'Big Conversation' events in the Senior School and other related initiatives.

The co-curriculum aims to support the School ethos of 'be what you are' by providing opportunities for every pupil to find an activity outside the classroom, which could be physical or non-physical, for them to enjoy life. Pupils should be able to follow their passion to the highest level. The School supports elite pathways, but its main focus is on improving and developing every child. The co-curriculum is also designed to provide a brilliant foundation for life by choosing activities that develop the necessary character traits that enable a successful future.

Old Wellensian activities resumed following the relaxation of covid restrictions. The London RAF reunion dinner was well attended, as was the Summer Reunion held at School in June 2022. Regular bulletins and other communications have been issued as well. The Foundation has continued to work with the Old Wellensian

Governors Report (*continued*)

Association on communications, and the Head of Foundation continues as Secretary and Vice-Chairman of the Association.

The 'Wells Community Portal' to bring together all the supporting bodies of the School in one 'virtual' place - including Old Wellensians, Friends of Music, Parents' Association, Wells Cathedral Chorister Trust and Old Choristers Association - is now established and working effectively.

The Director of Admissions and Director of Music, along with other colleagues, have begun to resume some of their international recruitment trips. But we continue to take advantage of virtual events as well, adopting a more hybrid approach than was the case before covid.

The School's admissions and recruitment efforts have continued in earnest this year with a range of established and new recruitment initiatives. The School has resumed its onsite Open Days, but we have maintained some online recruitment events as well, including our Scholarship Information Morning. Our international agent visits and conferences have also resumed onsite.

The Head Master and Director of Music have continued to work closely with the Wells Music Society of Hong Kong (WMSHK) to implement a clear remit for the society in terms of its profile-raising for the School. Discussions about facilitating existing, and exploring new, strategic relationships on the School's behalf with the Society, and also in relation to pupil recruitment continue, although the continuing covid situation in Hong Kong throughout the year has meant progress has not really been possible in this area.

The beneficiaries of the School also include children and young people who are not pupils of the School who have the opportunity to benefit from educational and entertainment activities undertaken at, or by, the School.

Cedars Hall is one of the School's primary vehicles for engagement with the wider community. The School ordinarily hosts some 350 events, mainly concerts, throughout the year, most of which are in the Eavis Auditorium of Cedars Hall, and in Quilter Hall, our 14th Century concert hall. The concerts are a combination of pupil-led performances and those by internationally-acclaimed professional musicians and performing artists from all over the world. In addition to many free concerts available to the general public, the School offers heavily discounted tickets to all who join the Friends of Music of Wells Cathedral School. The Hall and its wider facilities have also hosted community events including the Wells Festival of Literature, the Wells Comedy Festival, and the CHATS Art Lecture series.

The School educates the boys and girls of the choir at Wells Cathedral which is an integral part of the worship at Wells Cathedral and a significant benefit to the members of the wider community. The School supports the Cathedral in providing mentoring in teaching, and in supporting safeguarding training for the Vicars Choral, and its choral and organ scholars. It also supports children from other Schools to "Be a chorister for a Day" providing staffing, pupils and physical resources. The School has also supported the creation of an Outreach Singing Programme for local Primary Schools delivered in conjunction with the Cathedral.

During the year the School delivered a varied programme of music outreach, co-ordinated by a dedicated member of staff to the benefit of many local maintained Schools and the wider community both regional and international. And we hosted Music Summer Schools onsite. We continue to produce a huge amount of online performance material featuring pupils' themselves via our School YouTube channel which is available to the wider community.

The School's pupils also assisted with our local charitable work including at Wells Museum, Bishops Palace, Wells Cathedral, a local Food Bank, local care homes and local charity shops and local schools. Pupils also made and wrote Christmas Cards in December 2021, and engaged in a number of different fundraising initiatives for the Ukrainian refugees.

'Be a Mathematician Days' resumed onsite this year, as well as other sporting outreach events and competitions. The Swimming Pool was made available to the local population throughout the year, including to Ukrainian refugee families in summer 2022. Other sporting facilities have also regularly been made available to local sporting groups, including cricket and tennis groups, for little or no charge.

There are 10 members of staff (2021: 3) that act as public examiners for GCSE, A level, ABRSM and Trinity examinations taken by maintained School candidates.
At least one member of staff is a governor of a local maintained School.

Governors Report (continued)

The School was named as a finalist in the 'Co-Educational School of the Year' category of the Independent School of the Year 2022 Awards.

Promotion of the success of the organisation to benefit its members

The Governors confirm that in accordance with Section 172 (1) of the Companies Act 2006 they act in a way they consider most likely to achieve the purposes of the Company. In making this assessment, the Governors consider the relevant actions of the Board as described throughout the report. Taking the areas required for disclosure in turn:

a) The likely consequences of any decision in the long term

The assessment of the long term sustainability of the School's operations is considered in the going concern section of the Governors report. This assessment is based upon review of management information and financial forecasts (including projections of the level of reserves) by the Governing body.

Strategic decisions are subject to discussion and validation by the Governing body prior to implementation. The Governing body also regularly reviews risks that may threaten the achievement of the School vision and strategy to ensure effective mitigation.

b) The interests of the Company's employees

The School recognises that the professional skill and commitment of its staff are essential to its success. The Governors ensure regular opportunities for discussion with Governors and management on a formal and informal basis.

Twice weekly briefings and notices help to keep staff informed and provide opportunities for involvement in the diverse activities of the School. Staff well-being and engagement is a key area of focus at this time.

c) The need to foster the Company's business relationships with suppliers, customers and others

Parents are kept engaged and up to date through the parent portal, social media posts and the weekly bulletin This Week in Wells. Parent surveys are regularly undertaken. The Governors (several of whom are or were parents of children at the School) actively engage with the parent body and the various voluntary organisations set up by parents to support the activities of the School.

The School makes an important contribution to the local economy with many suppliers based in the local area. The School ensures that it acts with integrity in its business relationships including prompt payment of supplier invoices.

d) The impact of the company's operations on the community and the environment

The School is developing metrics to enable monitoring and reporting of the environmental impact of its activities. These measures are outlined in more detail in the Sustainability section of the Governors Report.

The School continues to engage extensively with the wider community through a wide range of activities described in the Strategic Report.

e) The desirability of the company maintaining a reputation for high standards of business conduct

The School has established policies and procedures to govern the conduct of its business. These policies are regularly reviewed by management and are subject to review and validation by relevant committees of the Governing body on a regular basis.

The School is committed to complying with all applicable laws and regulations.

f) The need to act fairly between members of the company

The School Code of Conduct applies to all members of School staff including Governors.

The School has procedures in place to ensure Governors interests are declared and conflicts of interest avoided.

Governors Report (continued)
Key Challenges

Continuing on from the focuses set by the arrival of the Head Master in September 2018, key focuses and messages throughout the year were:

1. That Wells offers a holistic education which aims to educate the whole child academically, through its comprehensive range of co-curricular activities and charitably.
2. That it is a through School offering education from 2 – 18 years.
3. That it is a Specialist Music School within the context of an all-round School, which gives it a unique ethos and atmosphere, which also enables it to provide a world-class musical education for its specialist musicians but from which all its pupils also benefit.
4. That it is a Cathedral Choir School providing an education for the Cathedral choristers.
5. That it is a boarding and day School, and a School whose rhythms are dictated by the presence of its boarders, both in the UK boarders and internationally.
6. That it aims to deliver the best academic experience possible, within the context of an all-round education.
7. That it has suitable strategies in place to appeal to the widest possible pupil base and to expand its recruitment of pupils of all ages whilst also attracting the best quality teaching and support staff.
8. That it provides long term strategic development, funding and sustainability to one of the country's oldest school communities.
9. That it ensures its former pupils are actively part of its extended community through regular communications and invitations.
10. That it continues to resource the School and manage its budgets in such a way as to aim to provide an operating surplus of at least £1 million before depreciation alongside funding "one off" projects, to enable continuing investment in facilities.

A new Strategic Vision for the School was launched in January 2021, which aims to express all these points and make them a focus for the future development of the School.

Sustainability

Under the requirements of the companies and limited liability partnerships in complying with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ('the 2013 Regulations') and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('the 2018 Regulations'), this report will start to outline Wells Cathedral School's plan to address environmental impacts.

A key part of the School's sustainability strategy will be the ability to understand, measure and report on their environmental performance and impact in order to devise a number of KPIs that will assist to reduce and off set carbon emissions now and in the future. This is not only to ensure compliance with certain regulations, but also to ensure that the school benefits from lower energy and resource costs, gains a better understanding on climate change but also it will assist to demonstrate leadership as well as marketable 'green credentials'.

Whilst the School is in the early stages of this process, including measurable reporting, the School is making small steps to carry out work that ensures sustainability and environment are considered. This year these have included:

1. A roll out programme of changing lights to LED, with sensors where appropriate.
2. Regular mixed recycling collections.
3. The addition of a food waste recycling scheme.
4. Insulating loft spaces (Edwards completed this year).
5. Solar panels - recently overhauled to ensure working efficiently.
6. Planting schemes including the planting of 100 trees.
7. Removal of glyphosate weed killer products and leaving borders to grow naturally.
8. Bird and bat boxes.
9. Rolling programme of replacing petrol hand held machines (leaf blowers etc.) with battery operated.
10. The reduction of harmful cleaning products.

Next year, the School will engage with a firm to calculate their current carbon footprint. To do this we will be seeking to set out the scope on which this should be calculated i.e. what should or should not be included. This

Governors Report (continued)

will enable the resulting strategy to reduce the School's carbon footprint, to be broken down into component parts so the school can reduce in parts to achieve an aggregated net zero target. This in turn will enable the School to report fully on their environmental impact setting against meaningful KPIs and determining financial benefits.

	2021/22	2020/21
UK energy use kWh	Gas: 3,259,732 Electricity: 1,101,866	Gas: 4,145,191 Electricity: 647,560
Associated Greenhouse gas emissions Tonnes CO2 equivalent	Gas consumption: 586.75 Electricity consumption: 209.35	Gas consumption: 746.13 Electricity consumption: 123.04
Intensity ratio Emissions per pupil Total number of pupils 709 (2020/21: 674)	0.83	1.11

Associated Greenhouse gases have been calculated using the UK government conversion factors for company reporting.

Operational Performance

The School set itself the following objectives for the academic year 2021/22. Progress is indicated in italics.

1. To continue to improve the provision of sport and co-curricular education.
Significant progress has been made, including the establishment of an Annual Fund with a specific focus on Sport in its first year. The duration of the Fund was extended to two years because of covid, and at the time of writing funds have been secured to build a MUGA. We will launch a different Annual Fund focus in January 2023, most probably focussing on supporting the wellbeing of the whole community.
2. To raise the level of fundraising for bursaries both at home and abroad, and to create the basis for the next stage of advancement at the School.
Work continues on this, and the Foundation is reviewing our legacy plans for donors among other things. Again, covid curtailed activity in terms of 'launch' and other 'fundraising' events. But this remains a priority for the 2022/23 academic year.
3. To increase the level and rate of recruitment of pupils at all stages in the School in order to continue to create a balanced model for the School.
Despite challenges imposed by covid, recruitment has been very strong and as we enter the next academic year we are looking forward to a strong year in terms of pupil numbers. We continue to work to bring our recruitment cycle forward, and we are seeing increasing numbers of prospective families earlier than before, and committing to the School more than a year in advance. Moreover, sections of the School are full, including areas of boarding and some year groups.
4. To continue to support families and parents better so that being a member of the Wells community is easier.
Progress continues, including improved communications and a greater sense of collaboration between the various supporting bodies of the School, not least via the creation of the Wells Community online platform.
5. To develop leadership and accountability at all levels throughout the School.
For pupil leadership, a revised Prefect and Captain structure has been implemented. We will be implementing a School Council for pupils in the Senior School.
6. To grasp the challenge of the School's diversity and market it accordingly.
Ongoing progress, with renewed focus on international pupils, HM Forces pupils, London families, day pupils and musicians. We are also keen to focus on UK boarding pupils of all ages, including those of Prep School age.

Governors Report (*continued*)

7. To maintain the commitment to continuous improvement in the delivery of the School's elite music programme and to widen it's offering to embrace more fully commercial genres. To increase engagement with the wider community via the Cedars Hall arts complex.
Progress continues. The outreach of Cedars Hall is ever-growing (notwithstanding its need to physically close for much of the last financial year because of covid). We have been setting up a Wells International Music offering to enable those from abroad or elsewhere in the UK to access the superb 1:1 music teaching Wells provides online. And we are launching a Sacred Music Course as an additional strand of our Music Specialism to take advantage of our unique position here at Wells as a Senior School, a Music Specialist School and a Cathedral. We have also undertaken a review of our Enterprises structure (which is ongoing), of which Cedars Hall is a part, with the aim of maximising both our outreach and potential income from external sources, funds from which can then be used to support further the School's core educational aims.

8. To further enhance pastoral care and the wellbeing of the whole community.
We have reviewed the tutoring programme in the Senior School with a new structured programme in place from September 2021. Our Personal, Social, Health and Economic (PSHE) curriculum will be reviewed following the appointment of a new Head of PSHE. We have increasing numbers of staff trained as mental first aiders, and the whole staff engaged in training in mental wellbeing for all at the start of the 2021/22 academic year. Other projects, including possible developments of the site to support wellbeing, are under consideration.

9. To plan the funding and delivery of the next capital projects to extend and enhance educational, sport and boarding facilities.
An ongoing Estates Plan is being followed with a prioritisation list under constant review.

The School has monitored performance against key indicators throughout the year. At Wells there are many unseen exam factors, not least that many of the most able pupils at this stage in their development do fewer GCSEs or A levels than at other Schools; this may be because of their musical programme or because so many individual pathways are crafted. The main criterion for entry into the School at any level is that the girl or boy will be able to flourish and to help other people to do so as well. However there is also a need to make sure that any individual who joins the Wells family can succeed in ways that they want academically. This means providing honest and kind advice to Sixth Form pupils in relation to their preferred route of study.

Large numbers of pupils go to Oxford, Cambridge and other Russell Group universities as well as many excellent universities across the world, or on to eminent music conservatoires around the world, often with significant scholarships. The School focuses most on how they will use all their education to be flexibly minded people of integrity, balance and determination. Our emphasis on independent learning has meant that a significant number of pupils take the Extended Project Qualification, as well as the GCSE level Higher Project Qualification.

GCSE and A level grades were awarded by public examination for the first time since 2019, with the grading in between the standard of 2021 (when Teacher Assessed Grades (TAGS) were awarded) and 2019. Even with this change in grading to reduce grade inflation the School performed extremely well. At GCSE level, 20% of all grades awarded were Grade 9; 55% of all grades fell within the Grade 9 to 7 range (equivalent to A* to A under the old system) and 94% were in the range Grade 9 to 4 (A* to C equivalent). At A level, 29.7% of grades awarded were A*, with 92.2% falling in the A* to C range. Over 80% of pupils achieved their first choices of university or conservatoire; this includes one pupil who took up a place at Oxford as well as about 75% taking up places at other Russell Group universities, Music Conservatoires or other prestigious international establishments.

Instrumental music exam results have again been excellent throughout the year, with several pupils achieving diploma level qualifications in a range of instruments and voice. In the Sixth Form, the A Level Biology and Chemistry Departments will be following the Edexcel syllabus from now on. The specification is more appropriate for our pupils and ensures consistency from GCSE and between all the Science subjects.

The School continues to strengthen and develop its links with partner institutions at home and abroad. Regrettably, the covid pandemic and its after effects still prevented UK and overseas tours for much of the academic year. Nonetheless, Wells has maintained contact with representatives of several partner schools, e.g. the Yew Chung International School, the Alliance Primary School and Wah Yan College in Hong Kong;

Governors Report *(continued)*

likewise with the Hong Kong Academy for Performing Arts. The Hong Kong charity's mission to 'enrich the musical life of Hong Kong through its talented young musicians' has seen continued funding of Hong Kong Scholars who have joined the School since September 2016. The out-going Director of Music was in regular contact with UCSI University (Kuala Lumpur Campus) and the Moscow Conservatory. Wells is a founder-member of Young Music Talents Europe, a collaborative network of specialist music schools across Europe, which is committed to sharing expertise and good practice in the coaching of elite instrumentalists and vocalists. The Director and Deputy Director of Music attended meetings throughout the year with representatives of these schools.

In addition to onsite pre-auditions and auditions, we have also been able to reach out by conducting on-line auditions and interviews for all those interested in studying at the School and, for musicians, delivering consultation and regular music lessons for pupils who have expressed an interest in coming to Wells. Furthermore, we have been developing plans for Wells Music International, an initiative which will offer a combination of on-line 1:1 music coaching, the opportunity to perform in group performance classes, study music theory and history and benefit from mentoring which will be offered globally during our own term-times alongside on-site residential courses for those on this programme during the Easter and Summer breaks.

The School maintains its link in Sierra Leone with the Ballanta Academy.

FINANCIAL REVIEW

The financial performance for the year has been influenced by a challenging operating environment. Nonetheless the School has seen increased enrolment. The average pupil numbers have increased from last year by 35 pupils (*2021: decreased pupils 12*) across the Prep and Senior Schools. The demand for bursary and other fee remissions has risen by £274k (*2021: £50k*). The School is determined to maintain the quality of its provision whilst ensuring that it operates at a financially sustainable level.

Consolidated Operating Results

The operating environment for the year was challenging. Senior pupil numbers increased by 1.84% (*2021: decrease by 1.98%*); bursaries and discounts increased by 8.14% (*2021: increased by 1.70%*); and donations received by the Foundation decreased by 62% (*2021: increased by 20.83%*). The scholarships awarded increased to £447k (*2021: £381k*), an increase of 17.32%. The level of gross fee income, the School's charitable income, has increased to £20,087k (*2021: £18,772k*). The School has continued to invest in staffing and infrastructure in order to maintain the quality of its provision.

The consolidated net result for the year was a surplus of £600k (*2021: deficit of £49k*) which is composed of the net surplus of the School of £700k (*2021: deficit of £411k*) and a net deficit from the Foundation of £100k (*2021: surplus of £362k*). The consolidated results for the year are set out in the Statement of Financial Activities (SOFA) on page 25. Under accounting rules for charities this statement combines transactions of a capital and revenue nature. The operating results for the two constituent charities are outlined below.

Consolidated Activities

During the year the School produced an operating surplus of £1,324k (*2021: surplus of £310k*) before depreciation and non-recurring premises projects. After depreciation and non-recurring premises projects its operating result was a surplus of £721k (*2021: deficit of £272k*).

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Governors Report *(continued)*

The consolidated activities are summarised below:

	2022	2021
	£000	£000
Income from charitable activities (charitable activities per SOFA plus the School bursaries and discounts)	20,087	18,772
Operating costs of School		
School bursaries and discounts	(3,641)	(3,836)
Expenditure on charitable activities (excluding depreciation)	(15,122)	(14,626)
Operating surplus of the School	1,324	310
<hr/>		
Less:		
Depreciation	(601)	(574)
Premises - non recurring projects	(2)	(8)
Net operating surplus	721	(272)
<hr/>		
Income from generated funds	470	322
Realised (loss)/gain on investments	(129)	238
Cost of generating funds	(445)	(331)
Cost of charitable activities not part of operating costs	(17)	(6)
Net income in SOFA	600	(49)

Analysis of the business using Key Performance Indicators (KPI's)

KPI	2022	2021	2020
Net fee income growth %	2%	1%	(6%)
Bursaries, scholarships and discounts as % of gross fees	19%	22%	25%
Donations and legacies as a % of gross fees	1%	1%	1%
Teaching staff costs as a % of gross fees	35%	39%	36%
Welfare costs as a % of gross fees	5%	5%	5%
Premises costs at a % of gross fees	19%	21%	19%
Operating surplus/(deficit) % of the School	4%	(2)%	8%

The 2022 KPIs are for a year. In 2021, the KPI's were for 13 months.

The gross fee for these KPIs is £18,926k (2021: £17,499k) (note 3).

The net fee received is £15,285k (2021: £13,633k) (note 3).

The Operating surplus of the School is £721k (2021: deficit of £272k)

Operating result of Wells Cathedral School Foundation

During the year the Foundation received £87,915 (2021: £199,844) in financial contributions in the form of income from donations and legacies. The Foundation continued to make donations to the School, which in the year under review totalled £81,520 (2021: £98,545). Its operating costs of £45,582 (2021: £44,634), including staff costs and other direct costs associated with the Foundation, were borne by the School. The net movement in funds of the Foundation was a deficit of £100,286 (2021: surplus of £361,944).

Governors Report (continued)

Investment Policy, Powers and Performances

In accordance with the Trust Deed, Governors of the School and Trustees of the Foundation may authorise the funds of the Foundation to be invested in any stocks, shares or insurance policies. The Trustees' aim is to generate long-term total return from endowment funds invested, combining both capital growth and income.

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

The Foundation adopts the "Total Return" approach to investments which are considered to be permanent endowments under which, once the value of the permanent endowments reaches a sufficient amount, the total return will be available to be used to award bursaries to pupils of the School, consistent with the Foundation's objectives.

Political and Charitable Contributions

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

Reserves Policy

The total funds held by the group at the yearend were £19,836k (2021: £19,236k). The Governors have designated an asset fund so that a framework exists for them to assess appropriate levels of free reserves, as recommended in the Charity Commission guidance paper, "Charities Reserves". Free reserves are defined in the guidance paper as excluding not only funds that are for restricted purposes but also those designated by the

Governors for a particular purpose, and any funds only realisable by disposing of fixed assets held for charity use. One thrust of the guidelines is to highlight those charities that are carrying excessive free reserves.

The free reserves in the Consolidated Balance Sheet, as defined by the guidelines, are a deficit of £4,664k (2021: deficit of £5,187k) at the end of the financial year. The Governors take comfort from the fact that the School holds significant designated reserves of £19,491 (2021: £19,350). The Governors believe that, over time, a prudent level of free reserves, consistent with the business risks of the School, equivalent to six months operating costs should be accumulated. The proposed level of such a reserve has yet to be determined, but is considerably higher than the current level of free reserves. It is unlikely that the target will be achieved for many years because of the previous and ongoing policy of the Governors to improve the facilities of the School through the investment of surpluses in School assets.

Restricted Funds

The balance of the restricted funds at the end of the year was £4,022k (2021: £4,003k). These funds are held for capital projects, bursary funds and projects funded by the Department for Education. The balance includes the restricted fund net movement of £35k (2021: (£2k)) from the Foundation.

Designated Asset Fund

The balance of the designated asset fund at the end of the year was £19,491k (2021: £19,350k). This fund represents the net book value of the majority of tangible fixed assets.

Endowment Funds

The endowment funds represent donations received to provide bursaries. Total endowment funds were £987k (2021: 1,070k) at the end of the year. Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

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Governors Report (continued)
Bursaries, Scholarships and Fee Discounts

The following fee discounts were provided to parents of pupils at the School during the academic year:

	Number of pupils		Value	Value	% of	% of
	2022	2021	£000	£000	gross fee income	gross fee income
			2022	2021	2022	2021
School bursaries	260	279	1,251	1,135	6.61%	6.49%
Bursaries from the Foundation	3	5	22	58	0.12%	0.33%
Music and Dance Scheme	80	80	1,038	946	5.48%	5.41%
Scholarships	175	166	447	381	2.36%	2.18%

Value of fee reductions provided to children of:

	Value	Value	% of	% of
	£000	£000	gross fee income	gross fee income
	2022	2021	2022	2021
Members of the clergy of the Church of England	14	17	0.07%	0.10%
Members of the armed forces	15	19	0.08%	0.11%
Former pupils of the School	32	28	0.17%	0.16%
Parents with more than one child at the School	150	149	0.79%	0.85%
Employees of the School	597	572	3.15%	3.27%
Children of ex-choristers of the School	75	62	0.40%	0.35%
Total	3,641	3,367	19.23%	19.25%

The bursaries from the School and Foundation are awarded on the basis of parental need and are all means tested. The total £3,641k includes £22k of restricted Foundation bursaries.

The level of support included 1 free places (2021:2) worth £32k (2021: £64k).

The Music and Dance Scheme (MDS) discounts are subsidies provided to parents of pupils whose places are funded by the MDS, as such funding is capped by the Department for Education (DfE). Support by the DfE to these pupils is also means tested.

Scholarships are awarded to recognise a pupil's academic or sporting achievement, and are not means tested, although additional means tested support in the form of a bursary might also be considered where appropriate.

Risk Management

The Board of Governors is responsible for the management of the risks faced by the School. Detailed consideration of risks is delegated through the Head Master to the Head of Prep School and Bursar, who are assisted by other members of the Senior Management Team and other leadership groups in the School. Risks are identified and assessed, and controls established throughout the year. A register of key risks has been created and, together with the School's risk management process, is reviewed formally by the Governors on an annual basis.

Specific risks identified include: public benefit and charitable status, changes to the cost of the Teachers' Pension Scheme, the future of the Music and Dance Scheme against a background of continued Government spending reviews, possible risks to the wellbeing of pupils and financial risks (described in more detail below). These risks are mitigated through regular monitoring of government decisions and through the School's

Governors Report (continued)

established Board sub-committees and established health and safety framework. The School has recorded all activities that give rise to a public benefit in support of its status as a charity. The School began a consultation with staff in 2022 on continued membership of the TPS.

The School is still awaiting the emergence of a clear picture on the impact of the exit from the EU. Families and educational agents from continental Europe continue to express disappointment in the increased bureaucracy and cost involved in obtaining permission to study in the UK. However, at present there has been no discernible practical impact on existing EU pupils or those imminently joining the British independent education system.

Financial risk management covers:

- **Income risk** – The School's cost base operates predominantly on a fixed cost basis and its surplus is equivalent to a relatively small percentage of income. This high level of operational gearing means that the School's ability to generate surpluses is sensitive to fluctuations in pupil numbers;
- **Price risk** – Fees are subject to annual reviews. Salary costs are communicated to staff during the formal annual review of salaries. Prices of significant materials purchased are subject to contracts with suppliers, based on current market prices and obtaining at least three quotations wherever possible;
- **Credit risk** – The credit risk on amounts owed to the School by its parents is low, due to the nature of the income being received;
- **Liquidity risk** – The School has completed a number of significant capital projects: the construction of a music learning and performance building, a sports pavilion, and a boarding facility, as well as acquiring and converting a second, plus the replacement of the School's astroturf pitch. The School has prepared cash flow forecasts and is monitoring these regularly;
- **Interest rate risk** – The School has three bank loans secured on property on which it pays interest at 0.9 to 1.95% above base rate. An interest offset arrangement is in place on two of the loans (see note 17);
- **Treasury risk** - The School's long-term, capital and working capital cash-cycle requirements mean that the School maintains deposits in cash and cash equivalents as well as longer term investments. These holdings expose the School to the risk of loss through investments whose risk profile does not include a guaranteed return and/or from the failure of the organisations holding the investments. The investments held by the group are actively managed by an investment manager, in accordance with an investment policy set by the investment committee of the Foundation, which considers the risk and return profile, duration and disbursement of the funds on deposit/invested; and
- **Risk of Imposition of Additional Statutory Charges** – The School (along with the rest of the independent sector in the UK) faces the risk of the imposition of additional statutory charges and taxes. This includes, but is not limited to, the application of VAT on fees, and the removal of the charitable dispensation on business rates.

The key controls used by the School to manage identified risks include:

- Formal agendas for all committee and Board activity;
- Terms of reference for all committees;
- Comprehensive strategic planning, budgeting and management accounting;
- A register of key risks, identifying and assessing the risks as well as a responsible manager and risk mitigation strategy for each risk;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Vetting procedures as required by law for the protection of the vulnerable.

Governors Report *(continued)*

Through the risk management processes established by the School, the Governors are satisfied that the major risks identified have been mitigated where deemed appropriate. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Statement of Governors' Responsibilities

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

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 group and of the incoming resources and application of resources, including the income and expenditure, of the group for the year. In preparing these Financial Statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles set out in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

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

Statement on Disclosure of Information to the Auditor

So far as each Governor is aware, there is no relevant audit information of which the School's auditor is unaware. 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 auditor is aware of that information.

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

Independent Auditor

Crowe U.K. LLP has indicated their willingness to accept reappointment as the School's auditors and a resolution for their reappointment will be proposed at the annual general meeting.

The Governor's report, including the strategic report, was approved by the board of Governors of Wells Cathedral School Limited on 5th December 2022 and signed on its behalf by:

Mr David Brown
Acting Chairman of Governors



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

Opinion

We have audited the financial statements of Wells Cathedral School Limited for the year ended 31 August 2022 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement on page 21, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and Safety legislation, and Employment legislation.

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

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

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

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

Use of our report

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



Guy Biggin
Senior Statutory Auditor

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

Date: 12 December 2022

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Year ended 31 August 2022

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

	<i>Note</i>	Endowment funds £000	Restricted funds £000	Unrestricted revenue £000	Designated Asset funds £000	Total 2022 £000	Total 2021 £000
INCOME FROM:							
Charitable activities:							
Fees receivable	3	-	-	15,285	-	15,285	13,663
Other educational income	4	-	-	815	-	815	1,074
Other ancillary trading income	4	-	-	346	-	346	199
Donations & legacies	5	8	107	21	-	136	207
Other trading activities	5	-	-	309	-	309	90
Income from investments	6	21	3	1	-	25	25
Total Income		29	110	16,777	-	16,916	15,258
EXPENDITURE ON:							
Raising funds	7	-	-	(445)	-	(445)	(331)
Charitable activities	7	-	(145)	(15,083)	(514)	(15,742)	(15,214)
		-	(145)	(15,528)	(514)	(16,187)	(15,545)
(Loss)/gain on investments	13	(112)	(17)	-	-	(129)	238
Net income/(expenditure)		(83)	(52)	1,249	(514)	600	(49)
Transfers between funds	18,19,20	-	71	(726)	655	-	-
Net movement in funds		(83)	19	523	141	600	(49)
Fund balances brought forward at 1 September 21	18,19,20	1,070	4,003	(5,187)	19,350	19,236	19,285
Fund balances carried forward at 31 August 22	18,19,20	987	4,022	(4,664)	19,491	19,836	19,236

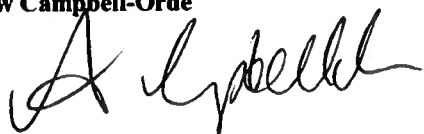
The notes on pages 29 to 54 form part of these Financial Statements.

Consolidated Balance Sheet as at 31 August 2022
Company Number 00564883

	<i>Note</i>	2022		2021	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	<i>12</i>		22,813		22,976
Investments	<i>13</i>		1,146		1,247
Current assets					
Stocks	<i>14</i>	6		6	
Debtors	<i>15</i>	1,713		1,374	
Cash at bank and in hand		2,535		2,090	
Total current assets		4,254		3,470	
Creditors: amounts falling due within one year	<i>16</i>	(5,674)		(5,514)	
Net current liabilities			(1,420)		(2,044)
Total assets less current liabilities			22,539		22,179
Creditors: amounts falling due after more than one year	<i>17</i>		(2,703)		(2,943)
Net assets			19,836		19,236
The funds of the group					
Endowment funds	<i>18</i>		987		1,070
Restricted funds	<i>19</i>		4,022		4,003
Unrestricted funds	<i>20/21</i>		14,827		14,163
Total funds			19,836		19,236

These Financial Statements were approved by the Board of Governors on 5th December 2022 and were signed on its behalf by:

Mr Andrew Campbell-Orde
Governor



Mr David Brown
Acting Chairman of Governors



The notes on pages 29 to 54 form part of these Financial Statements

Wells Cathedral School Limited (limited by guarantee)
School Balance Sheet
Year ended 31 August 2022

School Balance Sheet as at 31 August 2022
Company Number 00564883

	<i>Note</i>	2022		2021	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	<i>12</i>		22,813		22,976
Current assets					
Stocks	<i>14</i>	6		6	
Debtors	<i>15</i>	1,706		1,410	
Cash at bank and in hand		2,180		1,679	
Total current assets		<u>3,892</u>		<u>3,095</u>	
Creditors: amounts falling due within one year	<i>16</i>	(5,682)		(5,508)	
Net current liabilities			<u>(1,790)</u>		<u>(2,413)</u>
Total assets less current liabilities			<u>21,023</u>		<u>20,563</u>
Creditors: amounts falling due after more than one year	<i>17</i>		(2,703)		(2,943)
Net assets			<u>18,320</u>		<u>17,620</u>
The funds of the School					
Restricted funds	<i>19</i>		3,566		3,511
Unrestricted funds	<i>20/21</i>		14,754		14,109
Total charity funds			<u>18,320</u>		<u>17,620</u>

The net movement in funds for the School in the year is a surplus of £600k (2021: deficit £411k).

These Financial Statements were approved by the Board of Governors on 5th December 2022 and were signed on its behalf by:

Mr Andrew Campbell-Orde
Governor



Mr David Brown
Acting Chairman of Governors



The notes on pages 29 to 54 form part of these Financial Statements.

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Cash Flows
Year ended 31 August 2022

Consolidated Statement of Cash Flow
For the year ended 31 August 2022

	<i>Note</i>	2022		2021	
		£000	£000	£000	£000
Net cash provided by operating activities	<i>24</i>		1,180		1,957
Cash flows from investing activities:					
Income received from investments	<i>6</i>	25		25	
Proceeds from sale of investments	<i>13</i>	307		64	
Purchase of tangible fixed assets	<i>12</i>	(458)		(495)	
Disposal of tangible fixed assets	<i>12</i>	9		6	
Purchase of investments	<i>13</i>	(335)		(130)	
Net cash used in investing activities			(452)		(530)
Cash flows from financing activities:					
Repayment of bank loans	<i>26</i>	(230)		(222)	
Payment of interest	<i>11</i>	(58)		(46)	
Net cash used by financing activities			(288)		(268)
Change in cash and cash equivalents in the reporting year	<i>25,26</i>		440		1,159
Cash and cash equivalents at the beginning of the reporting year	<i>25</i>		2,152		993
Cash and cash equivalents at the end of the reporting year			2,592		2,152
Cash and cash equivalents					
Cash at bank and in hand	<i>25</i>	2,535		2,090	
Cash held by investment manager	<i>13</i>	57		62	
		2,592		2,152	

The notes on pages 29 to 54 form part of these Financial Statements

Notes

1 Company Status

The School is a Charitable Company, registered in England and Wales (company number: 00564883) limited by guarantee, and not having any share capital. The members undertake to contribute to the assets of the company in the event of it being wound up, either whilst members or within one year of their membership ceasing. The maximum contribution required from each member would be £1. The School is also a Charity registered in England and Wales (Charity Number: 310212).

2 Accounting Policies

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

Basis of Preparation

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

The School is a public benefit entity and its functional and presentational currency is the pound sterling. The School's registered and principal address is College Road, Wells, Somerset. BA5 2SX.

Going Concern

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

The Governors have prepared cash flow forecasts for a period of more than 12 months from the date of approval of these financial statements which indicate that, taking account of reasonable possible downsides, the group will have sufficient funds to meet liabilities as they become due.

In preparing the forecasts we have considered further severe but plausible downside scenarios. None of the scenarios indicates that the group would have insufficient funds to meet its liabilities as they fall due or fail to comply with its banking covenants. As a result the Governors consider that it remains appropriate to adopt the going concern basis in the preparation of the financial statements.

The Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as the continuing employment of staff.

Basis of Consolidation

These Consolidated Financial Statements include the Financial Statements of Wells Cathedral School Limited ("the School") and The Wells Cathedral School Foundation ("the Foundation").

The Foundation is not a direct subsidiary of the School but has been consolidated into the School's Financial Statements. Under accounting standard FRS102 the Foundation is classified as a quasi-sub subsidiary as the School indirectly controls and directs the Foundation's activities from which the School benefits. The Charities SORP states that where the objects of the Charity (Foundation) are substantially or exclusively confined to the benefit of another Charity (i.e. the School) and where the School influences the Foundation in its operational plans, i.e. the nature and timing of support, then the criteria for consolidation of the Financial Statements are deemed to have been met.

These Financial Statements consolidate the results of the School and the Foundation on a line by line basis. The results of the Foundation are disclosed in note 30 of these Financial Statements.

In accordance with the provisions of s408 of the Companies Act 2006 and paragraph 397 of the Charities SORP, the School is exempt from the requirement to present its own income and expenditure account and statement of financial activities.

Income

Income in furtherance of the School's activities represents the amounts (excluding value added tax), derived from the provision of educational services and boarding facilities to the pupils during the year, and is accounted for on a receivable basis.

School fees received in the current year in respect of the next academic year are not recognised as income in the current year and are transferred to fees received in advance and included in creditors in the balance sheet.

Deposits received from pupils' parents are held in creditors and are classified as falling due within one year. Deposits are repaid when the pupil leaves the School.

Other income (excluding fee income) in furtherance of the group's activities is represented by:

- Donations, which comprise primarily donations and charitable gifts from individuals, grant giving trusts and foundations, are accounted for on an accruals basis. Such income is recognised when there is a legally binding commitment to the Foundation for the transfer of funds. Donations of assets are brought into the balance sheet and statement of financial activities at market value, at the date of acquisition. Gift aid on donations is subsequently applied for where appropriate;
- Legacies, which are accounted for at the earliest of receipt of estate accounts or cash received. An assessment is performed post year end of up to two months. Any legacies received are considered, their value reliably measured and then accounted for appropriately;
- Income from investments, which represents the interest and dividends earned during the year from bonds, deposits, and the endowment funds and any realised gains on their disposal. Income is accounted for on an accruals basis;
- Other educational income, which comprises educational income other than fees;
- Ancillary trading income which comprises income associated with the provision of education by the School such as the School bus and external concerts; and
- Other trading activities, which comprise income generated from lettings, hire of the School's facilities and external functions.

Accrued Income

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

Grants

Grants received in respect of revenue expenditure are credited to income when there is evidence that entitlement to the gift receipt is probable and the amount can be measured reliably.

Grants in respect of fixed assets are recognised as the statement of financial activities when they are receivable, i.e. when the School is entitled to the income. Grant income is included in deferred income in the balance sheet where pre-conditions exist that require the expenditure to be incurred in a future year or where there is uncertainty as to whether the School will be able to fulfil the pre-conditions attached to the grant or part thereof.

Scholarships, Bursaries and Discounts

Scholarships, bursaries and discounts are awarded to certain pupils who attend the School and are accounted for as a reduction in fees. Each award made is matched against fee income for that pupil at the time the fee invoice is raised. Each award is reviewed annually.

Expenditure

All expenditure is included in the statement of financial activities on an accruals basis. Costs directly attributable to a specific expense heading are allocated to that heading. Expenditure is recognised when a liability is incurred and in the following categories:

- Expenditure on raising funds, which consist of costs incurred in attracting voluntary income;
- Charitable activities, which comprise expenditure incurred in teaching, boarding and music programmes and include both the direct costs and support costs relating to these activities;
- All expenditure, including support costs, is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it is incurred;
- Termination/redundancy payments are accounted for as soon as the School is aware of the obligation to make payments.

Pension Costs

The teaching staff are members of the Teachers' Superannuation Scheme, which is a defined benefit scheme. Under the definitions set out in FRS 102, the teachers' pension scheme is a multi-employer pension scheme.

Accordingly the School has taken advantage of the exemptions available to multi-employer pension schemes and contributions to the scheme are charged to the statement of financial activities when they are payable.

Some other employees are members of a money purchase pension scheme operated by an insurance company on behalf of the School. The amounts charged against income represent the contributions payable to the schemes in respect of the accounting year.

Tangible Fixed Assets and Depreciation

All tangible fixed assets are accounted for at cost less accumulated depreciation. Cost includes the original purchase price of the asset plus the costs attributed to bringing the asset to its working condition for its intended use. Depreciation is provided by the School to write off the cost less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives on a straight line basis as follows:

Freehold buildings	- 1% -10% per annum
Long leasehold land and buildings	- 1% -2% per annum
Fixtures and fittings	- 5% -12.5% per annum
Musical instruments and machinery	- 10% per annum
Information and communications technology equipment (including computer and data communications equipment)	- 10% -25% per annum
Motor vehicles	- 12.5% per annum

The useful economic lives and residual value of fixed assets are reviewed annually.

No depreciation is provided on freehold land.

The capitalisation threshold is £1,000. Items under this level are expensed to the statement of financial activities.

Assets in the course of construction are not depreciated until they are completed and brought into use.

Investments

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

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

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

Stocks

Stocks are stated at the lower of cost and net realisable value and using the "first in first out" method. Cost represents the invoice value charged by suppliers. Stocks are reviewed annually and a provision created for any slow moving stock where necessary.

Debtors

Other debtors, intercompany debtors and accrued income are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and Cash Equivalents

Cash is represented by cash in hand.

Creditors

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

Fees Received in Advance

Fees received in advance of education to be provided in future years and treated as deferred income until either taken to income in the School term when used or are otherwise refunded.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rental charges are charged to the statement of financial activities on a straight line basis over the life of the lease.

Repairs Provision

In accordance with the requirements of the block lease, the School commissions a five yearly survey of the state of the repairs of the leased buildings. The surveyor's suggestions and recommendations for repairs are then categorised into major repair works and ongoing repairs. The School undertakes the major repair work within its ongoing programme of maintenance over a five year. A provision is created equal to the cost of any works which were identified in the surveyor's report but which have not been completed at the end of the subsequent five year.

Endowment Funds (restricted)

Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

Restricted Funds

These funds have been donated for specific purposes, such as bursaries, scholarships, capital projects or projects funded by the Department for Education.

Capital Fund (restricted)

The capital fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust ("the Trust") and transferred to the School prior to 2005, when the Trust was closed, and contributions by the trust towards capital projects undertaken by the School ceased. The capital fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

Revenue Fund

The revenue fund represents the working capital of the School. Part of this fund has been designated as an asset fund.

Designated Asset Fund

The Governors have elected to designate funds equal to the value of land and buildings which are not held within the restricted funds. The asset fund therefore represents the net book value of the tangible fixed assets not funded by the capital fund, less outstanding loans secured on specific assets.

Transfers between reserves

Transfers between revenue and designated funds are made at the Governors' discretion to set aside funds as required. Expenditure on new tangible fixed assets not funded by the capital fund, less any outstanding loans secured on these assets, is transferred to designated reserves. Transfers between revenue and restricted funds reflect the depreciation charge on the capital fund and any purchases of restricted assets.

Financial Instrument Policy

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

Critical Accounting Judgements and Estimation of Uncertainty

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

(a) Critical judgements

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

The accruals and prepayments are calculated based on firm or historical evidence, except pledges which are included based on a firm judgement by the Foundation.

(b) Estimates and assumptions

The estimates and assumptions made by the group consist mainly of an allocation of the School's development department's operating costs associated with the Foundation and the useful economic lives and residual value of the School's fixed assets. These reasonable estimates are based on the knowledge of key management personnel.

Taxation

The School and Foundation, which are registered charities, are not liable to taxation on the net revenue from their primary activity or investment income and gains.

The School is registered for Value Added Tax and is subject to the partial exemption rules.

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Year ended 31 August 2022

3 Fees Receivable

	2022	2021
	£000	£000
Fees receivable consist of:		
Tuition and boarding fees	16,974	15,628
Music tuition fees	1,952	1,871
Total fees	18,926	17,499
Less: DfE Cap - Tuition and boarding fees	(1,038)	(946)
Bursaries, scholarships and other discounts	(2,603)	(2,421)
Covid related discounts	-	(469)
	15,285	13,663

The Department for Education cap is the contribution by the School to cover any shortfall which arises because the fees allowed by the DfE for the Music and Dance Scheme are lower than full fees. The bursaries include the restricted bursaries donated from the Foundation of £22k (2021:48k).

4. Income from Charitable Activities

	2022	2021
	£000	£000
Other educational income:		
School activities	599	415
Extra tuition	167	134
Wells Music College income	8	10
Registration and audition fees	37	36
Other income	4	17
Covid related income	-	462
	815	1,074

	2022	2021
	£000	£000
Other ancillary trading income:		
Bus service for pupils	114	46
Concert income	4	2
Other income	228	151
	346	199

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Year ended 31 August 2022

5 Income from Donations and Legacies

	Group			
	2022	2021		
	£000	£000		
<i>Unrestricted:</i>				
Donations and legacies:	21	55		
	Group		School	
	2022	2021	2022	2021
	£000	£000	£000	£000
<i>Restricted/Endowed:</i>				
Donations:				
Donations (restricted)	100	144	82	-
Donations to Music (restricted)	7	8	7	8
Donations (endowed)	8	-	-	-
	115	152	89	8
	115	152	89	8

Donations to the School from the Foundation totalled £82k (2021: £98k), including bursaries of £22k (2021: £45k); net restricted donations received by the Foundation totalled £59k (2021: £144k) and donations to endowed funds were £8k (2021: nil).

	2022	2021
	£000	£000
Other trading activities:		
Lettings	53	-
Hire of facilities	171	2
Functions/concert income	60	63
Solar panels	12	26
Rental	32	-
Deficit on fixed asset disposals	(19)	(1)
	309	90
	309	90

6 Income from Investments

	Group		School	
	2022	2021	2022	2021
	£000	£000	£000	£000
Interest from short-term deposits	1	-	1	-
Income earned on endowment funds transferred to restricted funds	3	2	-	-
Income earned on endowment funds	21	23	-	-
	25	25	1	-
	25	25	1	-

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7 Expenditure

	Staff costs	Other	Depreciation	Total 2022	Total 2021
	£000	£000	£000	£000	£000
Expenditure on raising funds:					
Fundraising trading costs	186	213	-	399	286
Foundation operating costs	30	16	-	46	45
Total expenditure on raising funds	<u>216</u>	<u>229</u>	<u>-</u>	<u>445</u>	<u>331</u>
Expenditure on charitable activities:					
Teaching costs	6,563	382	115	7,060	7,176
Welfare costs	735	221	-	956	891
Premises - general	1,348	1,731	486	3,565	3,639
- non recurring projects	-	2	-	2	8
Support costs	1,954	1,409	-	3,363	2,972
School activities	-	599	-	599	415
Ancillary trading	61	136	-	197	113
Total expenditure on charitable activities	<u>10,661</u>	<u>4,480</u>	<u>601</u>	<u>15,742</u>	<u>15,214</u>
Total expenditure	<u>10,877</u>	<u>4,709</u>	<u>601</u>	<u>16,187</u>	<u>15,545</u>

8 Support costs

	Costs of generating funds £000	Other charitable activities £000	Total 2021 £000	Total 2021 £000
Staff costs	216	1,854	2,070	2,141
Other support costs:				
Staff expenses/development	-	135	135	82
Office	229	954	1,183	936
Professional advice	-	190	190	55
Finance costs	-	101	101	63
<i>Services provided by the School's auditor:</i>				
Fees payable for the audit (including Foundation)	-	28	28	24
- Teachers' Pension Certificate	-	1	1	1
	<u>445</u>	<u>3,263</u>	<u>3,708</u>	<u>3,302</u>

Included within the support costs are governance costs of £42k (2021: £44k) which mainly comprise the costs of administering the School, auditor's remuneration and Governors' meeting expenses.

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9 Staff Numbers and Costs

The monthly average headcount number of persons employed by the group during the year, analysed by category, was as follows:

	Number of employees	
	2022	2021
Teaching staff	160	160
Non-teaching staff	221	226
	381	386

The aggregate payroll costs of these persons were as follows:

	2022	2021
	£000	£000
Wages and salaries	8,761	9,043
Social security costs	804	778
Pension costs (see note 23)	1,312	1,350
	10,877	11,171

The number of employees earning in excess of £60,000 gross salary per year:

	Number of employees	
	2022	2021 Re-stated
£120,001 - £130,000	1	1
£110,001 - £120,000	-	-
£100,001 - £110,000	-	1
£90,001 - £100,000	-	-
£80,001 - £90,000	-	1
£70,001 - £80,000	-	1
£60,001 - £70,000	2	1

Of the above employees, 2 (2021: 4) were members of the teachers' superannuation pension scheme which is a defined benefit scheme. The School's contribution to this was £46k (2021: £79k). The remaining employee (2021: 1) were members of a money purchase pension scheme for which the School's contribution was £9k (2021: £8k).

The Governors did not receive any emoluments or benefits during the year (2021: nil). See note 29 for further information. The total amount earned by the executive officers for the year was £654k (2021: £766k).

Settlement payments of £13k (2021: £33k) were made to 2 (2021: 2) employees in the year.

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10 Net Income/ (Expenditure) before Transfers

	2022	2021
	£000	£000
<i>Net income/(expenditure) before transfers is stated after charging:</i>		
Services provided by the School's auditor:		
Audit fees:	25	18
- School		
- Foundation	2	1
Other services:	1	1
- Music and Dance Scheme grant audit		
- Teachers Pension certificate audit	1	1
Rentals payable under operating leases:		
- land and buildings	66	30
- other	97	154
Depreciation:	575	547
- owned assets		
- leased assets	26	27
	_____	_____

11 Interest Payable

	2022	2021
	£000	£000
Interest on bank loans and overdraft comprises:	58	46
	_____	_____

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12 Tangible Fixed Assets

Group and School	Freehold land and buildings	Assets in the course of construction	Leasehold land and building	Information computer technology	Fixtures, fittings, musical instruments and machinery	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
<i>Cost</i>							
At 1 September 21	24,404	78	1,571	736	2,910	59	29,758
Additions	233	11	-	36	178	-	458
Transfer	23	(23)	-	-	-	-	-
Disposals	(7)	-	-	(338)	(379)	(21)	(745)
At 31 August 22	24,653	66	1,571	434	2,709	38	29,471
<i>Accumulated Depreciation</i>							
At 1 September 2021	3,150	-	883	516	2,180	53	6,782
Charge for year	339	-	26	68	165	3	601
Disposals in year	(1)	-	-	(338)	(365)	(21)	(725)
At 31 August 2022	3,488	-	909	246	1,980	35	6,658
<i>Net book value</i>							
At 31 August 2022	21,165	66	662	188	729	3	22,813
At 31 August 2021	21,254	78	687	221	730	6	22,976

The School has a finance lease on properties leased from Wells Cathedral, which dates back to 1983. Due to the age of the lease, there is insufficient data to be able to accurately disclose the net amount of the associated asset and depreciation for the year. This is not considered to be material to the Financial Statements.

There is £662k (2021: 688k) in leasehold land and buildings which relates to long term lease improvements.

The £66k (2021: £72k) in "assets in the course of construction" is the continued capitalisation of the science quarter development and the "New Entrance".

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13 Investments

Non-current investments	Group	
	2022	2021
	£000	£000
Investment management portfolio comprises:	1,146	1,247
	1,146	1,247

The investments are represented by the following funds:

Endowed funds £987,017 (2021: £1,070,288)
Restricted funds £158,453 (2021: £176,724)

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

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

Group	Group	
	2022	2021
	£000	£000
		restated
Investments at valuation		
At 1 September 21	1,247	879
Additions at cost	335	559
Disposal proceeds	(307)	(429)
(Loss)/gain on investments	(129)	238
	1,146	1,247
These balances can be further analysed as:		
Cash held	57	63
Investments	1,089	1,184
At 31 August 22	1,146	1,247

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14 Stocks

These consist of catering supplies.

15 Debtors

	Group		School	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors - amounts due from parents	1,012	892	1,012	899
Other debtors	378	240	371	275
Prepayments	323	242	323	236
	<u>1,713</u>	<u>1,374</u>	<u>1,706</u>	<u>1,410</u>

16 Creditors: amounts falling due within one year

	Group		School	
	2022	2021	2022	2021
	£000	£000	£000	£000
Bank loans and overdrafts	161	222	161	222
Fees received in advance	2,521	2,076	2,521	2,076
Pupil deposits	1,623	2,187	1,623	2,187
Trade creditors	5	28	5	28
Taxation and social security	182	169	182	169
Finance lease	29	29	29	29
Other creditors	533	478	533	478
Accruals and deferred income	620	325	628	319
	<u>5,674</u>	<u>5,514</u>	<u>5,682</u>	<u>5,508</u>

In the normal course of business and assuming the going concern basis, the expected repayment of deposits to parents of pupils leaving the School will be £1,623k (2021: £2,187k).

Fees received in advance:

Group and School

	2022	2021
	£000	£000
At 1 September 21	2,134	169
New contracts	16	68
Fees received in advance of next academic year	2,370	1,923
Amounts utilised in payment of fees to the School	(1,988)	(26)
At 31 August 22	<u>2,532</u>	<u>2,134</u>

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	£000	£000
Fees in advance - aged breakdown of fees:		
Fees falling due within:		
1 year	2,521	2,076
1 - 2 years	11	58
	2,532	2,134

17 Creditors: amounts falling due after one year

	2022	2021
Group and School:	£000	£000
Bank loans	2,625	2,789
Finance lease	67	96
Fees received in advance	11	58
	2,703	2,943

Bank loans are instalment debts and fees received in advance are non-instalment debts.

There are three (2021: five) bank loans secured on School properties.

The capital for the loans is repayable in monthly instalments which vary from £1k to £18k. The interest rates on these loans vary from 0.9% to 1.95% above base rate. There is an interest offset arrangement in place with the bank for two of the loans whereby a sweep of the loans and cash balances is made daily. A net interest adjustment is then made reflecting the balance of interest received on cash held and the interest to be paid on the outstanding loan balances.

The bank loans are repayable as follows:

	2022	2021
	£000	£000
Within:		
1 year	161	222
1 – 2 years	169	280
2 – 5 years	537	839
After 5 years	1,919	1,675
	2,786	3,016

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18 Endowment Funds

Group	Chandler fund £000	Alan Quilter fund £000	Dulverton fund £000	Carnegie fund £000	Vandervell fund £000	Ashley Jones fund £000	Bursary fund £000	Group Total £000
At 1 September 2021	80	6	40	25	249	14	656	1,070
Additions	-	-	-	-	-	-	8	8
Interest	-	-	-	-	-	-	21	21
Loss on investment	-	-	-	-	-	-	(112)	(112)
At 31 August 2022	<u>80</u>	<u>6</u>	<u>40</u>	<u>25</u>	<u>249</u>	<u>14</u>	<u>573</u>	<u>987</u>

The Chandler fund represents an endowment, the income from which is to be used for music bursaries.

The Alan Quilter fund provides scholarships and bursaries.

The Dulverton fund is to fund bursaries for ex boy choristers at the Cathedral.

The Carnegie fund is to fund a folk singing scholarship.

The Vandervell fund is to fund scholarships and bursaries.

The Ashley Jones fund represents an endowment, the income from which is to be used to fund bursaries.

The Bursary fund represents donations which are to be used to fund bursaries.

Comparative statement of Endowment Funds for the period ended 31 August 2021

Group	Chandler fund £000	Alan Quilter fund £000	Dulverton fund £000	Carnegie fund £000	Vandervell fund £000	Ashley Jones fund £000	Bursary fund £000	Group Total £000
At 1 August 2020	80	6	40	25	249	14	442	856
Interest	-	-	-	-	-	-	22	22
Gain on investments	-	-	-	-	-	-	218	218
Transfer between funds	-	-	-	-	-	-	(26)	(26)
At 31 August 2021	<u>80</u>	<u>6</u>	<u>40</u>	<u>25</u>	<u>249</u>	<u>14</u>	<u>656</u>	<u>1,070</u>

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19 Restricted Funds

Group and School	Project fund £000	Bursary fund £000	Capital fund £000	Other fund £000	School 2022 £000	Consolidate 2022 £000	Foundation 2022 £000	Group 2022 £000
Donations and other receipts	-	22	42	25	89	(41)	59	107
Bank and other interest received	-	-	-	-	-	-	3	3
Expenditure	-	-	(88)	(17)	(105)	41	(98)	(162)
(Deficit) for year	-	22	(46)	8	(16)	-	(36)	(52)
Transfers between funds	-	22	49	-	71	-	-	71
At 1 September 2021	74	27	3,109	301	3,511	-	492	4,003
At 31 August 2022	74	71	3,112	309	3,566	-	456	4,022

The project fund comprises funds from the DfE in respect of specific education based projects with state sector schools. The current projects are the South West Music Initiative and Outreach project.

The Bursary fund represents restricted bursaries received and awarded during the year.

The Capital fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust ("the Trust") and transferred to the School prior to 2005, and contributions by the trust towards capital projects undertaken by the School. This Trust closed in July 2005. The capital fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

The other fund comprises funds from the Foundation and other specific educational based projects such as Sierra Leone.

The transfers from the Restricted fund of £71k (2021: £(50)k) comprise the following:

	2022 £000	2021 £000
Transfer to revenue fund, funds held in the Foundation related to the Cedars Field Development.	-	(10)
Transfer from the Designated Asset Fund to Capital Fund re: musical instruments funded by Friends of Music and MUGA funded by the Foundation.	49	30
Transfer from revenue fund in respect of restricted bursaries from the Foundation.	22	-
Transfer to Revenue Fund in respect of funds related to legacies in the Foundation.	-	(70)
Total	71	(50)

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Comparative Statement of Restricted Funds for period ended 31 August 2021:

Group and School	Project fund £000	Bursary fund £000	Capital fund £000	Other fund £000	School 2021 £000	Foundation 2021 £000	Group 2021 £000
Donations and other receipts	-	58	31	17	106	144	250
Bank and other interest received	-	-	-	-	-	22	22
Expenditure	-	-	(80)	(6)	(86)	(98)	(184)
Consolidation adjustment	-	(58)	-	(40)	(98)	98	-
(Deficit)/surplus for year	-	-	(49)	(29)	(78)	166	88
Transfers between funds	-	-	30	(10)	20	(70)	(50)
At 1 September 2021	74	27	3,128	340	3,569	396	3,965
At 31 August 2022	74	27	3,109	301	3,511	492	4,003

20 Designated Asset Funds

	Group		School	
	2022 £000	2021 £000	2022 £000	2021 £000
At 1 September 2021	19,350	19,169	19,350	19,169
School operating costs (depreciation)	(514)	(494)	(514)	(494)
Transfers between funds	655	675	655	675
At 31 August 2022	19,491	19,350	19,491	19,350

The Designated Asset Fund represents the additions of tangible fixed assets not funded by the capital fund, less the outstanding loans secured on specific properties and the net book value of property sales.

The transfer to the designated asset fund of £655k (2021: £675k) comprises the following:

	2022 £000	2021 £000
Reduction in the loans secured against the assets in the fund	229	222
Unrestricted additions to fixed assets	456	489
Plus/(less) net book value of disposal	19	(6)
Less fixed assets funded by the Friends of Music/Foundation transferred to capital fund	(49)	(30)
Total	655	675

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Comparative Statement of Designated Asset Funds for period ended 31 August 2021

	Group		School	
	2021 £000	2020 £000	2021 £000	2020 £000
At 1 September 2021	19,169	18,721	19,169	18,721
School operating costs (depreciation)	(494)	(468)	(494)	(468)
Transfers between funds	675	916	675	916
At 31 August 2022	19,350	19,169	19,350	19,169

21 Unrestricted Funds

Group

	Balance at 1 Sept 2021	Interest	Incoming	Outgoing	Transfer	Balance at 1 Aug 22
	£	£	£	£	£	£
Revenue fund	(5,187)	1	16,776	(15,528)	(726)	(4,664)
	(5,187)	1	16,776	(15,528)	(726)	(4,664)

School

	Balance at 1 Sept 2021	Interest	Incoming	Outgoing	Transfer	Balance at 1 Aug 22
	£	£	£	£	£	£
Revenue fund	(5,241)	1	17,036	(15,807)	(726)	(4,737)
	(5,241)	1	17,036	(15,807)	(726)	(4,737)

The transfer deficit of £726k is the accumulation of the restricted fund £71k and the designated fund £655k

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

Group

	Balance at 31 July 20	Interest	Incoming	Outgoing	Transfer	Balance at 31 Aug 21
	£	£	£	£	£	£
General Funds	4,705	-	15,081	(14,965)	(598)	(5,187)
	4,705	-	15,081	(14,965)	(598)	(5,187)

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School

	Balance at 1 Sept 2021 £	Interest £	Incoming £	Outgoing £	Transfer £	Balance at 1 Aug 22 £
Revenue fund	(4,707)	-	15,029	(14,965)	(598)	(5,241)

Financial Instrument

- Financial assets that are measured at fair value

	Group	
	2022 £000	2021 £000
Investments	1,146	1,247

22 Commitments

Group and School

Operating leases

Total commitments under non-cancellable operating leases were as follows:

Group and School	2022		2021	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Operating lease commitments:				
In less than one year	66	220	30	154
In the second to fifth years inclusive	150	624	52	89
	<u>216</u>	<u>844</u>	<u>82</u>	<u>243</u>

The leases of land and buildings are subject to rent reviews which occur over 1 to 7 years. The rent for the properties in Vicars Close is £65,880 p.a. (2021: £57,652). The leases on 17 and 18 Vicars Close expire in June 2024 and the leases on 16 and 26 Vicars Close expire in September 2024.

Finance leases

Total commitments under non-cancellable finance leases were as follows:

Group and School	2022	2021
	Land and buildings	Land and buildings
	£000	£000
Finance leases commitments:		
In less than one year	103	103
In the second to fifth years inclusive	411	514
	<hr/> 514 <hr/>	<hr/> 617 <hr/>

Commitments under finance leases relate to the rental of properties from Wells Cathedral. The lease agreement dates back to 1983 and there is insufficient data to be able to accurately disclose the finance lease creditor amount. This is not considered to be material to the financial statements.

23 Pension Scheme

The School operates two pension schemes.

(a) Teachers

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,143k (2021: £1,168k) and at the year end £168k (2021: £113k) was accrued in respect of contributions to this scheme. TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the year between 1 April 2015 and 31 March 2022 at the point they become payable.

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The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impactor future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

(b) Non-teaching staff

Most of the non-teaching staff are members of a defined contribution scheme.

The pension cost charge for the year represents contributions payable by the School to the funds (Employer's Contribution) and amounted to £168k (2021: £182k) analysed as follow:

	2022	2021
	£000	£000
Non-teaching staff	168	182
Teachers	1,143	1,168
	<hr/> 1,311 <hr/>	<hr/> 1,350 <hr/>

Contributions outstanding at 31 August were as follows:

	2022	2021
	£000	£000
Non-teaching staff	-	22
Teaching staff	124	113
	<hr/> 124 <hr/>	<hr/> 135 <hr/>

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24 Reconciliation of net movement in funds to net cash inflow from operating activities

	2022	2021
	£000	£000
Net movement in funds	600	(49)
Depreciation	601	574
Loss on sale of fixed assets	19	1
(Increase) in stocks	-	7
(Increase) in debtors	(339)	(111)
Loss/(gain) on investments	129	(333)
Cash held for re-investment	57	62
Increase in creditors	80	1,785
Interest from investments	(25)	(25)
Interest payable	58	46
Net cash inflow from operating activities	1,180	1,957

25 Analysis of Changes in Cash Balances

	At 1 September 2021	Cash flows	At 31 August 2022
	£000	£000	£000
Cash in hand and at bank	2,090	445	2,535
Cash held by investment manager	62	(5)	57
Debt due within one year	(254)	93	(161)
Debt due after one year	(2,762)	137	(2,625)
Total	(864)	670	(194)

26 Reconciliation of Net Debt

	2022	2021
	£000	£000
Increase in cash in the year	440	1,159
Cash inflow from repayment of loans and hire purchase agreements	230	222
Change in net funds resulting from cash flow	670	1,381
Net debt at start of year	(864)	(2,245)
Net debt at end of year	(194)	(864)

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

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

Group

	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Endowment funds	1,146	(159)	-	987
Restricted funds	5,773	(1,751)	-	4,022
Revenue fund	-	(4,586)	(78)	(4,664)
Designated asset funds	17,040	5,003	(2,552)	19,491
	23,959	(1,493)	(2,630)	19,836

School	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Restricted funds	5,774	(2,208)	-	3,566
Revenue fund	-	(4,659)	(78)	(4,737)
Designated asset funds	17,040	5,003	(2,552)	19,491
	22,814	(1,864)	(2,630)	18,320

Comparative Statement of Allocation of Net Assets for period ended 31 August 2021:

Group

	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Endowment funds	1,247	(177)	-	1,070
Restricted funds	5,724	(1,721)	-	4,003
Revenue fund	-	(5,033)	(154)	(5,187)
Designated asset funds	17,252	4,887	(2,789)	19,350
	24,223	(2,044)	(2,943)	19,236

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Year ended 31 August 2022

School

	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Restricted funds	5,795	(2,284)	-	3,511
Revenue fund	-	(5,087)	(154)	(5,241)
Designated asset funds	17,181	4,958	(2,789)	19,350
	22,976	(2,413)	(2,943)	17,620

28 Changes in Resources available for charity use

	Endowment funds £000	Restricted funds £000	Designated Asset funds £000	Unrestricted funds £000	Total £000
Net movement in funds for year	583	59	141	(83)	700
Net increase in tangible fixed assets for direct charitable purposes	-	-	-	163	163
Net increase in funds available for future activities	583	59	141	80	863

29 Related Parties

(a) Connected Persons

The Chapter of Wells Cathedral (“the Chapter”) is a connected person within the terms of the Charities SORP. At the School’s Governors meeting in December the members will include an agenda item to ratify the appointment of new Governors. The articles provide for three chapter members to be Governors.

During the year:

- Rent was paid to the Chapter of £169k (2021: £169k) under a repairing lease expiring in 2063 in respect of certain School buildings. At the year-end there was a prepayment of £37k (2021: £14k).
- The Chapter contributed £81k (2021: £58k) towards the fees of the Cathedral choristers.
- The School paid £30k (2021: £17k) to the Chapter in respect of use of Cathedral facilities.

Veale Wasbrough Vizards, of which a Trustee of the Foundation is an employee, received £14k (2021: £4k) from the School and Patterson Bristol, of which a governor is a shareholder, received £7k (2021: £48k) from the School.

The School received bursaries £15k (2021: £31k) from The Sir Keith Showering Trust of which a Senior Management Team member is a trustee.

The School paid nil (2021: £23k) to a company owned by a Trustee of the Foundation for the lease of a property.

(b) Transactions with Governors and Trustees

During the year 2 (2021: nil) of the Governors received reimbursement for expenses of £418 (2021: £nil).

During the year 3 Governors and 3 Trustees (2021: 3 Governors and 3 Trustees) were parents of pupils at the

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Year ended 31 August 2022

School and paid fees on the same terms as any other parent and received the benefits of clergy and sibling discounts where appropriate.

(c) Transactions with Wells Cathedral School Foundation

The Foundation, which is a charitable company registered in England and Wales (company number: 2804495) is not a directly owned subsidiary of the School. However the results of the Foundation have been consolidated into the School's Financial Statements as the Foundation is indirectly controlled and influenced by the School.

The School has funded the initial set up costs of the Foundation and will fund certain ongoing costs of operation of the Foundation as agreed in the 'memorandum of understanding' between the School and the Foundation. In 2021/22, the Foundation's operating costs of £46k (2021: £44k) were recharged to the School.

During the year the School received £82k (2021: £98k) from the Foundation representing donations for bursaries and specific projects.

30 The Wells Cathedral School Foundation

The Wells Cathedral School Foundation was established in 2007 as a separate but connected charity, number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School.

Registered and principal office:	Wells Cathedral School Limited College Road Wells Somerset BA5 2SX
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A summary of its results for the year is shown below:

	Endowment funds £000	Restricted funds £000	Unrestricted funds £000	Total 2022 £000
Income				
Income from charitable activities:	29	62	67	158
Expenditure on raising funds:	-	(81)	(48)	(129)
Unrealised gains/(losses) on investments	(112)	(17)	-	(129)
Net movement in funds	(83)	(36)	19	(100)
Balance brought forward at 1 September 21	1,070	394	153	1,617
Balance carried forward at 31 August 22	987	358	172	1,517

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Year ended 31 August 2022

The net assets and liabilities were:

	2022
	£000
Fixed assets:	
Investments	1,146
Total current assets	371
	-
Creditors: amount falling due within one year	
Net current assets	371
Net assets	1,517
	<hr/>
Total charity funds	1,517
	<hr/>

31 Comparative Consolidated Statement of Financial Activities for period ended 31 August 2021

	Endowment funds £000	Restricted funds £000	Unrestricted funds £000	Total 2021 £000
Income				
Income from charitable activities:	23	146	100	269
Expenditure on raising funds:	-	(98)	(48)	(146)
	<hr/>	<hr/>	<hr/>	<hr/>
Unrealised gains/(losses) on investments	218	20	-	238
Transfers	(26)	(70)	96	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	215	(2)	148	361
Balance brought forward at 1 August	856	396	4	1,256
	<hr/>	<hr/>	<hr/>	<hr/>
Balance carried forward at 31 August	1,071	394	152	1,617
	<hr/>	<hr/>	<hr/>	<hr/>

The net assets and liabilities were:

	2021
	£000
Fixed assets:	
Investments	1,247
Total current assets	417
Creditors: amount falling due within one year	(47)
Net current assets	371
Net assets	1,617
	<hr/>
Total charity funds	1,617
	<hr/>

WELLS CATHEDRAL SCHOOL LIMITED

England & Wales - Charity number 310212

Accounts

Wells Cathedral School Limited
(Limited by Guarantee)

Governors' Report and Consolidated Financial Statements
Registered Company number 564883
Registered Charity number 310212
Period ended 31 August 2021

GOVERNORS' REPORT

The Governors of Wells Cathedral School Limited ("the School") present their annual report for the period ended 31 August 2021 under the Charities Act 2011, together with the audited Consolidated Financial Statements for the year and confirm that they comply with the requirements of the Companies Act 2006, the School's Memorandum and Articles of Association and Accounting and Reporting by Charities' Statement of Recommended Practice (FRS 102) ("the Charities SORP").

Governance

The School has been in existence since 909AD. Its original purpose, which it still fulfils to this day, was to educate the Wells Cathedral choristers. It is registered with the Charity Commission and was incorporated in 1956 as a registered company, Limited by Guarantee.

The Governing Body

The School Governors who served during the period and up to the date of signing the Financial Statements are listed below. The Governors of the School are directors of the School for Companies Act 2006 purposes.

The Very Reverend Dr John Davies DL, MA, MPhil, PhD, Dean of Wells
The Reverend Canon Nicholas Jepson-Biddle BA, MA, Precentor of Wells ○#
The Reverend Canon Dr Robert James PhD, MPhil, MLitt, MA BA (Hons) Chancellor of Wells ◇
Prebendary Emeritus Barbara Bates BA, MA, FRSA \$◇
Prebendary Emeritus Helen Ball OBE \$◇ (*resigned 28th June 21*)
Mr David Brown MA, OBE ●#
Mr Tim Lewis BA (Cantab), FCA*
Mr Robert Powell \$ ●◇
Mr Andrew Campbell-Orde FCCA*
Mr Martin Cooke BEd ◇●
Mr Andrew Gummer LLB *#
Mr Kris Robbetts, MA MSc ●
Mrs Elizabeth Shelton, SRN \$
Mr Harry Musselwhite, BA FKC *(*appointed 1st September 21*)

* Members of the Finance and Audit Committee
\$ Members of the Pastoral and Recreation Committee
◇ Members of the Academic Committee
● Members of the Development Committee
○ Members of the Chorister Sub Committee
Parent of a pupil at Wells Cathedral School

The board comprises three of the seven members of the chapter of Wells Cathedral, two of which are anticipated to be the Dean and the Precentor, and up to 15 lay members who are appointed by the chapter

The lay Governors are appointed for three years and retire by rotation.

Wells Cathedral School Limited (Limited by Guarantee)
Governors' Report and Consolidated Financial Statements
Period Ended 31 August 2021

Governors Report (*continued*)

Legal and Administrative Details

Registered and principal office	Wells Cathedral School Limited College Road Wells Somerset BA5 2SX
Bankers	National Westminster Bank PLC 7 High Street Wells Somerset BA5 2AD
Solicitors	Harris and Harris Diocesan Registry 14 Market Place Wells Somerset BA5 2RE
	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX
Insurance Brokers	Hettle Andrews & Associates Ltd Eleven Brindley place 2 Brunswick Square Birmingham B1 2LP
Independent Auditor	Crowe U.K. LLP 4 th Floor St James House, St James' Square, Cheltenham GL50 2PR
Company Secretary	Mr Peter Knell Wells Cathedral School Limited College Road Wells Somerset BA5 2SX
Connected Charity	Wells Cathedral School Foundation Limited College Road Wells Somerset BA5 2SX

Connected Charity registration number 1118159

Governors Report (*continued*)

Charitable Objectives

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

- To advance education in accordance with the doctrine of the Church of England by such means as shall be exclusively charitable and by other associated activities for the benefit of the community;
- The carrying on and development of the School;
- To provide in particular for the training and education of the choristers of the Cathedral Church of St Andrew in Wells, and the other pupils of the School through instruction in every branch of learning, in citizenship, in outdoor pursuits and in arts and crafts of all kinds, and on the basis of Christian principles and in accordance with the doctrine of the Church of England to provide such pupils with spiritual, moral, mental and physical training; and
- To do all such other things as are incidental or conducive to the attainment of the Association's objects or any of them.

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

The School provides a family-orientated co-educational boarding and day School for 2 - 18 year olds which provides an all-round education alongside world-class specialist music training, including to the Choristers of the Cathedral. Its vision is to inspire every individual pupil to nurture his or her talents in a vibrant, creative, spiritual and stimulating environment to become a responsible global citizen.

The School aims to achieve its objectives and realise its vision through the application of the core principles set out in its Mission Statement:

- **Encouraging** pupils intellectually to set themselves high expectations and aspirational goals
- **Challenging** pupils to discover new passions and develop existing ones through active engagement in a range of co-curricular and sporting endeavours
- **Delivering** a world-class specialist music and chorister education for those with particular talents
- **Stimulating** pupils to be individuals in a uniquely creative and spiritually aware environment
- **Empowering** pupils to be independent, resilient, confident and kind

Charitable Benefit

The School's primary charitable benefit is the provision of education to the boys and girls at the School. The School is a co-educational learning community and its pupils consist of both boys and girls at all stages. There are no geographical restrictions upon prospective pupils and 170 children (2020: 165), about 25% of total pupils, (2020: 24% of total pupils) from 24 (2020: 19) different overseas nations were pupils during the year. Although education is in accordance with the doctrines of the Church of England, there is no religious restriction upon those who may be admitted and pupils of all faiths are welcomed, with many different religions represented amongst the pupil body. All pupils are assessed academically on entrance to enable appropriate provision for them, and auditions are held for prospective musicians and choristers. Beyond the curriculum offered by the School, charitable benefit is also generated from the following activities:

- Community work carried out by pupils in and out of School;
- Outreach and partnership work conducted by the School, in relation to music, sports and academic activities;
- Provision of School estate and support facilities for community use at cost recovery or reduced rates;
- Links with Schools and music academies and enterprises overseas (Sierra Leone, China including Hong Kong, Malaysia, Russia and throughout Europe) to enable the pupils to extend their community work abroad and to understand the needs of pupils in different countries; and
- Charitable fundraising.

Governors Report (*continued*)

Bursaries, Scholarships and Discounts

The School does not have substantial reserves or endowments and largely relies upon its annual fee income and Foundation fundraising to support its activities. Although fees are payable by parents, an extensive bursary and scholarship support is provided to pupils. The School seeks to provide as many means tested bursaries and scholarships as can be sustained by its annual fee income. Bursaries are reviewed after each phase of education by the School. During the year, the School provided fee remissions of £3,309k (2020:£3,192k), which comprises bursaries of £1,135k (2020:£1,125k), scholarships of £381k (2020:£304k), a subsidy to pupils participating in the Music and Dance Scheme of £946k (2020:£919k), and £847k (2020:£796k) of discounts (supporting members of the armed force, clergy, siblings, Old Wellensians, employees and children of ex-choristers of the School). Due to Covid an additional £469k (2020: £1,200k) was discounted on fee bills, which is an accumulation of savings acquired due to the second national school lockdown, which occurred during the period in the Epiphany/Lent term. The School also received £58k (2020: £48k) from the Foundation.

Group Structure and Relationships

The School has two wholly owned subsidiary companies which were deregistered during the period:

- Wells Cathedral School (Hong Kong) Limited (*deregistered 11th February 2021*)
- Wells Cathedral International School (Hong Kong) Limited (*deregistered 5th February 2021*)

The Wells Cathedral School Foundation (“the Foundation”) was established in 2007 as a separate but connected charity, number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School. The Foundation’s objects are to advance the education of pupils at the School by means of:

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

The Foundation’s income is from charitable gifts plus gift aid from individuals, grant giving trusts and foundations, as well as from savings interest and returns on investments. During the period the Foundation received £269,068 (2020: £279,285) in income and made donations to the School of £98,545 (2020: £75,796) towards bursaries and specific projects.

Whilst the Foundation produces its own separate audited Financial Statements, these Financial Statements are then incorporated with the Financial Statements of the School into the consolidated Financial Statements of the group.

Recruiting and Training of Governors

The School’s lay Governors are appointed at a meeting of the Board on the basis of nominations agreed between the Chairman and the Head Master with regard to the Board’s requirements concerning eligibility, personal competence, specialist skills and availability for meetings. A small sub-committee of Governors (the Succession Planning Committee) meets with the Head Master on a regular basis to consider vacancies, names and succession. Governors are inducted into the workings of the School, including Board policy and procedures, by the Chairman, the Head Master, the Bursar and the Assistant Clerk to the Governors. The training needs of the Governors are continually assessed and relevant updating sessions are provided, including, but not limited to, development activities provided through membership of the Association of Governing Bodies of Independent Schools (AGBIS).

Charity Governance Code

Governors Report (*continued*)

All Governors of the School:

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

The Governors are familiar with, and acknowledge, the updated version of the Charity Governance Code published in July 2017 and the code's principles are reviewed at the Governors' away days.

Fundraising Disclosures

The School had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Over the last year the Foundation has undertaken fundraising activities as in previous years using its database. These fundraising activities have been undertaken by staff employed by the Foundation and no external persons have been used. The Foundation has voluntarily subscribed to the Fundraising Regulator which holds the Foundation to the Code of Fundraising Practice. Over the course of the financial year there have been no failures to comply with the Code, nor have any complaints been received.

Safeguarding Policy

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

Indemnity Insurance

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

The cost of insurance is included in the cost of public liability cover which amounted to £7,846 (2020: £7,560) in the year for the group.

Statement of Going Concern

The School closely monitors its cash flows and has maintained an overdraft facility of £750k to ensure that it remains a going concern. Despite the challenging environment provided by a second financial/academic year characterised by operating instability of both educational and commercial activity, and fluctuating numbers, due to the Covid pandemic, the School has again successfully adjusted its operating costs in order to deliver a surplus despite these constraints and reduced income from pupil fees and commercial activity. The School expects to maintain a positive cash holding and does not anticipate the need to utilise its agreed overdraft facility in the next 12 months.

In consideration of the presumption of going concern as the basis for the preparation of the report and Financial Statements, the Governors have considered the impact of the Covid pandemic as part of their assessment. They have concluded that no material uncertainties have been identified that may cast significant doubt on the ability

of the School to continue as a going concern. The Governors therefore have a reasonable expectation that the

Governors Report (*continued*)

School has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the Financial Statements.

Organisational Management

The School's Governors are legally responsible for the overall management and control of the School. The full governing body meets at least four times a year, and is chaired by the Dean of Wells Cathedral. It is responsible for determining the aims, strategy and overall conduct of the School and is accountable for the discharge of its responsibilities to pupils, parents and staff. The work of implementing the policies is carried out by a series of committees:

- Finance and Audit Committee: This committee meets four times a year, usually two weeks before a full meeting of the Governing Body, and is chaired by Andrew Campbell-Orde. Its main roles are to:
 - consider, monitor, challenge and recommend the annual budgets and fee increases to the board;
 - monitor and direct in-year expenditure;
 - authorise capital expenditure;
 - scrutinise the statutory Financial Statements and recommend them to the governing body;
 - appoint and appraise the performance of the external auditor;
 - scrutinise, monitor, challenge and endorse proposals for staffing and staff remuneration; and
 - monitor and advise on the School's human resource function.
- Academic Committee: This committee meets three times a year, and is chaired by Martin Cooke. Its objectives are to:
 - scrutinise, challenge, support and monitor the School's educational aims; and
 - help the School develop new and appropriate ones.
- Pastoral and Recreation Committee: This committee meets three times a year, and is chaired by Prebendary Helen Ball. Its objectives are to:
 - monitor and advise in all matters relating to pupil welfare and wellbeing, including matters concerning safeguarding;
 - monitor and advise on matters relating to staff welfare;
 - review the School's provision of extra-curricular activities including trips; and
 - review and monitor the School's boarding provision.
- Development Committee: This committee meets three times a year, and is chaired by David Brown. This committee:
 - challenges, advises and supports the Head Master in all matters concerning plant, grounds and non-core trading in order to meet the educational needs of the School; and
 - monitors and supports the work of the Foundation.

The Chorister Sub Committee meets three times a year and includes the Organist and Master of the Choristers (post re-titled 'Director of Music' during the current year), the assistant organist as well as the School's chorister tutor. It is chaired by the Precentor of Wells Cathedral, the Reverend Canon Nicholas Jepson-Biddle. It oversees, monitors and plans all matters to do with the choristers' life and programme.

The running of the School is delegated to the Head Master, supported by his Management Team which consists of the Heads of the Junior and Pre-Prep Schools, the Director of Music, the Bursar, who is also the Clerk to the Governors, Director of Admissions and Marketing and two Deputy Heads, Pastoral and Academic. The Head Master reports directly to the Governors, as does the Bursar through the Head Master but with direct access for matters relating to the roles of Company Secretary and Clerk to the Governors. The Head Master attends all meetings and committees of the Governors, and members of the Management Team attend meetings according to their responsibilities and at the direction of the Head Master and Clerk to the Governors.

Officers

Governors Report (*continued*)

During the year the executive officers were:

Head Master	Mr Alastair Tighe MA (Cantab)
Bursar & Clerk to Governors	Mr Peter Knell BSc (Hons), MA, MSc, MBA, CITP, FCIPD, FCIS, FCMA, CDir
Head of Junior School	Mrs Julie Barrow BEd (<i>retired 31st August 2021</i>)
Head of Junior School	Mr Jody Wells BEd Hons (<i>appointed 1st September 2021</i>)
Head of Pre-Prep Development	Miss Rebecca Allen BSc (Hons), MA Ed
Director of Music and Managing Director, Cedars Hall	Mr Mark Stringer GMusRNCM (Hons), FTCL, ARCO (CHM), ARCM, HonFTCL, HonLRSL, PGCE
Deputy Head (Pastoral) and Designated Safeguarding Lead	Mr Martin Ashton BA (Hons), PGCE
Deputy Head (Academic)	Mrs Natalie Perry BSc (Hons), MSc, PGCE
Director of Marketing and Admissions	Mr John Fosbrook BA (Hons), MA

When setting the remuneration and pay structure of the senior executives, a comprehensive benchmarking exercise is undertaken, using Rickerbys IAP salary guidance and assessing competitors' information for comparison. Governors agree the Head Master's salary and the Head Master agrees the senior team's salary in consultation with the Governors.

Volunteers

The School continues to be grateful to the Parents' Association for the funds it makes available for desirable and useful extras throughout the School and its contribution in arranging social occasions. Also to the Friends of Music of Wells Cathedral School for their constant support for music in the School and for the funding they make available for instruments, musical commissions, etc. It is also grateful to the board of Wells Cathedral School Hong Kong Music Society, which raises funds in Hong Kong to support Hong Kong scholars at Wells, and to the Trustees of the Wells Cathedral School Foundation.

Employees

Staff in their respective areas (teaching or support) attend regular term meetings/forums to discuss current whole School issues, where they are encouraged to have a voice and participate. They are regularly updated on the current developments of the School including the School's estate projects and its financial position.

The School demonstrates best practice by following a comprehensive recruitment/retention process to ensure equal opportunities for all. Once appointments are made, regular professional development reviews are undertaken to allow all staff to develop their careers further, through training and reflective practice. This includes career development and promotion of disabled people and the continuing employment and training of employees who have become disabled whilst employed by the School. The School has demonstrated how it values all staff by making reasonable adjustments to individuals' work commitments, to enable them to carry out their duties to the best of their ability. If they experience long term health problems and wish to return to work, assistance is provided to aid their recovery. Coaching is available for some staff and it is planned to develop this further.

STRATEGIC REPORT

Review of Developments, Activities and Achievements

During 2020/21, the in-year average numbers in the Senior School decreased to 544 (*2019/20: 555*) and in the Junior School decreased to 130 (*2019/20: 131*), excluding the Nursery. The average overall School roll therefore decreased to 674 (*2019/20:686*). This was one pupil above the anticipated roll of 673, excluding nursery. The Board's long term intention is for the overall size and disposition of pupils (the 'shape' of the

School) to increase numbers towards approximately 700 pupils and at the same time create a more even distribution of pupil numbers throughout all year groups

Governors Report (*continued*)

The Covid pandemic has had a considerable operational effect on the School in the year. The School returned to onsite learning in September 2020 after an extended period of lockdown, but there were considerable Covid measures in place to ensure the safe operation of the School during this time. A further period of remote learning lasted from January 2021 to mid-March 2021 as a result of the Government's national lockdown requirements. While the majority of pupils were learning off-site during this time, approximately 50 boarders were in residence throughout, and a further 50 or so pupils attended daily as children of key workers (in addition to the Nursery which remained open). The School maximised the financial savings opportunities afforded by the closure of most of the physical site and applied these savings to fees for the Epiphany and Lent Terms, in order to alleviate the financial effects suffered by parents, other fee payers and grant giving bodies.

Cedars Hall, although now well-established as an integral asset both for the School and in the cultural life of the City of Wells and the South West of England, sadly had to remain shut for the majority of the financial year as a result of Covid restrictions. Although it was used for pupil events and live-streaming, we were not permitted to hold public events until the very end of the academic year. We look forward, however, to revitalising the provision and opportunities afforded by Cedars Hall, building on its offer of world-class 'classical' and jazz performances by expanding its arts programmes to include more popular and 'commercial' music to embrace a wider audience, often in a cabaret-style format. The Hall will continue to host art exhibitions, drama and other important festivals in Wells, e.g. The Festival of Literature and the Comedy Festival, amongst others. The Hall also continues to welcome community events such as toddler groups on a regular basis. The Hall is in demand as a top-calibre recording venue and is admired by the BBC which has recorded three major chamber music festivals at the venue.

The development plan for the whole School site continues to form the basis of the School's estate strategy, whilst it is adjusted according to changes in the environment and implemented according to changing needs. An Estates Strategy Group continues to meet regularly to consider a number of long term strategies for the School estate, the utilisation of site buildings, the shape and size of the School and possible future new building projects. This is in addition to maintaining the regular cycle of maintenance of School buildings.

The School continues to develop its curriculum offering, in response to both pupil demand and its overall academic strategy. Alongside this the School continues to enhance now established links with external experts to augment its own internal expertise in areas of teaching, learning, coaching and mental health. This programme has been extended to parents, and the continuation of the 'Parental Engagement Programme' (PEP) has been popular, with good outcomes for pupils' learning as School and parents share the same message.

The School is conscious of the need to be informed by academic research, and a number of teaching staff are engaged in research projects. Others are involved in 'lesson study' projects, with some staff studying towards formal masters level qualifications.

With regard to supporting its business processes, the School continues to develop tools internally in order to make better use of its data. These include reporting and administration tools in areas such as admissions, finance, music timetabling, asset management and others.

Pastoral care is provided to all pupils with the aim of giving them the encouragement and support necessary to ensure they are supported to not only 'be what they are' (*esto quod es*) in the words of the School motto, but become the best they can be. This aim is threaded through our discourse whenever possible. Pupils should have a sense of belonging and be contented, balanced and confident individuals who have the necessary tools to be able to live safe, healthy and fulfilling lives. They should have a high level of spiritual awareness, emotional intelligence and self-control and also be active and responsible citizens who make a positive contribution to the School and wider world. They should be possessed of a good moral compass and a strong sense of honesty and integrity, and be equipped to work in partnership and in teams. To achieve this, the School has continued to develop its pastoral care and facilities. This continues to work towards further improving boarding, through enhancement work. Pupils' wellbeing remains high on the agenda and not least in the light of Covid. A broader and more focused programme to support this is being rolled out alongside a new appointment of a Mental Health Counsellor.

In other estates work, the School has secured funds via fundraising and an annual fund to build a Multi Use Games Area (MUGA) for use by the whole School. In addition, the Estates budget was used to refurbish the Plumtree courts and Claver Morris boarding house; to decorate De Salis boarding house externally and likewise

Governors Report (*continued*)

Mullins building.

Of course there are also the year round small improvement works that have been carried out, as we constantly strive to improve the site and buildings and keep on top of essential maintenance of Listed Buildings.

Pupils have also continued to be educated about their use of mobile phones and technology and how it can affect their well-being. We are strengthening our mobile phone policy from September 2021. We also responded to some of the social matters which have arisen recently as a result of Black Lives Matter, Everyone's Invited and Climate Change focuses through a series of 'Big Conversation' events in the Senior School.

The co-curriculum aims to support the School ethos of 'be what you are' by providing opportunities for every pupil to find an activity outside the classroom, which could be physical or non-physical, for them to enjoy life. Pupils should be able to follow their passion to the highest level. The School supports elite pathways, but its main focus is on improving and developing every child. The co-curriculum is also designed to provide a brilliant foundation for life by choosing activities that develop the necessary character traits that enable a successful future.

Old Wellensian activities have been largely curtailed this academic year as a result of Covid. But we have managed regular bulletins and other communications and look forward to resuming normal events as soon as restrictions permit. The Foundation has continued to work with the Old Wellensian Association on communications, and the Head of Foundation continues as secretary and Vice-Chairman of the association. In addition, we have implemented a new 'Wells Community Portal' to bring together all the supporting bodies of the School in one 'virtual' place - including Old Wellensians, Friends of Music, Parents' Association, Wells Cathedral Chorister Trust and Old Choristers Association.

The Director of Admissions and Director of Music, along with other colleagues, were unable to travel for international recruitment purposes because of Covid restrictions. But we participated in numerous virtual recruitment events, which proved successful and worthwhile.

The School's admissions and recruitment efforts have continued this year, albeit that the methods of recruitment activity have varied significantly from those normally used, as a result of the Covid pandemic. The School has continued to focus on its online marketing and recruitment presence, including virtual open days, virtual walk around tours, and online video conference meetings with agents and prospective pupils/parents.

There has been regular communication between the School and the Wells Music Society of Hong Kong (WMSHK) despite none of the usual planned Wells pupil music concerts being possible. The Head Master and Director of Music have worked closely with the WMSHK to agree a clear remit for the society in terms of its profile-raising for the School and in facilitating existing, and exploring new, strategic relationships on the School's behalf; also in relation to pupil recruitment.

The beneficiaries of the School also include children and young people who are not pupils of the School who have the opportunity to benefit from educational and entertainment activities undertaken at, or by, the School.

The School's state-of-the-art performing arts complex, Cedars Hall (opened in September 2016), is one of the School's primary vehicles for engagement with the wider community. The School ordinarily hosts some 350 events, mainly concerts, throughout the year, most of which are in the Eavis Auditorium of Cedars Hall, and Quilter Hall, our 14th Century concert hall. The concerts are a combination of pupil-led performances and those by internationally-acclaimed professional musicians and performing artists from all over the world. In addition to many free concerts available to the general public, the School offers heavily discounted tickets to all who join the Friends of Music of Wells Cathedral School.

The School educates the boys and girls of the choir at Wells Cathedral which is an integral part of the worship at Wells Cathedral and a significant benefit to the members of the wider community. The School supports the Cathedral in providing mentoring in teaching, and in supporting safeguarding training for the Vicars Choral, and its choral and organ scholars. It also supports children from other Schools to "Be a chorister for a Day" providing staffing, pupils and physical resources.

During the year Wells Cathedral School delivered a reduced and online programme of music outreach, co-ordinated by a dedicated member of staff to the benefit of many local maintained Schools and the wider community both regional and international. Other more usual music outreach onsite had to be curtailed because of the Covid restrictions, but some events (such as instrument days) were replaced with online offerings. And we

Governors Report (*continued*)

hosted Music Summer Schools onsite. We produced a huge amount of online performance material featuring pupils' themselves via our School YouTube channel which was available to the wider community and attracted considerable interest.

The School's pupils also assisted with our local charitable work including at Wells Museum, Bishops Palace, Wells Cathedral, a local Food Bank, local care homes and local charity shops and local schools. Pupils also wrote letters to care home residents in the first lockdown and sent Christmas cards in December 2020.

Unfortunately Covid restrictions prevent us holding our usual 'Be a Mathematician Days' or other sporting outreach events and competitions. The Swimming Pool was made available to the local population in the summer, however.

When restrictions permitted, the facilities of the School (buildings and sports facilities) were made available to users for little or no charge.

There are 3 members of staff (2020: 3.) that act as public examiners for GCSE, A level, ABRSM and Trinity examinations taken by maintained school candidates.

The School was named Independent School of the Year 2020 for the Performing Arts. We secured the title for "really living their philosophy of 'Be what you can be' through their elite and general programmes".

Promotion of the success of the organisation to benefit its members

The Governors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider most likely to achieve the purposes of the Company. In making this assessment, the Governors consider the relevant actions of the Board as described throughout the report.

Key Challenges

Continuing on from the focuses set by the arrival of the Head Master in September 2018, key focuses and messages throughout the year were:

1. That Wells offers a holistic education which aims to educate the whole child academically, through its comprehensive range of co-curricular activities and charitably.
2. That it is a through School offering education from 2 – 18 years.
3. That it is a specialist music School within the context of an all-round School, which gives it a unique ethos and atmosphere, which also enables it to provide a world-class musical education for its specialist musicians but from which all its pupils also benefit.
4. That it is a Cathedral Choir School providing an education for the Cathedral choristers.
5. That it is a boarding and day School, and a School whose rhythms are dictated by the presence of its boarders, both UK boarders and international boarders.
6. That it aims to deliver the best academic experience possible, within the context of an all-round education.
7. That it has suitable strategies in place to appeal to the widest possible pupil base and to expand its recruitment of pupils of all ages whilst also attracting the best quality teaching and support staff.
8. That it provides long term strategic development, funding and sustainability to one of the country's oldest school communities.
9. That it ensures its former pupils are actively part of its extended community through regular communications and invitations.
10. That it continues to resource the School and manage its budgets in such a way as to aim to provide an operating surplus of at least £1 million before depreciation alongside funding "one off" projects, to enable continuing investment in facilities.

A new Strategic Vision for the School was launched in January 2020, which aimed to express all these points and make them a focus for the future development of the School. In addition, the challenge of Covid and the subsequent lockdowns and physical site closures of the School requiring a move to remote learning for the majority of pupils, presented some significant operational challenges in the middle of the 2020/21 academic

Governors Report (*continued*)

year, alongside ensuring onsite operations were as Covid secure as possible.

Operational Performance

The School set itself the following objectives for the academic year 2020/21. Progress is indicated in italics.

1. To continue to improve the provision of sport and co-curricular education.
Significant progress has been made, including the establishment of an Annual Fund with a specific focus on Sport in its first year. The duration of the Fund was extended to two years because of Covid, and at the time of writing funds have been secured to build a MUGA. We will launch a different Annual Fund focus in January 2022, most probably focussing on supporting the wellbeing of the whole community.
2. To raise the level of fundraising for bursaries both at home and abroad, and to create the basis for the next stage of advancement at the School.
Work continues on this, and the Foundation is reviewing our legacy plans for donors among other things. Again, Covid curtailed activity in terms of 'launch' and other 'fundraising' events. But this remains a priority for the 2021/22 academic year.
3. To increase the level and rate of recruitment of pupils at all stages in the School in order to continue to create a steady model for the School.
Despite challenges imposed by Covid, recruitment has been very strong and as we enter the next new academic year we are looking forward to a strong year in terms of pupil numbers. We continue to work to bring our recruitment cycle forward, and we are seeing increasing numbers of prospective families earlier than before, and committing to the School more than a year in advance. Moreover, sections of the School are full, including areas of boarding and some year groups.
4. To continue to support families and parents better so that being a member of the Wells community is easier.
Progress continues, including improved communications and a greater sense of collaboration between the various supporting bodies of the School, not least via the creation of the Wells Community online platform.
5. To develop leadership and accountability at all levels throughout the School.
For pupil leadership, a revised Prefect and Captain structure has been implemented. We will be implementing a School Council for pupils in the Senior School.
6. To grasp the challenge of the School's diversity and market it accordingly.
Ongoing progress, with renewed focus on international pupils, HM Forces pupils, London families, day pupils and musicians. We are also keen to focus on UK boarding pupils of all ages, including Prep School age.
7. To maintain the commitment to continuous improvement in the delivery of the School's elite music programme and to widen it's offering to embrace more fully commercial genres. To increase engagement with the wider community via the Cedars Hall arts complex.
Progress continues. The outreach of Cedars Hall is ever-growing (notwithstanding its need to physically close for much of the last financial year because of Covid). We have been setting up a Wells International Music offering to enable those from abroad or elsewhere in the UK to access the superb 1:1 music teaching Wells provides online. And we are launching a Sacred Music Course as an additional strand of our Music Specialism to take advantage of our unique position here at Wells as a Senior School, a Music Specialist School and a Cathedral. We have also undertaken a review of our Enterprises structure (which is ongoing), of which Cedars Hall is a part, with the aim of maximising both our outreach and potential income from external sources, funds from which can then be used to support further the School's core educational aims.
8. To further enhance pastoral care and the wellbeing of the whole community.
We have reviewed the tutoring programme in the Senior School with a new structured programme in place from September 2021. Our Personal, Social, Health and Economic (PSHE) curriculum will be reviewed following the appointment of a new Head of PSHE. We have increasing numbers of staff trained as mental first aiders, and the whole staff engaged in training in mental wellbeing for all at the

Governors Report (continued)

start of the 2021/22 academic year. Other projects, including possible developments of the site to support wellbeing, are under consideration.

9. To plan the funding and delivery of the next capital projects to extend and enhance educational, sport and boarding facilities.

An ongoing Estates Plan is being followed with a prioritization list under constant review.

The School has monitored performance against key indicators throughout the year. At Wells there are many unseen exam factors, not least that many of the most able pupils at this stage in their development do fewer GCSEs or A levels than at other Schools; this may be because of their musical programme or because so many individual pathways are crafted. The main criterion for entry into the School at any level is that the girl or boy will be able to flourish and to help other people to do so as well. However there is also a need to make sure that any individual who joins the Wells family can succeed in ways that they want to academically. This means providing honest and kind advice to Sixth Form pupils in relation to their preferred route of study.

Large numbers of pupils go to Oxford, Cambridge and other Russell Group universities as well as many excellent universities across the world, or on to eminent music conservatoires around the world, often with significant scholarships. Wells focuses most on how they will use all their education to be flexibly minded people of integrity, balance and determination. Our emphasis on independent learning has meant that a significant number of pupils take the Extended Project Qualification, as well as the GCSE level Higher Project Qualification.

GCSE and A level grades were, of course, awarded in the summer of 2021 in a rather different way to normal owing to the Teacher Assessed Grade process adopted because of the cancellation of terminal exams owing to Covid. Nonetheless, the School performed extremely well. At GCSE level, 18.2% of all grades awarded were Grade 9; 61.9% of all grades fell within the Grade 9 to 7 range (equivalent to A* to A under the old system) and 96.7% were in the range Grade 9 to 4 (A* to C equivalent). At A level, 27.8% of grades awarded were A*, with 93.4% falling in the A* to C range. Over 80% of pupils achieved their first choices of university or conservatoire; this includes three pupils who took up places at Oxbridge (two of whom go as organ scholars) as well as about 70% taking up places at other Russell Group universities, Music Conservatoires or other prestigious international establishments.

Instrumental music exam results have again been excellent throughout the year, with several pupils achieving diploma level qualifications in a range of instruments and voice. In the Sixth Form, the A Level Biology and Chemistry Departments will be following the Edexcel syllabus from now on. The specification is more appropriate for our pupils and ensures consistency from GCSE and between all the Science subjects.

The School continues to strengthen and develop its links with partner institutions at home and abroad. Regrettably, the Covid pandemic prevented live performances for most of the academic year and, of course, tours could not be contemplated either in the UK or overseas. Nonetheless, Wells has maintained contact with representatives of several partner schools, e.g. the Yew Chung International School, the Alliance Primary School and Wah Yan College in Hong Kong; likewise with the Hong Kong Academy for Performing Arts. The Hong Kong charity's mission to 'enrich the musical life of Hong Kong through its talented young musicians' has seen continued funding of Hong Kong Scholars who have joined the School since September 2016. The Director of Music is in regular contact with UCSI University (Kuala Lumpur Campus) and the Moscow Conservatory. Wells is a founder-member of Young Music Talents Europe, a collaborative network of specialist music schools across Europe, which is committed to sharing expertise and good practice in the coaching of elite instrumentalists and vocalists. The Director and Deputy Director of Music have attended on-line meetings throughout the year with representatives of these schools.

Whilst Covid has been extremely detrimental in so many respects, we have continued to invest in our on-line resources and have been able to deliver all of our academic and music provision including the 750 1:1 instrumental and vocal lessons each week when pupils have not been on site and often a 'blended' mix of on-site and on-line provision to cater for those on campus and those having to learn remotely.

We have also been able to reach out by conducting on-line auditions and interviews for all those interested in studying at the School and, for musicians, delivering consultation and regular music lessons for pupils who have expressed an interest in coming to Wells. Furthermore, we are now about to launch Wells Music International, an initiative which will offer a combination of on-line 1:1 music coaching, the opportunity to perform in group performance classes, study music theory and history and benefit from mentoring which will be offered globally during our own term-times alongside on-site residential courses for those on this programme during the Easter

Governors Report (*continued*)
 and Summer breaks.

The School maintains its link in Sierra Leone with the Ballanta Academy.

FINANCIAL REVIEW

The financial performance for the period has been influenced by challenging environmental conditions. The average pupil numbers have decreased from last year by a total of 12 (*2020: decreased 22*) pupils across the Junior and Senior Schools and the demand for Bursary and other discount funding for pupils has risen by £50k. The School is determined to maintain the quality of its provision whilst ensuring that it operates at a financially sustainable level of surplus.

Consolidated Operating Results

The operating environment for the period was challenging: Senior pupil numbers decreased by 1.98% (*2020: decrease by 0.17%*); bursaries and discounts increased by 1.70% (*2020: decreased by 3.34%*); and donations received by the Foundation increased by 20.83% (*2020: decreased by 19.63%*). The scholarships awarded increased to £381k (*2020: £304k*), an increase of 20.21%. The level of gross fee income, the School's charitable income, has decreased to £18,772k (*2020: £19,295k*). The School has continued to invest in staffing and infrastructure in order to maintain the quality of its provision.

The Board of Governors resolved this year to bring the financial year end in line with the academic and holiday year end, which is 31 August. As well as aligning the financial year with the School's operating/academic year, it enables estate projects to be started and completed within the same financial period. Consequently, this set of consolidated financial statements is for a period of 13 months. The financial performance of the School for the 12 months ended 31 July 2021 produced a surplus of approximately £464k. If this figure had been utilised to verify compliance with the finance covenant, it would have resulted in a positive debt servicing ratio. This figure is the measure of operating performance that the Board considers most accurately reflects the financial operating position of the School. The bank has agreed to waive compliance with its debt financial covenant which was breached based on the performance for the 13 months ended 31 August 2021.

The consolidated net result for the 13 month period was a deficit of £49k (*2020: surplus of £797k*) which is composed of the net deficit of the School of £411k (*2020: £689k*) and a net surplus from the Foundation of £362k (*2020: £108k*). The consolidated results for the period are set out in the Statement of Financial Activities (SOFA) on page 24. Under accounting rules for charities this statement combines transactions of a capital and revenue nature. The operating results for the two constituent charities are outlined below.

Consolidated Activities

During the period the School produced an operating surplus of £310k (*2020: surplus of £1,475k*) before depreciation and non-recurring premises projects. After depreciation and non-recurring premises projects its operating result was a deficit of £272k (*2020: surplus of £916k*).

The consolidated activities are summarised below:

	2021	2020
	£000	£000
Income from charitable activities	18,772	19,295

Governors Report (continued)

(charitable activities per SOFA plus the School bursaries and discounts)

Operating costs of School		
School bursaries and discounts	(3,836)	(4,344)
Expenditure on charitable activities (excluding depreciation)	(14,626)	(13,476)
Operating surplus of the School (13 months)	310	1,475
Less:		
Depreciation	(574)	(545)
Premises - non recurring projects	(8)	(14)
Net operating surplus (13 months)	(272)	916
Income from generated funds	322	390
Realised (loss)/gain on investments	238	(34)
Cost of generating funds	(331)	(401)
Cost of charitable activities not part of operating costs	(6)	(74)
Net income in SOFA (13 months)	(49)	797

Analysis of the business using Key Performance Indicators (KPI's)

KPI	2021	2020	2019
Net fee income growth % **	1%	(6%)	6%
Bursaries, scholarships and discounts as % of gross fees **	22%	25%	13%
Donations and legacies as a % of gross fees	1%	1%	1%
Teaching staff costs as a % of gross fees	39%	36%	39%
Welfare costs as a % of gross fees	5%	5%	5%
Premises costs at a % of gross fees	21%	19%	19%
Operating surplus/(deficit) % of the School	2%	8%	6%

The 2021 KPIs are for a period of 13 months.

The gross fees for these KPIs were £17,499k (2020: £17,806k) (note 3).

The net fees received were £13,633k (2020: £13,462k) (note 3).

The Operating deficit of the School was £411k (13 months)

** Savings of £469k (2020: £1.2m) were passed on to parents due to Covid. If this discount was removed, the 2021 percentages would read:

- Net fee income growth 3.6% (2020: 2.5%); and
- Bursaries, scholarships and discounts as % of gross fees 19% (2020: 12%).

Operating result of Wells Cathedral School Foundation

During the period the Foundation received £199,844 (2020: £197,100) in financial contributions in the form of income from donations and legacies. The Foundation continued to make donations to the School, which in the

Governors Report (*continued*)

period under review totalled £98,545 (2020: £75,796). This period its operating costs of £44,634 (2020: £58,446), including staff costs and other direct costs associated with the Foundation, were borne by the School. The net movement in funds of the Foundation was a surplus of £361,944 (2020: £108,588).

Investment Policy, Powers and Performances

In accordance with the Trust Deed, Governors of the School and Trustees of the Foundation may authorise the funds of the Foundation to be invested in any stocks, shares or insurance policies. The Trustees' aim is to generate long-term total return from endowment funds invested, combining both capital growth and income. The investment objective is to outperform the MSCI Wealth Management Association Growth Index return which over this period was 24.8% (2020: -5.9%). Over the same timeframe the portfolio outperformed the index return by 2.8% (2020: 4.5%) after all costs.

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

The Foundation has adopted the "total return" approach to investments which are considered to be permanent endowments under which, once the value of the permanent endowments reaches a sufficient amount, the total return will be available to be used to award bursaries to pupils of the School, consistent with the Foundation's objectives.

Political and Charitable Contributions

The Foundation made no political or charitable contributions during the period under review (2020: *£nil*) other than donations to the School of £98,545 (2020: £75,796), as disclosed in its Statement of Financial Activities. The Foundation's grant making policy is to make donations only to the School.

Reserves Policy

The total funds held by the group at the period end were £19,236k (2020: £19,285k). The Governors have designated an asset fund so that a framework exists for them to assess appropriate levels of free reserves, as recommended in the Charity Commission guidance paper, "Charities Reserves". Free reserves are defined in the guidance paper as excluding not only funds that are for restricted purposes but also those designated by the Governors for a particular purpose, and any funds only realisable by disposing of fixed assets held for charity use. One thrust of the guidelines is to highlight those charities that are carrying excessive free reserves.

The free reserves in the Consolidated Balance Sheet, as defined by the guidelines, are a deficit of £5,187k (2020: deficit of £4,705k) at the end of the financial period. The Governors take comfort from the fact that the School holds significant unrestricted but designated reserves. The Governors believe that, over time, a prudent level of free reserves, consistent with the business risks of the School, equivalent to six months operating costs should be accumulated. The proposed level of such a reserve has yet to be determined, but is considerably higher than the current level of free reserves. It is unlikely that the target will be achieved for many years because of the previous and ongoing policy of the Governors to improve the facilities of the School through the investment of surpluses in School assets.

Restricted Funds

The balance of the restricted funds at the end of the period was £4,003k (2020: £3,965k). These funds are held for capital projects, bursary funds and projects funded by the Department for Education. The balance includes the restricted fund net movement of £(2)k (2020: £140k) from the Foundation.

Designated Asset Fund

The balance of the designated asset fund at the end of the period was £19,350k (2020: £19,169k). This fund

Governors Report (continued)

represents the net book value of the majority of tangible fixed assets.

Endowment Funds

The endowment funds represent donations received to provide bursaries. Total endowment funds had increased to £1,070k (2020: 856k) by the end of the period. Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

Bursaries, Scholarships and Fee Discounts

The following fee discounts were provided to parents of pupils at the School during the academic year:

	Number of pupils		Value	Value	% of gross	% of gross
	2021	2020	£000	£000	fee income	fee income
	2021	2020	2021	2020	2021	2020
School bursaries	279	262	1,135	1,125	6.49%	6.39%
Bursaries from the Foundation	5	6	58	48	0.33%	0.27%
Music and Dance Scheme	80	80	946	919	5.41%	5.22%
Scholarships	166	155	381	304	2.18%	1.73%

Value of fee reductions provided to children of:

	Value	Value	% of gross	% of gross
	£000	£000	fee income	fee income
	2021	2020	2021	2020
Members of the clergy of the Church of England	17	19	0.10%	0.11%
Members of the armed forces	19	22	0.11%	0.13%
Former pupils of the School	28	24	0.16%	0.14%
Parents with more than one child at the School	149	142	0.85%	0.81%
Employees of the School	572	568	3.27%	3.23%
Children of ex-choristers of the School	62	21	0.35%	0.12%
Total	3,367	3,192	19.25%	18.14%

The bursaries from the School and Foundation are awarded on the basis of parental need and are all means tested. The total £3,367k includes £58k of restricted Foundation bursaries.

The level of support included 2 free places (2020:2) worth £64k (2020: £63k).

The Music and Dance Scheme (MDS) discounts are subsidies provided to parents of pupils whose places are funded by the MDS, as such funding is capped by the Department for Education (DfE). Support by the DfE to these pupils is also means tested.

Scholarships are awarded to recognise a pupil's academic or sporting achievement, and are not means tested, although additional means tested support in the form of a bursary might also be considered where appropriate.

Risk Management

The Board of Governors is responsible for the management of the risks faced by the School. Detailed

Governors Report (*continued*)

consideration of risks is delegated through the Head Master to the Head of Junior School and Bursar, who are assisted by other members of the Senior Management team and other leadership groups in the School. Risks are identified and assessed, and controls established throughout the year. A register of key risks has been created and, together with the School's risk management process, is reviewed formally by the Governors on an annual basis.

Specific risks identified include: public benefit and charitable status, changes to the cost of the Teachers' Pension Scheme, the future of the Music and Dance Scheme against a background of continued Government spending reviews, possible risks to the wellbeing of pupils and financial risks (described in more detail below). These risks are mitigated through regular monitoring of government decisions and through the School's established Board sub-committee and established health and safety framework. The School has recorded all activities that give rise to a public benefit in support of its status as a charity.

For the second financial/academic year the Covid pandemic had a considerable impact on the operation of the School, with the physical closure of the site to most year groups during the Epiphany/Lent (Easter) term and a revised fee schedule funded by concomitant operational savings, as well as ongoing increased costs of Covid security measures. The Board is aware of the residual risks posed by the pandemic, including but not limited to: the health and welfare of pupils, staff and visitors; the operational, social and economic impact of further waves of infection; reduced confidence of the overseas boarding market in the safety of UK education; and the impact of economic damage precipitated by the pandemic.

The School is still awaiting the emergence of a clear picture on the impact of the exit from the EU. Initial response from families and educational agents from continental Europe was that of disappointment in the increased bureaucracy and cost involved in obtaining permission to study in the UK. However, at present there has been no discernible practical impact on existing EU pupils or those imminently joining the British independent education system, especially within the context of the much greater uncertainty created by the Covid pandemic.

Financial risk management covers:

- Income risk – The School's cost base operates predominantly on a fixed cost basis and its surplus is equivalent to a relatively small percentage of income. This high level of operational gearing means that the School's ability to generate surpluses is sensitive to fluctuations in pupil numbers;
- Price risk – Fees are subject to annual reviews. Salary costs are communicated to staff during the formal annual review of salaries. Prices of significant materials purchased are subject to contracts with suppliers, based on current market prices and obtaining at least three quotations;
- Credit risk – The credit risk on amounts owed to the School by its parents is low, due to the nature of the income being received;
- Liquidity risk – The School has completed a number of significant capital projects: the construction of a music learning and performance building, a sports pavilion, and a boarding facility, as well as acquiring and converting a second, plus the replacement of the School's astroturf pitch. The School has prepared cash flow forecasts and is monitoring these regularly;
- Interest rate risk – The School has five bank loans secured on property on which it pays interest at 0.9 to 1.5% above base rate. An interest offset arrangement is in place on two of the loans (see note 17);
- Treasury risk - The School's long-term, capital and working capital cash-cycle requirements mean that the School maintains deposits in cash and cash equivalents as well as longer term investments. These holdings expose the School to the risk of loss through investments whose risk profile does not include a guaranteed return and/or from the failure of the organisations holding the investments. The investments held by the group are actively managed by an investment manager, in accordance with an investment policy set by the investment committee of the Foundation, which considers the risk and return profile, duration and disbursement of the funds on deposit/invested; and
- Risk of Imposition of Additional Statutory Charges – The School (along with the rest of the

Governors Report (*continued*)

independent sector in the UK) faces the risk of the imposition of additional statutory charges and taxes. This includes, but is not limited to, the application of VAT on fees, and the removal of the charitable dispensation on business rates.

The key controls used by the School to manage identified risks include:

- Formal agendas for all committee and Board activity;
- Terms of reference for all committees;
- Comprehensive strategic planning, budgeting and management accounting;
- A register of key risks, identifying and assessing the risks as well as a responsible manager and risk mitigation strategy for each risk;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established by the School, the Governors are satisfied that the major risks identified have been mitigated where deemed appropriate. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Statement of Governors' Responsibilities

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

Company law requires the Governors to prepare Financial Statements for each financial period. 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 group and of the incoming resources and application of resources, including the income and expenditure, of the group for the year. In preparing these Financial Statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles set out in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

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

Statement on Disclosure of Information to the Auditor

So far as each Governor is aware, there is no relevant audit information of which the School's auditor is

Governors Report (*continued*)

unaware. 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 auditor is aware of that information.

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

Independent Auditor

Crowe U.K. LLP has indicated their willingness to accept reappointment as the School's auditors and a resolution for their reappointment will be proposed at the annual general meeting.

The Governor's report, including the strategic report, was approved by the board of Governors of Wells Cathedral School Limited on 7th December 2021 and signed on its behalf by:

The Very Reverend Dr John Davies
Chairman of Governors

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

Opinion

We have audited the financial statements of Wells Cathedral School Limited ('the charitable company') for the period ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, School Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2021 and of the group's income and expenditure, for the 31 August 2021 then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

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

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

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

Use of our report

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

[This report has not yet been signed]

Guy Biggin
Senior Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

Date

**Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for
the period ended 31 August 2021 (13 months)**

WELLS CATHEDRAL SCHOOL LIMITED

England & Wales - Charity number 310212

Accounts

Wells Cathedral School Limited
(Limited by Guarantee)

Governors' Report and Consolidated Financial Statements
Registered Company number 564883
Registered Charity number 310212
Year ended 31 July 2020

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GOVERNORS' REPORT

The Governors of Wells Cathedral School Limited ("the School") present their annual report for the year ended 31 July 2020 under the Charities Act 2011, together with the audited Consolidated Financial Statements for the year and confirm that they comply with the requirements of the Companies Act 2006, the School's Memorandum and Articles of Association and Accounting and Reporting by Charities' Statement of Recommended Practice (FRS 102) ("the Charities SORP").

Governance

The School has been in existence since 909AD. Its original purpose, which it still fulfils to this day, was to educate the Wells Cathedral choristers. It is registered with the Charity Commission and was incorporated in 1956 as a registered company, Limited by Guarantee.

The Governing Body

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

The Very Reverend Dr John Davies DL, MA, MPhil, PhD, Dean of Wells
The Reverend Canon Nicholas Jepson-Biddle BA, MA, Precentor of Wells ○#
The Reverend Canon Dr Rob James PhD, MPhil, MLitt, MA BA (Hons) Chancellor of Wells ◇
Prebendary Emeritus Barbara Bates BA, MA, FRSA \$◇
Prebendary Emeritus Helen Ball OBE \$◇
Mr David Brown MA, OBE ●#
Mr Tim Lewis BA (Cantab), FCA*
Mr Robert Powell \$ ●◇
Mr Andrew Campbell-Orde FCCA*
Mr Martin Cooke BEd ◇●
Mr Andrew Gummer LLB *#
Mr Kris Robbetts, MA MSc Solicitor ●
Mrs Elizabeth Shelton \$(*appointed 30th July 20*)
Professor Emeritus Derek Aviss, OBE, FLCM, LTCL hon FTCL, FRSA ◇ (*appointed 9th December 19. Resigned 14th September 20*)

* Members of the Finance and Audit Committee
\$ Members of the Pastoral and Recreation Committee
◇ Members of the Academic Committee
● Members of the Development Committee
○ Members of the Chorister Sub Committee
Parent of a pupil at Wells Cathedral School

The Board comprises three of the seven members of the Chapter of Wells Cathedral together with up to nine lay Governors, who are appointed by the Chapter. The Chapter can also nominate up to two alternate Governors from their number.

The lay Governors are appointed for three years and retire by rotation.

Governors Report (*continued*)

Legal and Administrative Details

Registered and principal office	Wells Cathedral School Limited College Road Wells Somerset BA5 2SX
Bankers	National Westminster Bank PLC 7 High Street Wells Somerset BA5 2AD
Solicitors	Harris and Harris Diocesan Registry 14 Market Place Wells Somerset BA5 2RE Burgess Salmon LLP One Glass Wharf Bristol BS2 0ZX
Insurance Brokers	Hettle Andrews & Associates Ltd Eleven Brindley place 2 Brunswick Square Birmingham B1 2LP
Independent Auditor	Crowe U.K. LLP Carrick House Lypiatt Road Cheltenham GL50 2QJ
Company Secretary	Mr Peter Knell Wells Cathedral School Limited College Road Wells Somerset BA5 2SX
Connected Charity	Wells Cathedral School Foundation Limited College Road Wells Somerset BA5 2SX

Connected Charity registration number 1118159

Governors Report (*continued*)

Charitable Objectives

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

- To advance education in accordance with the doctrine of the Church of England by such means as shall be exclusively charitable and by other associated activities for the benefit of the community;
- The carrying on and development of the School;
- To provide in particular for the training and education of the choristers of the Cathedral Church of St Andrew in Wells, and the other pupils of the School through instruction in every branch of learning, in citizenship, in outdoor pursuits and in arts and crafts of all kinds, and on the basis of Christian principles and in accordance with the doctrine of the Church of England to provide such pupils with spiritual, moral, mental and physical training; and
- To do all such other things as are incidental or conducive to the attainment of the Association's objects or any of them.

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

The School provides a family-orientated co-educational boarding and day School for 2 - 18 year olds which provides an all-round education alongside world-class specialist music training, including the Choristers of the Cathedral. Its vision is to inspire every individual pupil to nurture his or her talents in a vibrant, creative, spiritual and stimulating environment to become a responsible global citizen.

The School aims to achieve its objectives and realise its vision through the application of the core principles set out in its Mission Statement:

- **Encouraging** pupils intellectually to set themselves high expectations and aspirational goals
- **Challenging** pupils to discover new passions and develop existing ones through active engagement in a range of co-curricular and sporting endeavours
- **Delivering** a world-class specialist music and chorister education for those with particular talents
- **Stimulating** pupils to be individuals in a uniquely creative and spiritually aware environment
- **Empowering** pupils to be independent, resilient, confident and kind

Charitable Benefit

The School's primary charitable benefit is the provision of education to the boys and girls at the School. The School is a co-educational learning community and its pupils consist of both boys and girls at all stages. There are no geographical restrictions upon prospective pupils and 165 children (2019: 165) about 24% of total pupils (2019: 22% of total pupils) from about 19 (2019: 19) different overseas nations were pupils during the year. Although education is in accordance with the doctrines of the Church of England, there is no religious restriction upon those who may be admitted and pupils of all faiths are welcomed, with many different religions represented amongst the pupil body. All pupils are assessed academically on entrance to enable appropriate provision for them, and auditions are held for prospective musicians and choristers. Beyond the curriculum offered by the School, charitable benefit is also generated from the following activities:

- Community work carried out by pupils in and out of School;
- Outreach and partnership work conducted by the School, in relation to music, sports and academic activities;
- Provision of School estate and support facilities for community use at cost recovery or reduced rates;
- Links with Schools and music academies and enterprises overseas (Sierra Leone, China including Hong Kong, Malaysia, Russia and throughout Europe) to enable the pupils to extend their community work abroad and to understand the needs of pupils in different countries; and
- Charitable fundraising.

Governors Report *(continued)*

Bursaries, Scholarships and Discounts

The School does not have substantial reserves or endowments and largely relies upon its annual fee income and Foundation fundraising to support its activities. Although fees are payable by parents, there is extensive bursary and scholarship support provided to pupils. The School seeks to provide as many means tested bursaries and scholarships as can be sustained by its annual fee income. Bursaries are reviewed after each phase of education by the School. During the year, the School provided fee remissions of £3,192k (2019:£3,292k), which comprises bursaries of £1,173k (2019:£1,257k), scholarships of £304k (2019:£269k), a subsidy to pupils participating in the Music and Dance Scheme of £919k (2019:£929k), and £796k (2019:£837k) of discounts (supporting military, clergy, siblings, Old Wellensians, employees and ex-choristers). Due to Covid 19 an additional £1.2m was also discounted on the Trinity term fee bills, which is an accumulation of savings acquired due to the national School lockdown.

Group Structure and Relationships

The School has the following wholly owned subsidiaries, none of which has traded during the year:

- Wells Cathedral School (Hong Kong) Limited
- Wells Cathedral International School (Hong Kong) Limited

The Wells Cathedral School Foundation ("the Foundation") was established in 2007 as a separate but connected charity, number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School. The Foundation's objects are to advance the education of pupils at the School by means of:

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

The Foundation's income is from charitable gifts plus gift aid from individuals, grant giving trusts and foundations, as well as from savings interest and returns on investments. During the year the Foundation received £279,285 (2019: £644,276) in income and made donations to the School of £75,796 (2019: £94,314) towards bursaries and specific projects.

Whilst the Foundation produces its own separate audited Financial Statements, these Financial Statements are then incorporated with the Financial Statements of the School into the consolidated Financial Statements of the group.

Recruiting and Training of Governors

The School's lay Governors are appointed at a meeting of the Board on the basis of nominations agreed between the Chairman and the Head Master with regard to the board's requirements concerning eligibility, personal competence, specialist skills and availability for meetings. A small sub-committee of Governors (the succession planning committee) meets with the Head Master on a regular basis to consider vacancies, names and succession. Governors are inducted into the workings of the School, including Board policy and procedures, by the Chairman, the Head Master, the Bursar and the Assistant Clerk to the Governors. The training needs of the Governors are continually assessed and relevant updating sessions are provided, including, but not limited to, development activities provided through membership of the Association of Governing Bodies of Independent Schools (AGBIS).

Charity Governance Code

All Governors of the School:

- Are committed to the School's cause and have joined its governing body because they want to help it to deliver its purposes most effectively for public benefit;
- Recognise that meeting the School's stated public benefit is an ongoing requirement;
- Understand their roles and legal responsibilities and have read and understood:

Governors Report (*continued*)

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

The Governors are familiar with, and acknowledge, the updated version of the Charity Governance Code published in July 2017 and the code's principles are reviewed at the Governors' away days.

Fundraising Disclosures

The School had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Over the last year the Foundation has undertaken fundraising activities as in previous years using its database. These fundraising activities have been undertaken by staff employed by the Foundation and no external persons have been used. The Foundation has voluntarily subscribed to the Fundraising Regulator which holds the Foundation to the Code of Fundraising Practice. Over the course of the financial year there have been no failures to comply with the Code, nor have any complaints been received.

Safeguarding Policy

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

Indemnity Insurance

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

The cost of insurance is included in the cost of public liability cover which amounted to £7,560 (2019: £8,830) in the year for the group.

Statement of Going Concern

Following a reduction in the School's intake in 2017/18, which resulted in a deficit for that year, and the production of forecast financial projections for the subsequent three years, the School took the necessary steps to reduce its expenses with the objective of maintaining, then growing, its year end reserves. The School closely monitors its cash flows and has maintained an overdraft facility of £750k to ensure that it remains a going concern.

In consideration of the presumption of going concern as the basis for the preparation of the report and Financial Statements, the Governors have considered the impact of the Covid 19 pandemic as part of their assessment. They have concluded that no material uncertainties have been identified that may cast significant doubt on the ability of the School to continue as a going concern. The Governors therefore have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the Financial Statements.

Organisational Management

The School's Governors are legally responsible for the overall management and control of the School. The full governing body meets at least four times a year, and is chaired by the Dean of Wells Cathedral. It is responsible for determining the aims, strategy and overall conduct of the School and is accountable for the discharge of its responsibilities to pupils, parents and staff. The work of implementing the policies is carried out by a series of committees:

Governors Report (*continued*)

- Finance and Audit Committee: This committee meets four times a year, usually two weeks before a full meeting of the Governing Body, and is chaired by Andrew Campbell-Orde. Its main roles are to:
 - consider, monitor, challenge and recommend the annual budgets and fee increases to the board;
 - monitor and direct in-year expenditure;
 - authorise capital expenditure;
 - scrutinise the statutory Financial Statements and recommend them to the governing body;
 - appoint and appraise the performance of the external auditor;
 - scrutinise, monitor, challenge and endorse proposals for staffing and staff remuneration; and
 - monitor and advise on the School's human resource function.

- Academic Committee: This committee meets three times a year, and is chaired by Martin Cooke. Its objectives are to:
 - scrutinise, challenging, supporting and monitoring the School's educational aims; and
 - help the School develop new and appropriate ones.

- Pastoral and Recreation Committee: This committee meets three times a year, and is chaired by Prebendary Helen Ball. Its objectives are to:
 - monitor and advising in all matters relating to pupil welfare and wellbeing, including matters concerning safeguarding;
 - monitor and advising in matters relating to staff welfare;
 - review the School's provision of extra-curricular activities including trips; and
 - review and monitoring the School's boarding provision.

- Development Committee: This committee meets three times a year, and is chaired by David Brown. This committee:
 - challenges, advises and supports the Head Master in all matters concerning plant, grounds and non-core trading in order to meet the educational needs of the School; and
 - monitors and supports the work of the Foundation.

The Chorister Sub Committee meets three times a year and includes the Organist and Master of the Choristers (post re-titled 'Director of Music' during the current year), the assistant organist as well as the School's chorister tutor. It is chaired by the Precentor of Wells Cathedral, the Reverend Canon Nicholas Jepson-Biddle. It oversees, monitors and plans all matters to do with the choristers' life and programme.

The running of the School is delegated to the Head Master, supported by his Management Team which consists of the Heads of the Junior and Pre-Prep Schools, the Director of Music, the Bursar, who is also the Clerk to the Governors, Director of Admissions and Marketing and two Deputy Heads, Pastoral and Academic. The Head Master reports directly to the Governors, as does the Bursar through the Head Master but with direct access for matters relating to the roles of Company Secretary and Clerk to the Governors. The Head Master attends all meetings and committees of the Governors, and members of the Management Team attend meetings according to their responsibilities and at the direction of the Head Master and Clerk to the Governors.

Officers

During the year the executive officers were:

Head Master	Mr Alastair Tighe MA (Cantab), BED
Bursar & Clerk to Governors	Mr Peter Knell BSc(Hons), MA, MSc, MBA, CITP, FCIPD, FCIS, FCMA, CDir
Head of Junior School	Mrs Julie Barrow BED
Head of Pre-Prep Development	Mrs Rebecca Allen BSc (Hons), MA Ed
Director of Music and Managing Director, Cedars Hall	Mr Mark Stringer GMusRNCM(Hons), FTCL, ARCO(CHM), ARCM, HonFTCL, HonLRSL, PGCE
Deputy Head (Pastoral) and Designated Safeguarding Lead	Mr Martin Ashton BA (Hons), PGCE
Deputy Head (Academic)	Mrs Natalie Perry BSc (Hons), MSc, PGCE
Director of Marketing and Admissions	Mr John Fosbrook BA (Hons), MA

Governors Report (*continued*)

When setting the remuneration and pay structure of the senior executives, a comprehensive benchmarking exercise is undertaken, using Rickerbys IAP salary guidance and assessing competitors' information for comparison. Governors agree the Head Master's salary and the Head Master agrees the senior team's salary in consultation with the Governors.

Volunteers

The School continues to be grateful to the Parents' Association for the funds it makes available for desirable and useful extras throughout the School and its contribution in arranging social occasions. Also to the Friends of Music of Wells Cathedral School for their constant support for music in the School and for the funding they make available for instruments, musical commissions, etc. It is also grateful to the board of Wells Cathedral School Hong Kong Music Society, which raises funds in Hong Kong to support Hong Kong scholars at Wells, and to the Trustees of the Wells Cathedral School Foundation.

Employees

Staff in their respective areas (teaching or support) attend regular term meetings/forums to discuss current whole School issues, where they are encouraged to have a voice and participate. They are regularly updated on the current developments of the School including the School's estate projects and its financial position.

The School demonstrates best practice by following a comprehensive recruitment/retention process to ensure equal opportunities for all. Once appointments are made, regular professional development reviews are undertaken to allow all staff to develop their careers further, through training and reflective practice. This includes career development and promotion of disabled people and the continuing employment and training of employees who have become disabled whilst employed by the School. The School has demonstrated how it values all staff by making reasonable adjustments to individuals' work commitments, to enable them to carry out their duties to the best of their ability. If they experience long term health problems and wish to return to work, assistance is provided to aid their recovery. Coaching is available for some staff and it is planned to develop this further.

STRATEGIC REPORT

Review of Developments, Activities and Achievements

During 2019/20, the in-year average numbers in the Senior School decreased to 555 (2018/19: 556) and in the Junior School decreased to 131 (2018/19: 152), excluding the Nursery. The average overall School roll therefore decreased to 686 (2018/19: 708). This was fewer than the anticipated roll of 710, excluding nursery, and required some adjustments to budgets. The Board's long term intention is for the overall size and disposition of pupils (the 'shape' of the School) to increase numbers towards approximately 700 pupils and at the same time create a more even distribution of pupil numbers throughout all year groups.

The Covid 19 pandemic had a considerable operational effect on the School in the year. During the Whitsun/Trinity (summer) term, boarding provision on the School campus was suspended and, for pupils in most year groups, educational provision was delivered by way of directed home learning. The School maximised the financial savings opportunities afforded by the closure of the physical site and applied these savings to fees, in order to alleviate the financial effects suffered by parents, other fee payers and grant giving bodies.

Cedars Hall, now established for four years, as well as being an integral School asset, has cemented its place in the cultural life of the City of Wells and as a major public venue in the South West of England. The main focus during the past twelve months has been to build on its offer of world-class 'classical' and jazz performances by expanding its arts programmes to include more popular and 'commercial' music to embrace a wider audience often in a cabaret-style format. The Hall continues to host art exhibitions, drama and has become the home of a number of important festivals in Wells, e.g. The Festival of Literature and the Comedy Festival amongst others. The Hall also continues to welcome community events such as toddler groups on a regular basis. The Hall is in demand as a top-calibre recording venue and is admired by the BBC which has recorded 3 major chamber music festivals at the venue. Sadly, Covid 19 has had a major impact on our scheduled activities and all events from the end of March to September were either cancelled or postponed. This included a major programme of Summer School courses. This enforced 'window' is being used to review our aims and objectives for the Hall both as a School and public venue and we will be developing a strategic plan to deliver our revised goals in due course.

Governors Report (*continued*)

The conceptual development plan for the whole School site continues to form the basis of the School's estate strategy, whilst it is adjusted according to changes in the environment and implemented according to changing needs. An Estates Strategy Group continues to meet regularly to consider a number of long term strategies for the School estate, the utilisation of site buildings, the shape and size of the School and possible future new building projects. This is in addition to maintaining the regular cycle of maintenance of School buildings.

The School launched a new Strategic Vision in January 2020 which established a refreshed set of aims and purpose for the School, alongside Core Values.

The School continues to develop its curriculum offering, in response to both pupil demand and its overall academic strategy. Alongside this the School continues to enhance now established links with external experts to augment its own internal expertise in areas of teaching, learning, coaching and mental health. This programme has been extended to parents, and the continuation of the 'Parental Engagement Programme' (PEP) has been popular, with good outcomes for pupils' learning as School and parents share the same message.

The School is conscious of the need to be informed by academic research, and a number of teaching staff are engaged in research projects. Others are involved in 'lesson study' projects, with some staff studying towards formal masters level qualifications.

The School achieved Bronze Coachmark Status this year in recognition of its developing provision of coaching and mentoring for all staff. The School balances this breadth with a whole School pedagogical target, and one personal pedagogical target, for each member of staff per year. Its professional development programme is audited and supported by The Teacher Development Trust, an external agency which is research-informed in its approach. A particular target for the School this year has been to develop the provision of coaching and mentoring for all staff (with the aim of achieving a Coachmark accreditation), as an extension of the continuing professional development ("CPD") and performance management programmes. A number of staff from both the Junior School and Senior School have been working towards the ILM Level 3 qualification in Coaching and Mentoring.

With regard to supporting its business processes, the School continues to develop tools internally in order to make better use of its data. These include reporting and administration tools in areas such as admissions, finance, music timetabling, asset management and others.

Pastoral care is provided to all pupils with the aim of giving them the encouragement and support necessary to ensure they are supported to not only 'be what they are' (*esto quod es*) in the words of the School motto, but become the best they can be. This aim is threaded through our discourse whenever possible. Pupils should have a sense of belonging and be contented, balanced and confident individuals who have the necessary tools to be able to live safe, healthy and fulfilling lives. They should have a high level of spiritual awareness, emotional intelligence and self-control and also be active and responsible citizens who make a positive contribution to the School and wider world. They should be possessed of a good moral compass and a strong sense of honesty and integrity, and be equipped to work in partnership and in teams. To achieve this, the School has continued to develop its pastoral care and facilities, and to complete the implementation of a programme of works started in previous years. This continues to work towards improving boarding, through enhancement work. Pupils' wellbeing remains high on the agenda and not least in the light of Covid 19. A broader and more focused programme to support this is being developed alongside a new appointment of a Mental Health Counsellor.

Earlier in the year we carried out an extensive refurbishment of the swimming pool plant room. This was a strategic move to ensure the longevity of the pool, but also provides options for expansion and changes in the future to the sports hall and pool as a whole project.

Some work however has been disrupted and postponed due to the unusual year and the need to comply with Covid 19 restrictions, and guidelines. This also brought with it the need to refocus the work and resources into managing the grounds, buildings, legionella, fire, return to School set up and security to name just a handful of operational requirements that were essential though the lockdown period. However despite this, the School has continued with an, albeit reduced, programme of work.

This has included a continued extensive external decorative programme of improvement work and joinery repairs, including key areas such as Stable Yard, IT and Art block, De Salis boarding house and the Music School. The summer programme has focused on a much needed enhancement of Cedars boarding house, with decorative work, new flooring and a new kitchen. We have also added a new kitchen and breakfast bar to Haversham and created a modern kitchen/dining arrangement for the house. We have also created a new laundry facility in Shrewsbury.

Governors Report (*continued*)

Of course there are also the year round small improvement works that have been carried out, as we constantly strive to improve the site and buildings and keep on top of essential maintenance of Listed Buildings.

Pupils have also continued to be educated about their use of mobile phones and technology and how it can affect their well-being with, amongst other things, a mobile technology awareness week held in the Senior School in the Whitsun Term. Our continued policy of taking devices in during prep time, and digital sunsets, has helped pupils develop better habits. Phones are not permitted in the dining hall or when travelling around the site.

Following a review, an amended School rewards and sanctions system was implemented in September 2019 in the Senior School with the aim of ensuring there is consistency and a healthy balance between the amounts of rewards and sanctions given so that all pupils feel safe and well-motivated.

The co-curriculum aims to support the School ethos of 'be what you are' by providing opportunities for every pupil to find an activity outside the classroom, which could be physical or non-physical, for them to enjoy life. Pupils should be able to follow their passion to the highest level. The School supports elite pathways, but its main focus is on improving and developing every child. The co-curriculum is also designed to provide a brilliant foundation for life by choosing activities that develop the necessary character traits that enable a successful future.

Old Wellensian activities have continued as part of the same communications and events structure as last year with annual events in London (winter) and via a virtual means in Wells (summer) as well as 'pub drinks' in London three times a year. The Foundation has continued to work with the Old Wellensian Association on communications, and the Head of Foundation continues as secretary and Vice-Chairman of the association.

The Director of Admissions and Director of Music visited Hong Kong during the course of the year to conduct interviews and auditions for prospective pupils. This was in conjunction with our major agents, Britannia StudyLink, and, once again, delivered an excellent return in respect of recruitment. The Covid 19 pandemic meant that further visits were postponed but virtual recruitment events have proved successful and worthwhile.

There has been regular communication between the School and the Wells Music Society of Hong Kong (WMSHK) and, whilst the usual, planned Wells pupil music concerts have not been possible, future events are scheduled. The Head Master and Director of Music are working closely with the WMSHK to agree a clear remit for the society in terms of its profile-raising for the School and in facilitating existing, and exploring new, strategic relationships on the School's behalf; also in relation to pupil recruitment.

The School's admissions and recruitment efforts have continued this year, albeit that the methods of recruitment activity have varied significantly from those planned, as a result of the Covid 19 pandemic. Planned trips to international fairs in Russia and Vietnam, alongside return visits to Dubai, Mexico and the Baltic States, and further visits to the familiar recruiting markets of Hong Kong, Japan and China were postponed, in response to travel restrictions and local lockdown arrangements, which prevented either travel to the relevant countries, meeting with prospective parents or agents in those countries, or both. Instead, the situation resulted in the School refocusing on its online marketing and recruitment presence, including virtual open days, virtual walkaround tours, and online video conference meetings with agents and prospective pupils/parents. This accelerated the new strategy put in place in Autumn 2019, which was designed to encompass a much enhanced level of social media and online advertising.

The beneficiaries of the School also include children and young people who are not pupils of the School who have the opportunity to benefit from educational and entertainment activities undertaken at, or by, the School.

The School's state-of-the-art performing arts complex, Cedars Hall (opened in September 2016), is one of the School's primary vehicles for engagement with the wider community. The School hosts some 350 events, mainly concerts throughout the year, most of which are in the Eavis Auditorium of Cedars Hall, and Quilter Hall, our 14th Century concert hall. The concerts are a combination of student-led performances and also those by internationally-acclaimed professional musicians and performing artists from all over the world. In addition to many free concerts available to the general public, the School offers heavily discounted tickets to all who join the Friends of Music of Wells Cathedral School.

The School educates the boys and girls of the choir at Wells Cathedral which is an integral part of the worship at Wells Cathedral and a significant benefit to the members of the wider community. The School supports the Cathedral in providing mentoring in teaching, and in supporting safeguarding training for the vicars choral, and its choral and organ scholars. It also supports children from other Schools to "Be a chorister for a Day" providing staffing, students and physical resources;

Governors Report (*continued*)

In 2019/20 Wells Cathedral School delivered an extensive programme of music outreach, co-ordinated by a dedicated member of staff to the benefit of many local maintained Schools and the wider community both regional and international. The Director of Music and several other music and drama teachers are involved from time to time in a range of activities which are listed below. These are offered to the community and are free-of-charge to local participating schools:

- The Piano Club is held once a month in the School and pianists of all ages and ability from the Wells community are invited to join in. There are usually about 20–25 players. They have the opportunity to learn and hear new repertoire, to play duets, to hear performances by Wells pupils and to attend master-classes by visiting professionals. Many of the members have greatly improved the standard of their playing. The Piano Club is valued and supported by the Director of Music and the Head of Keyboard. It is also hugely appreciated by its members;
- The programme of five or six instrument days per year has been developed, and now includes trumpet and flute days. The teaching resources of the Music Department plus visiting professors are deployed to give a full day of instruction and demonstration for up to 60 young people, which are well received;
- Various ensembles have performed in schools, care homes and around the City of Wells to the benefit of School's pupils and the general public. Each year, many trumpet students play at various services throughout the county of Somerset; Remembrance Sunday is a particularly demanding day with many churches requesting players for the Last Post and Reveille but we endeavour to resource them all in this contribution to community life which is deeply valued both by those who play and those who hear them perform;
- Through its Wells Music Academy programme and its online gamelan and African drums teaching software, the School continues to seek to bring its musical excellence into the wider community, locally, nationally and internationally;
- The School regularly makes recordings of musical performances, and many of these are made available to the public free-of-charge, usually via the School's YouTube channel;
- Music outreach, under the brand name "Wells Music Academy", delivers an on-going programme which includes: a musical partnership with local primary schools; instrument days, piano and chamber music clubs for adults; music lessons for external pupils and community music events;
- Collaborative working with state schools is achieved mainly through the music outreach programme and the involvement of school pupils in the choristers' outreach programme, with local programmes partnering other schools;
- During Maths Week the School has, since 2002, held a Maths Festival for 100-200 local state primary schools, accompanied by 25-50 of their teachers and parents. Since 2013 it has organised and hosted Mathematics Circle for the United Kingdom Mathematics Trust (UKMT) for selected year 10 pupils from nearby maintained schools. Since 2009 "Be a Mathematician for a Day" events have been held three times a year, welcoming Year 4 to Year 6 pupils and usually attracting around 25 pupils. Often participants are from local schools; however pupils from all over the UK have attended. Since 2015 the School has hosted the Primary Maths Master Classes for The Royal Institution with five weekly Master Classes for local Year 5 primary school pupils. Finally, one or half-day Maths road show events are offered to local primary schools. These are free events delivered by the director of mathematics;
- The facilities of the School (buildings and sports facilities) are available to many users during the year for little or no charge. The School plans to continue to provide Outreach days centred around sport for local primary schools under the direction of the of the Director of Coaching, Mentoring and Student Leadership.
- There are 3 members of staff (*2019: 7*) that act as public examiners for GCSE, A level, ABRSM and Trinity examinations taken by maintained school candidates. One of the three is the chair of mathematics for the Edexcel Examination Board, responsible for 40 papers, another is a team leader and moderator for art and design; and

Governors Report (*continued*)

- Activities groups regularly visit the elderly, work in charity shops and give pupils opportunities to help with activities in local primary schools.

The School was named Independent School of the Year 2020 for the Performing Arts. We secured the title for "really living their philosophy of 'Be what you can be' through their elite and general programmes".

Key Challenges

Continuing on from the focuses set by the arrival of the Head Master in September 2018, key focuses and messages throughout the year were:

1. That Wells offers a holistic education which aims to educate the whole child academically, through its comprehensive range of co-curricular activities and charitably.
2. That it is a through School offering education from 2 – 18 years.
3. That it is a specialist music School within the context of an all-round School, which gives it a unique ethos and atmosphere, which also enables it to provide a world-class musical education for its specialist musicians but from which all its pupils also benefit.
4. That it is a Cathedral Choir School providing an education for the Cathedral choristers.
5. That it is a boarding and day School, and a School whose rhythms are dictated by the presence of its boarders, both UK boarders and international boarders.
6. That it aims to deliver the best academic experience possible, within the context of an all-round education.
7. That it has suitable strategies in place to appeal to the widest possible pupil base and to expand its recruitment of pupils of all ages whilst also attracting the best quality teaching and support staff.
8. That it provides long term strategic development, funding and sustainability to one of the country's oldest school communities.
9. That it ensures its former pupils are actively part of its extended community through regular communications and invitations.
10. That it continues to resource the School and manage its budgets in such a way as to aim to provide an operating surplus of at least £1 million before depreciation alongside funding "one off" projects, to enable continuing investment in facilities.

The launch of a new Strategic Vision for the School in January 2020 aimed to express all these points and make them a focus for the future development of the School. In addition, the challenge of Covid 19 and the subsequent lockdown and physical site closure of the School in March 2020, followed by a move to remote learning, presented some significant operational challenges in the latter part of the 2019/20 academic year, as well as recruiting challenges for the successive year.

Operational Performance

The School set itself the following objectives for the year 2019/20. Progress is indicated in italics.

1. To continue to improve the provision of sport and co-curricular education. *Significant progress has been made, including the establishment of an Annual Fund with a specific focus on Sport in its first year.*
2. To raise the level of fundraising for Bursaries both at home and abroad, and to create the basis for the next stage of advancement at the School. *Work continues on this, and the Foundation is reviewing our legacy plans for donors among other things.*
3. To increase the level and rate of recruitment of pupils at all stages in the School in order to continue to create a steady model for the School. *A lot of good work has been done in this area and progress has been made, although the long term effects of the additional challenge of Covid 19 to recruitment both nationally and internationally remains to be seen; at the time of writing, however, recruitment is holding up well compared to previous years.*
4. To continue to support families and parents better so that being a member of the Wells community is easier. *Progress is being made in a variety of forms, including improved communications and a greater sense of collaboration between the various supporting bodies of the School.*
5. To develop leadership and accountability at all levels throughout the School. *Progress is being made in a variety of ways. For pupil leadership, a revised Prefect and Captain structure has been implemented.*
6. To grasp the challenge of the School's diversity and market it accordingly. *Ongoing progress, with renewed focus on international pupils, HM Forces pupils, London families, day pupils and musicians.*
7. To maintain the commitment to continuous improvement in the delivery of the School's elite music programme and to widen its offering to embrace more fully commercial genres. To increase engagement

Governors Report (*continued*)

with the wider community via the Cedars Hall arts complex. *Progress continues. The outreach of Cedars Hall is ever-growing (notwithstanding its need to physically close from March 2020 because of Covid 19).*

8. To plan the funding and delivery of the next capital projects to extend and enhance educational, sport and boarding facilities. *An ongoing Estates Plan is developing.*

The School has monitored performance against key indicators throughout the year. At Wells there are many unseen exam factors, not least that many of the most able students at this stage in their development do fewer GCSEs or A levels than at other Schools; this may be because of their musical programme or because so many individual pathways are crafted. The main criterion for entry into the School at any level is that the girl or boy will be able to flourish and to help other people to do so too; however there is also a need to make sure that any individual who joins the Wells family can succeed in ways that they want to academically. This means providing honest and kind advice to Sixth Form pupils in relation to their preferred route of study.

Large numbers of pupils go to Oxford, Cambridge and other Russell Group universities as well as many excellent universities across the world, or on to eminent music conservatoires around the world, often with significant scholarships. Wells focuses most on how they will use all their education to be flexibly minded people of integrity, balance and determination. The increasing emphasis on independent learning has meant that the number of pupils taking the Extended Project Qualification has increased, as well as the introduction of the GCSE level Higher Project Qualification.

At GCSE level, the School achieved excellent results during the 2019/20 academic year. 20% of all grades awarded were Grade 9, compared to a national average of around 4%. 57% of all grades fell within the Grade 9 to 7 range (equivalent to A* to A under the old system) and 97% were in the range Grade 9 to 4 (A* to C equivalent). At A level, 21% of grades awarded were A*, with 90% falling in the A* to C range. The majority of pupils achieved their first choices of university or conservatoire; this includes three pupils who took up places at Oxford as well as many others who took up places at other Russell Group universities or other prestigious international establishments.

Instrumental music exam results have again been excellent throughout the year, with several pupils achieving diploma level qualifications in a range of instruments and voice. In the Sixth Form, the Geography department has chosen to take the International A Level, both on the basis of academic rigour and freedom of choice in terms of the topics available to study. History will cease with the Pre-U qualification in the Sixth Form and will begin the OCR A level syllabus from September 2020. It is felt that this course is more appropriate for our pupils and their future aspirations.

The School continues to strengthen and develop its links with partner institutions at home and abroad. Regrettably, the Covid 19 pandemic prevented plans for musical performances in overseas territories, including Hong Kong, where specialist musicians regularly undertake a programme of school visits, public recitals, master classes and fundraising. Wells has strengthened ties with a number of partner schools, particularly Cantonese schools which include the Yew Chung International School, the Alliance Primary School and Wah Yan College. There is regular collaboration with the Hong Kong Academy for Performing Arts where students from Wells and the Academy share the platform for free public concerts. The Hong Kong charity's mission to 'enrich the musical life of Hong Kong through its talented young musicians' has been brought to life by the partial funding of Hong Kong Scholars who have joined the School since September 2016. In Malaysia the School has a strong musical relationship with the UCSI University (Kuala Lumpur Campus), and it established a link in 2018/19 in Russia with the Moscow Conservatory which continues to flourish although the Covid 19 outbreak has impacted on any potential visit to Russia. Sadly, the virus also necessitated the cancellation of a jazz tour to New York which was partly focused on developing relationships with significant institutions and individuals. Wells is a founder-member of Young Music Talents Europe, a collaborative network of specialist music schools across Europe, which is committed to sharing expertise and good practice in the coaching of elite instrumentalists and vocalists. Whilst Covid 19 has been extremely detrimental in so many respects, it has nonetheless resulted in the School investing in its on-line provision and we have delivered more than a thousand instrumental and vocal lessons each week since we went into 'lock-down'. We have also been able to reach out to deliver music lessons to students who have expressed an interest in coming to Wells. Furthermore, we plan to roll out music provision to those who may wish to study with our renowned members of music staff and we may seek to commercialise this in due course.

The School maintains its link in Sierra Leone with the Ballanta Academy with a School trip planned in October 2020 as part of our annual cycle of visits. This has been postponed due to Covid 19 to hopefully the spring next year.

Closer to home a number of our specialist musicians have taken performances to a number of primary, prep and junior schools, mainly in and around Somerset.

Governors Report (*continued*)

FINANCIAL REVIEW

The financial performance for the year has been influenced by challenging environmental conditions. The average pupil numbers have decreased from last year by a total of 22 (*2019: increased 1*) pupils across the Junior and Senior Schools but the demand for Bursary and other discount funding for pupils has decreased. The School is determined to maintain the quality of its provision whilst ensuring that it operates at a financially sustainable level of surplus.

Consolidated Operating Results

The operating environment for the year was challenging: Senior pupil numbers decreased by 0.17% (*2019: increase of 8%*); bursaries and discounts decreased by 3.34% (*2019: decreased by 9.15%*); and donations received by the Foundation decreased by 19.63% (*2019: increased by 103%*). The level of gross fee income, the School's charitable income, has increased to £19,295k (*2019: £18,684k*). The School has continued to invest in staffing and infrastructure in order to maintain the quality of its provision. The cumulative impact of these factors was a marginal School surplus, aided by the delivery of several cost efficiency projects that have reduced costs without affecting outputs.

The consolidated net income for the year was a surplus of £797k (*2019: surplus of £552k*) which is composed of the net surplus income of the School £689k (*2019: £20k*) and the Foundation £108k (*2019: £532k*). The consolidated results for the year are set out in the Statement of Financial Activities (SOFA) on page 24. Under accounting rules for charities this statement combines transactions of a capital and revenue nature. The operating results for the two constituent charities are outlined below.

Consolidated Activities

During the year the School produced an operating surplus of £1,475k (*2019: surplus of £1,057k*) before depreciation and non-recurring premises projects. After depreciation and non-recurring premises projects its operating result was a surplus of £916k (*2019: surplus of £523k*).

The consolidated activities are summarised below:

	2020	2019
	£000	£000
Income from charitable activities (charitable activities per SOFA plus the School bursaries and discounts)	19,295	18,684
Operating costs of School		
School bursaries and discounts	(4,344)	(3,292)
Expenditure on charitable activities (excluding depreciation)	(13,476)	(14,335)
Operating surplus of the School	1,475	1,057
Less:		
Depreciation	(545)	(520)
Premises - non recurring projects	(14)	(14)
Net operating surplus	916	523
Income from generated funds	390	377
Realised (loss)/gain on investments	(34)	33
Cost of generating funds	(401)	(317)
Cost of charitable activities not part of operating costs	(74)	(64)
Net income in SOFA	797	552

Governors Report (*continued*)

Analysis of the business using Key Performance Indicators (KPI's)

KPI	2020	2019	2018
Net fee income growth % **	(6%)	6%	0%
Bursaries, scholarships and discounts as % of gross fees **	25%	13%	21%
Donations and legacies as a % of gross fees	1%	1%	2%
Teaching staff costs as a % of gross fees	36%	39%	37%
Welfare costs as a % of gross fees	5%	5%	4%
Premises costs at a % of gross fees	19%	19%	8%
Operating surplus/(deficit) % of the School	8%	6%	(2%)

The gross fees for these KPIs are £17,806k (2019: £17,598k) (note 3).

The net fees received £13,462k (2019: £14,306k) (note 3).

** There was a discount of £1.2m given back to the parents due to Covid 19. If this discount was removed, the 2020 percentages would read:

- Net fee income growth % 2.5%; and
- Bursaries, scholarships and discounts as % of gross fees 12%

Operating result of Wells Cathedral School Foundation

During the year the Foundation received £197,100 (2019: £575,553) in financial contributions in the form of income from donations and legacies. The Foundation continued to make donations to the School, which in the year under review totalled £75,796 (2019: £94,314). This year its operating costs of £58,446 (2019: £48,317), including staff costs and other direct costs associated with the Foundation, were borne by the School. The net movement in funds of the Foundation was a surplus of £108,588 (2019: £532,475).

Investment Policy, Powers and Performances

In accordance with the Trust Deed, Governors of the School and Trustees of the Foundation may authorise the funds of the Foundation to be invested in any stocks, shares or insurance policies. The Trustees' aim is to generate long-term total return from endowment funds invested, combining both capital growth and income. The investment objective is to outperform the MSCI Wealth Management Association Growth return which this year was -5.9% (2019: 5.8%). This year the portfolio outperformed the index return by 4.5% (2019: out performed by 0.6%). The interest of £23k earned from investments during the year was transferred to the restricted fund.

The Foundation's endowment funds have been entrusted to Smith & Williamson Investment Management to invest in a portfolio of equities, funds, bonds and cash. The investment is classed as a non-current asset as it will be held for longer than 12 months. The investment objectives and risk parameters are reviewed every year by the Foundation's investment committee. Once the value of this portfolio reaches a significant amount the income therefrom will be used to award bursaries to pupils of the School, consistent with the Foundation's objectives.

Political and Charitable Contributions

The Foundation made no political or charitable contributions during the year under review (2019: £nil) other than donations to the School of £75,796 (2019: £94,314), as disclosed in its Statement of Financial Activities. The Foundation's grant making policy is to make donations only to the School.

Reserves Policy

The total funds held by the group at the year end were £19,285k (2019: £18,488k). The Governors have designated an asset fund so that a framework exists for them to assess appropriate levels of free reserves, as recommended in the Charity Commission guidance paper, "Charities Reserves". Free reserves are defined in the guidance paper as excluding not only funds that are for restricted purposes but also those designated by the Governors for a particular

Governors Report (continued)

purpose, and any funds only realisable by disposing of fixed assets held for charity use. One thrust of the guidelines is to highlight those charities that are carrying excessive free reserves.

The free reserves in the Consolidated Balance Sheet, as defined by the guidelines, are a deficit of £4,705k (2019: deficit of £5,001k) at the end of the financial year. The Governors take comfort from the fact that the School holds significant unrestricted but designated reserves. The Governors believe that, over time, a prudent level of free reserves, consistent with the business risks of the School, equivalent to six months operating costs should be accumulated. The proposed level of such a reserve has yet to be determined, but is considerably higher than the current level of free reserves. It is unlikely that the target will be achieved for many years because of the previous and ongoing policy of the Governors to improve the facilities of the School through the investment of surpluses in School assets.

Restricted Funds

The balance of the restricted funds at the end of the year was £3,965k (2019: £3,882k). These funds are held for capital projects, bursary funds and projects funded by the Department for Education. The balance includes the restricted fund net movement of £140k (2019: £65k) from the Foundation.

Designated Asset Fund

The balance of the designated asset fund at the end of the year was £19,169k (2019: £18,721k). This fund represents the net book value of the majority of tangible fixed assets.

Endowment Funds

The endowment funds represent donations received to provide bursaries. Total endowment funds had decreased to £856k (2019: 886k) by the end of the year. Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

Bursaries, Scholarships and Fee Discounts

The following fee discounts were provided to parents of pupils at the School during the year:

	Number of pupils		Value £000		% of gross fee income	% of gross fee income
	2020	2019	2020	2019	2020	2019
School bursaries	262	224	1,125	1,196	6.39%	6.80%
Bursaries from the Foundation	6	2	48	61	0.27%	0.34%
Music and Dance Scheme	80	80	919	929	5.22%	5.28%
Scholarships	155	137	304	269	1.73%	1.53%

Value of fee reductions provided to children of:

Members of the clergy of the Church of England			19	18	0.11%	0.10%
Members of the armed forces			22	35	0.13%	0.20%
Former pupils of the School			24	24	0.14%	0.14%
Parents with more than one child at the School			142	154	0.81%	0.87%
Employees of the School			568	582	3.23%	3.31%
Children of ex-choristers of the School			21	22	0.12%	0.13%
Total			3,192	3,290	18.14%	20.72%

Governors Report (*continued*)

The bursaries from the School and Foundation are awarded on the basis of parental need and are all means tested. The total £3,192k includes £48k of restricted Foundation bursaries.

The level of support included 2 free places (2019:3) worth £63k (2019: £80k).

The Music and Dance Scheme (MDS) discounts are subsidies provided to parents of pupils whose places are funded by the MDS, as such funding is capped by the Department for Education (DfE). Support by the DfE to these pupils is also means tested.

Scholarships are awarded to recognise a pupil's academic or sporting achievement, and are also means tested.

Risk Management

The Board of Governors is responsible for the management of the risks faced by the School. Detailed consideration of risks is delegated through the Head Master to the Head of Junior School and Bursar, who are assisted by other members of the Senior Management team and other leadership groups in the School. Risks are identified and assessed, and controls established throughout the year. A register of key risks has been created and, together with the School's risk management process, is reviewed formally by the Governors on an annual basis.

Specific risks identified include public benefit and charitable status, changes to the cost of the Teachers' Pension Scheme, the future of the Music and Dance Scheme against a background of continued Governmental spending reviews, possible risks to the wellbeing of pupils and financial risks. These risks are mitigated through regular monitoring of government decisions and through the School's established health and safety framework. The School has recorded all activities that give rise to a public benefit in support of its status as a charity.

In the current year the Covid 19 pandemic had a considerable impact on the operation of the School, with the physical closure of the site to most year groups during the Whitsun/Trinity (summer) term, the implementation of directed home learning, and a revised fee schedule for the Whitsun/Trinity term, funded by concomitant operational savings. The Board is aware of the residual risks posed by the pandemic, including but not limited to: the health and welfare of pupils, staff and visitors; the operational, social and economic impact of a second wave of infection; reduced confidence of the overseas boarding market in the safety of UK education; and the prospect of a significant UK domestic and worldwide recession precipitated by the pandemic.

The School is still awaiting the emergence of a clear picture on the impact of the exit from the EU on a number of areas of its operation. Initial response from families and educational agents from continental Europe was that of disappointment. At present there is no impact on existing pupils or those imminently joining the British independent education system. However the lack of certainty creates anxiety, and is resulting in some families looking elsewhere across the world - and not just those from within the EU. Two specific areas of uncertainty are: the impact of Brexit on access for pupils from EU countries to the MDS Scheme and; the impact on any requirement for pupils from EU countries to complete expensive and time consuming Tier 4 Visa applications, before coming to the School to study. A further, but more general, concern lies in any changes in the ability of European pupils to remain in the UK for higher education, as if this process becomes more difficult families may decide to look elsewhere for continuity of their educational experience. This is pertinent to a School with a specialist music programme as the UK music conservatoires currently have very high percentage levels of attendance from EU pupils.

Financial risk management covers:

- Income risk – The School's cost base operates predominantly on a fixed cost basis and its surplus is equivalent to a relatively small percentage of income. This high level of operational gearing means that the School's ability to generate surpluses is sensitive to fluctuations pupil numbers;
- Price risk – Fees are subject to annual reviews. Salary costs are communicated to staff during the formal annual review of salaries. Prices of significant materials purchased are subject to contracts with suppliers, based on current market prices and obtaining at least three quotations;
- Credit risk – The credit risk on amounts owed to the School by its parents is low, due to the nature of the income being received;
- Liquidity risk – The School has completed a number of significant capital projects: the construction of a music learning and performance building, a sports pavilion, and a boarding facility, as well as acquiring

Governors Report (*continued*)

and converting a second, plus the replacement of the School's astroturf pitch. The School has prepared cash flow forecasts and is monitoring these regularly;

- Interest rate risk – The School has five bank loans secured on property on which it pays interest at 0.9 to 1.5% above base rate. An interest offset arrangement is in place on two of the loans (see note 17);
- Treasury risk - The School's long-term, capital and working capital cash-cycle requirements mean that the School maintains deposits in cash and cash equivalents as well as longer term investments. These holdings expose the School to the risk of loss through investments whose risk profile does not include a guaranteed return and/or from the failure of the organisations holding the investments. The investments held by the group are actively managed by an investment manager, in accordance with an investment policy set by the investment committee of the Foundation, which considers the risk and return profile, duration and disbursement of the funds on deposit/invested; and
- Risk of Imposition of Additional Statutory Charges – The School (along with the rest of the independent sector in the UK) faces the risk of the imposition of additional statutory charges and taxes. This includes, but is not limited to, the application of VAT on fees, and the removal of the charitable dispensation on business rates.

The key controls used by the School to manage identified risks include:

- Formal agendas for all committee and Board activity;
- Terms of reference for all committees;
- Comprehensive strategic planning, budgeting and management accounting;
- A register of key risks, identifying and assessing the risks as well as a responsible manager and risk mitigation strategy for each risk;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established by the School, the Governors are satisfied that the major risks identified have been mitigated where deemed appropriate. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Statement of Governors' Responsibilities

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

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 group and of the incoming resources and application of resources, including the income and expenditure, of the group for the year. In preparing these Financial Statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

Governors Report (*continued*)

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

Statement on Disclosure of Information to the Auditor

So far as each Governor is aware, there is no relevant audit information of which the School's auditor is unaware. 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 auditor is aware of that information.

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

Independent Auditor

Crowe U.K. LLP has indicated their willingness to accept reappointment as the School's auditors and a resolution for their reappointment will be proposed at the annual general meeting.

The Governor's report, including the strategic report, was approved by the board of Governors of Wells Cathedral School Limited on 7th December 2020 and signed on its behalf by:



The Very Reverend Dr John Davies
Chairman of Governors

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

Opinion

We have audited the Financial Statements of Wells Cathedral School Limited for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, School Balance Sheet, Consolidated Statement of Cash Flows and notes to the Financial Statements, including 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 group's and the charitable company's affairs as at 31 July 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- The Governors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent Auditor's Report to the Members of Wells Cathedral School Limited *(continued)*

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Governors' report.

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

- The parent company has not kept adequate accounting records; or
- The parent company 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 set out on page 19, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

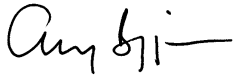
Our objectives are to obtain reasonable assurances about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

Independent Auditor's Report to the Members of Wells Cathedral School Limited *(continued)*

Use of our report

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



Guy Biggin

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Cheltenham

Date: 5 February 2021

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 July 2020

	<i>Note</i>	Endowment funds £000	Restricted funds £000	Unrestricted revenue £000	Designated Asset funds £000	Total 2020 £000	Total 2019 £000
INCOME FROM:							
Charitable activities:							
Fees receivable	3	-	-	13,462	-	13,462	14,306
Other educational income	4	-	-	1,342	-	1,342	822
Other ancillary trading income	4	-	-	145	-	145	264
Donations & legacies	5	4	203	-	-	207	255
Other trading activities	5	-	-	161	-	161	132
Income from investments	6	-	23	1	-	24	22
Total Income		4	226	15,111	-	15,341	15,801
EXPENDITURE ON:							
Raising funds	7	-	-	(401)	-	(401)	(317)
Charitable activities	7	-	(153)	(13,488)	(468)	(14,109)	(14,965)
Total Expenditure		-	(153)	(13,889)	(468)	(14,510)	(15,282)
(Loss)/gain on investments	13	(34)	-	-	-	(34)	33
Net income/(expenditure)		(30)	73	1,220	(468)	797	552
Transfers between funds	19,20	-	10	(926)	916	-	-
Net movement in funds		(30)	83	296	448	797	552
Fund balances brought forward at 1 August	18,19,20	886	3,882	(5,001)	18,721	18,488	17,936
Fund balances carried forward at 31 July	18,19,20	856	3,965	(4,705)	19,169	19,285	18,488


The notes on pages 27 to 54 form part of these Financial Statements.


Consolidated Balance Sheet

As at 31 July 2020 Company Number 564883

	<i>Note</i>	2020		2019	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	12		23,061		23,369
Investments	13		879		886
Current assets					
Properties held for sale	12	-		520	
Stocks	14	13		9	
Debtors	15	1,207		1,171	
Cash at bank and in hand	25	966		264	
Total current assets		2,186		1,964	
Creditors: amounts falling due within one year	16	(3,791)		(3,971)	
Net current liabilities			(1,605)		(2,007)
Total assets less current liabilities			22,335		22,248
Creditors: amounts falling due after more than one year	17		(3,050)		(3,760)
Net assets			19,285		18,488
The funds of the group					
Endowment funds	18		856		886
Restricted funds	19		3,965		3,882
Unrestricted funds:					
Revenue fund		(4,705)		(5,001)	
Designated asset fund	20	19,169		18,721	
Total unrestricted funds			14,464		13,720
Total funds			19,285		18,488

These Financial Statements were approved by the Board of Governors on 7th December 2020 and were signed on its behalf by:


Mr Andrew Campbell-Orde
Governor


The Very Reverend Dr John Davies
Chairman of Governors

The notes on pages 28 to 54 form part of these Financial Statements


School Balance Sheet

As at 31 July 2020 Company Number 564883

	<i>Note</i>	2020		2019	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	<i>12</i>		23,061		23,369
Current assets					
Properties held for sale	<i>12</i>	-		520	
Stocks	<i>14</i>	13		9	
Debtors	<i>15</i>	1,121		1,167	
Cash at bank and in hand	<i>25</i>	674		5	
Total current assets		1,808		1,701	
Creditors: amounts falling due within one year	<i>16</i>	(3,788)		(3,968)	
Net current liabilities			(1,980)		(2,267)
Total assets less current liabilities			21,081		21,102
Creditors: amounts falling due after more than one year	<i>17</i>		(3,050)		(3,760)
Net assets			18,031		17,342
The funds of the School					
Endowment funds	<i>18</i>		-		-
Restricted funds	<i>19</i>		3,569		3,640
Unrestricted funds:					
Revenue fund		(4,707)		(5,008)	
Designated asset fund	<i>20</i>	19,169		18,710	
Total unrestricted funds			14,462		13,702
Total charity funds			18,031		17,342

The net movement in funds for the School is £689k (2019:£20k).

These Financial Statements were approved by the Board of Governors on 7th December 2020 and were signed on its behalf by:


Mr Andrew Campbell-Orde
Governor


The Very Reverend Dr John Davies
Chairman of Governors



The notes on pages 28 to 54 form part of these Financial Statements.

Consolidated Statement of Cash Flows
For the year ended 31 July 2020

	<i>Note</i>	2020		2019	
		£000	£000	£000	£000
Net cash provided by operating activities	<i>24</i>	1,307		1,548	
Cash flows from investing activities:					
Income received from investments	<i>13</i>	23		20	
Proceeds from sale of investments	<i>13</i>	240		83	
Purchase of tangible fixed assets	<i>12</i>	(237)		(334)	
Sale of property		520		-	
Purchase of investments	<i>13</i>	(262)		(134)	
Net cash used in investing activities			284		(365)
Cash flows from financing activities:					
(Repayment)/receipts of bank loans	<i>26</i>	(673)		(201)	
Payment of interest	<i>11</i>	(64)		(85)	
Net cash used by financing activities			(737)		(286)
Change in cash and cash equivalents in the reporting period	<i>25,26</i>		854		897
Cash and cash equivalents at the beginning of the reporting period			85		(812)
Cash and cash equivalents at the end of the reporting period			939		85
Cash and cash equivalents					
Cash at bank and in hand	<i>25</i>	966		264	
Cash held by investment manager	<i>13</i>	(27)		(27)	
Overdraft		-		(152)	
			939		85

The notes on pages 28 to 54 form part of these Financial Statements

Notes

1 Company Status

The School is a Charitable Company, registered in England and Wales (company number: 564883) limited by guarantee, and not having any share capital. The members undertake to contribute to the assets of the company in the event of it being wound up, either whilst members or within one year of their membership ceasing. The maximum contribution required from each member would be £1. The School is also a Charity registered in England and Wales (Charity Number: 310212).

2 Accounting Policies

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

Basis of Preparation

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

The School is a public benefit entity and its functional and presentational currency is the pound sterling. The School's registered and principal address is College Road, Wells, Somerset, BA5 2SX.

Going Concern

The accounts have been prepared on the going concern basis as the directors consider this to be appropriate based on a net surplus for the year of £797k and notwithstanding net current liabilities of £1,605k at the balance sheet date.

The Governors have prepared cash flow forecasts for a period of more than 12 months from the date of approval of these financial statements which indicate that, taking account of reasonable possible downsides, the group will have sufficient funds to meet liabilities as they become due. The directors have specifically assessed the impact that Covid 19 will have on the ability of the Group to continue as a going concern. The impact of the COVID 19 virus has had a significant economic impact throughout the global economy and at the date of this report there remains uncertainty as to the full impact. We have expanded on the current situation below.

The School is continuing to operate within government guidelines of the second lockdown period and with all necessary precautions in place. However, in preparing the forecasts we have considered further severe but plausible downside scenarios. None of the scenarios indicate that the group would have insufficient funds to meet its liabilities as they fall due or fail to comply with its banking covenants. As part of this the School has agreed a waiver of the main borrowing covenant until August 2021 in order to ensure ongoing compliance and give the School maximum flexibility to manage its cash position and as such the Governors consider that it remains appropriate to adopt the going concern basis in the financial statements.

The Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as employment of staff. On this basis the Governors have considered it appropriate to prepare the financial statements on a going concern basis.

Basis of Consolidation

These Consolidated Financial Statements include the Financial Statements of Wells Cathedral School Limited ("the School") and The Wells Cathedral School Foundation ("the Foundation").

The Foundation is not a direct subsidiary of the School but has been consolidated into the School's Financial Statements. Under accounting standard FRS102 the Foundation is classified as a quasi-subsiary as the School indirectly controls and directs the Foundation's activities from which the School benefits. The Charities SORP states that where the objects of the Charity (Foundation) are substantially or exclusively confined to the benefit of another

Charity (i.e. the School) and where the School influences the Foundation in its operational plans, i.e. the nature and timing of support, then the criteria for consolidation of the Financial Statements are deemed to have been met.

These Financial Statements consolidate the results of the School and the Foundation on a line by line basis. The results of the Foundation are disclosed in note 30 of these Financial Statements.

In accordance with the provisions of s408 of the Companies Act 2006 and paragraph 397 of the Charities SORP, the School is exempt from the requirement to present its own income and expenditure account and statement of financial activities. The company iMusic Limited and the two subsidiaries, Wells Cathedral School (Hong Kong) Ltd and Wells Cathedral International School (Hong Kong) Limited are dormant so are not included in the consolidation.

Income

Income in furtherance of the School's activities represents the amounts (excluding value added tax), derived from the provision of educational services and boarding facilities to the pupils during the year, and is accounted for on a receivable basis.

School fees received in the current year in respect of the next academic year are not recognised as income in the current year and are transferred to fees received in advance and included in creditors in the balance sheet.

Deposits received from pupils' parents are held in creditors and are classified as falling due within one year. Deposits are repaid when the pupil leaves the School.

Other income (excluding fee income) in furtherance of the group's activities is represented by:

- Donations, which comprise primarily donations and charitable gifts from individuals, grant giving trusts and foundations, are accounted for on an accruals basis. Such income is recognised when there is a legally binding commitment to the Foundation for the transfer of funds. Donations of assets are brought into the balance sheet and statement of financial activities at market value, at the date of acquisition. Gift aid on donations is subsequently applied for where appropriate;
- Legacies, which are accounted for at the earlier of receipt of estate accounts or cash received. An assessment is performed post year end of up to two months. Any legacies received are considered, their value reliably measured and then accounted for appropriately;
- Income from investments, which represents the interest and dividends earned during the year from bonds, deposits, and the endowment funds and any realised gains on their disposal. Income is accounted for on an accruals basis;
- Other educational income, which comprises educational income other than fees;
- Ancillary trading income which comprises income associated with the provision of education by the School such as the School bus and external concerts; and
- Other trading activities, which comprise income generated from lettings, hire of the School's facilities and external functions.

Accrued Income

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

Grants

Grants received in respect of revenue expenditure are credited to income when there is evidence that entitlement to the gift receipt is probable and the amount can be measured reliably.

Grants in respect of fixed assets are recognised in the statement of financial activities when they are receivable, i.e. when the School is entitled to the income. Grant income is deferred on the balance sheet where pre-conditions exist that require the expenditure to be incurred in a future period or where there is uncertainty as to whether the School will be able to fulfil the pre-conditions attached to the grant or part thereof.

Scholarships, Bursaries and Discounts

Scholarships, bursaries and discounts are awarded to certain pupils who attend the School and are accounted for as a reduction in fees. Each award made is matched against fee income for that pupil at the time the fee invoice is raised. Each award is reviewed annually.

Expenditure

All expenditure is included in the statement of financial activities on an accruals basis. Costs directly attributable to a specific expense heading are allocated to that heading. Expenditure is recognised when a liability is incurred and in the following categories:

- Expenditure on raising funds, which consist of costs incurred in attracting voluntary income;
- Charitable activities, which comprise expenditure incurred in teaching, boarding and music programmes and include both the direct costs and support costs relating to these activities;
- All expenditure, including support costs, is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it is incurred;
- Termination/redundancy payments are accounted for as soon as the School is aware of the obligation to make payments.

Pension Costs

The teaching staff are members of the Teachers' Superannuation Scheme, which is a defined benefit scheme. Under the definitions set out in FRS 102, the teachers' pension scheme is a multi-employer pension scheme.

Accordingly the School has taken advantage of the exemptions available to multi-employer pension schemes and contributions to the scheme are charged to the statement of financial activities when they are payable.

Some other employees are members of a money purchase pension scheme operated by an insurance company on behalf of the School. The amounts charged against income represent the contributions payable to the schemes in respect of the accounting period.

Tangible Fixed Assets and Depreciation

All tangible fixed assets are accounted for at cost less accumulated depreciation. Cost includes the original purchase price of the asset plus the costs attributed to bringing the asset to its working condition for its intended use.

Depreciation is provided by the School to write off the cost less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives on a straight line basis as follows:

Freehold buildings	- 1-2% per annum
Long leasehold land and buildings	- 1-2% per annum
Fixtures and fittings	- 2-12.5% per annum
Musical instruments and machinery	- 10% per annum
Information and communications technology equipment (including computer and data communications equipment)	- 25% per annum
Motor vehicles	- 12.5% per annum

The useful economic lives and residual value of fixed assets are reviewed annually.

No depreciation is provided on freehold land. The capitalisation threshold is £1,000. Items under this level are expensed to the statement of financial activities.

Assets in the course of construction are not depreciated until they are completed and brought into use.

Investments

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

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

Properties Held for Sale

Properties held for sale are shown as current assets at market value as they are being actively marketed and are expected to be sold within 12 months of the year end.

Stocks

Stocks are stated at the lower of cost and net realisable value and using the "first in first out" method. Cost represents the invoice value charged by suppliers. Stocks are reviewed annually and a provision created for any slow moving stock where necessary.

Debtors

Other debtors, intercompany debtors and accrued income are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and Cash Equivalents

Cash is represented by cash in hand.

Creditors

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

Fees Received in Advance

Fees received in advance of education to be provided in future years under a pre-paid fees scheme contract are held as liabilities and treated as deferred income until either taken to income in the School term when used or are otherwise refunded.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rental charges are charged to the statement of financial activities on a straight line basis over the life of the lease.

Repairs Provision

In accordance with the requirements of the block lease, the School commissions a five yearly survey of the state of the repairs of the leased buildings. The surveyor's suggestions and recommendations for repairs are then categorised into major repair works and ongoing repairs. The School undertakes the major repair work within its ongoing programme of maintenance over a five year period. A provision is created equal to the cost of any works which were identified in the surveyor's report but which have not been completed at the end of the subsequent five year period.

Endowment Funds (restricted)

Endowment funds represent donations received to provide various kinds of bursaries and scholarships. Endowment funds are defined as donations made to the School in perpetuity, the income from which is to be used for the benefit of future pupils.

Restricted Funds

These funds have been donated for specific purposes, such as bursaries, scholarships, capital projects or projects funded by the Department for Education.

Capital Fund (restricted)

The capital fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust (“the trust”) and transferred to the School prior to 2005, when the trust was closed, and contributions by the trust towards capital projects undertaken by the School ceased. The capital fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

Revenue Fund

The revenue fund represents the working capital of the School. Part of this fund has been designated as an asset fund.

Designated Asset Fund

The Governors have elected to designate funds equal to the value of land and buildings which are not held within the restricted funds. The asset fund therefore represents the net book value of the tangible fixed assets not funded by the capital fund, less outstanding loans secured on specific assets.

Transfers between reserves

Transfers between revenue and designated funds are made at the Governors’ discretion to set aside funds as required. Expenditure on new tangible fixed assets not funded by the capital fund, less any outstanding loans secured on these assets, is transferred to designated reserves. Transfers between revenue and restricted funds reflect the depreciation charge on the capital fund and any purchases of restricted assets.

Financial Instrument Policy

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

Critical Accounting Judgements and Estimation of Uncertainty

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

(a) Critical judgements

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

The accruals and prepayments are calculated based on firm or historical evidence, except pledges which are included based on a firm judgement by the Foundation.

(b) Estimates and assumptions

The estimates and assumptions made by the group consist mainly of an allocation of the School’s development department’s operating costs associated with the Foundation and the useful economic lives and residual value of the School’s fixed assets. These reasonable estimates are based on the knowledge of key management personnel.

Taxation

The School and Foundation, which are registered charities, are not liable to taxation on the net revenue from their primary activity or investment income and gains.

The School is registered for Value Added Tax and is subject to the partial exemption rules.

3 Fees Receivable

	2020	2019
	£000	£000
Fees receivable consist of:		
Tuition and boarding fees	15,974	15,840
Music tuition fees	1,832	1,758
Total fees	17,806	17,598
Less: DfE Cap - Tuition and boarding fees	(919)	(929)
Bursaries, scholarships and other discounts	(2,225)	(2,363)
Covid 19 related discounts	(1,200)	-
	13,462	14,306

The DfE cap is the contribution by the School to cover any shortfall which arises because the fees allowed by the DfE for the Music and Dance Scheme are lower than full fees. The bursaries don't include the restricted bursaries donated from the Foundation of £48k (2019:60k).

4. Income from Charitable Activities

	2020	2019
	£000	£000
Other educational income:		
School activities	417	559
Extra tuition	150	212
Wells Music College income	14	13
Registration and audition fees	28	34
Other income	42	4
Covid 19 related income	691	-
	1,342	822

	2020	2019
	£000	£000
Other ancillary trading income:		
Bus service for pupils	45	60
Concert income	16	34
Other income	84	170
	145	264

5 Income from Donations and Legacies

There were no unrestricted donations or legacies:

	Group		School	
	2020	2019	2020	2019
	£000	£000	£000	£000
Restricted/Endowed:				
Donations:				
Donations (restricted)	193	221	74	92
Donations (endowed)	4	27	-	-
Donations for Sierra Leone	-	-	-	-
Donations to Music	10	5	10	5
Donations for Outreach	-	2	-	2
	207	255	84	99

Donations to the School from the Foundation totalled £76k (2019: £94k), including bursaries of £48k (2019: £60k); net restricted donations received by the Foundation totalled £193k (2019: £134k) and endowed funds in donations totalled £4k (2019: £441k).

	2020	2019
	£000	£000
Other trading activities:		
Lettings	27	119
Hire of facilities	10	11
Functions/concert income	93	145
Solar panels	15	32
Rental	6	-
Surplus on fixed asset disposals	10	(175)
	161	132

6 Income from Investments

	Group		School	
	2020	2019	2020	2019
	£000	£000	£000	£000
Interest from short-term deposits	1	2	1	2
Income earned on endowment funds transferred to restricted funds	23	-	-	-
Income earned on endowment funds	-	20	-	-
	24	22	1	2

Wells Cathedral School Limited (limited by guarantee)
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7 Expenditure

	Staff costs	Other	Depreciation	Total	Total
	£000	£000	£000	2020	2019
	£000	£000	£000	£000	£000
Expenditure on raising funds:					
Fundraising trading costs	192	150	-	342	270
Fundraising for voluntary costs	31	28	-	59	47
Total expenditure on raising funds	<u>223</u>	<u>178</u>	<u>-</u>	<u>401</u>	<u>317</u>
Expenditure on charitable activities:					
Teaching costs	6,343	261	75	6,679	6,789
Welfare costs	651	160	-	811	839
Premises - general	1,306	1,488	470	3,264	3,385
- non recurring projects	-	14	-	14	14
Support costs	1,734	1,084	-	2,818	3,257
School activities	-	417	-	417	559
Ancillary trading	45	61	-	106	122
Total expenditure on charitable activities	<u>10,079</u>	<u>3,485</u>	<u>545</u>	<u>14,109</u>	<u>14,965</u>
Total expenditure	<u>10,302</u>	<u>3,663</u>	<u>545</u>	<u>14,510</u>	<u>15,282</u>

8 Support costs

	Costs of generating funds £000	Other charitable activities £000	Total 2020 £000	Total 2019 £000
Staff costs	223	1,734	1,957	1,891
Other support costs:				
Staff expenses/development	1	79	80	126
Office	166	743	909	1,101
Professional advice	7	165	172	217
Finance costs	-	82	82	114
<i>Services provided by the School's auditor:</i>				
Fees payable for the audit (including Foundation)	-	14	14	26
- Audit additional costs	-	-	-	-
- Teachers' Pension Certificate	-	1	1	1
- Companies in Hong Kong	-	4	4	6
	<u>397</u>	<u>2,822</u>	<u>3,219</u>	<u>3,482</u>

Included within the support costs are governance costs of £44k (2019: £55k) which mainly comprise the costs of administering the School, auditor's remuneration and Governors' meeting expenses.

9 Staff Numbers and Costs

The monthly average headcount number of persons employed by the group during the year, analysed by category, was as follows:

	Number of employees	
	2020	2019
Teaching staff	167	176
Non-teaching staff	222	216
	389	392

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£000	£000
Wages and salaries	8,366	8,476
Social security costs	708	717
Pension costs (see note 23)	1,228	915
	10,302	10,108

The number of employees earning in excess of £60,000 per annum:

	Number of employees	
	2020	2019
£150,001 - £160,000	1	
£140,001 - £150,000	-	
£130,001 - £140,000	-	1
£120,001 - £130,000	1	1
£110,001 - £120,000	-	-
£100,001 - £110,000	1	-
£90,001 - £100,000	1	2
£80,001 - £90,000	-	1
£70,001 - £80,000	-	-
£60,001 - £70,000	3	-

Of the above employees, five (2019: three) were members of the teachers' superannuation pension scheme which is a defined benefit scheme. The School's contribution to this was £80k (2019: £31k). The remaining two employees (2019: two) were members of a money purchase pension scheme for which the School's contribution was £12k (2019: £10k).

The Governors did not receive any emoluments or benefits during the year (2019: nil). See note 29 for further information. The total amount earned by the executive officers for the year was £734k (2019: £546k).

Termination/redundancy payments of £87k (2019: £29k) were made to four (2019: one) employee in the year.

10 Net Income/ (Expenditure) before Transfers

	2020	2019
	£000	£000
<i>Net income/(expenditure) before transfers is stated after charging:</i>		
Services provided by the School's auditor:		
Audit fees - School	12	22
- Foundation	2	2
- Hong Kong	4	5
Other services - Music and Dance Scheme grant audit	1	1
- Teachers Pension certificate audit	1	1
- Non-audit fees (Hong Kong)	-	6
Rentals payable under operating leases		
- land and buildings	58	58
- other	135	132
Depreciation - owned assets	520	495
- leased assets	25	25
	-----	-----

11 Interest Payable

	2020	2019
	£000	£000
Interest on bank loans and overdraft	64	85
	-----	-----

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12 **Tangible Fixed Assets**

Group and School	Freehold land and buildings	Assets in the course of construction	Leasehold land and building	Information computer technology	Fixtures, fittings, musical instruments and machinery	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000
<i>Cost</i>							
At 1 August	24,114	62	1,571	546	2,682	59	29,034
Additions	88	-	-	15	134	-	237
Transfer	10	(10)	-	-	-	-	-
Disposals	-	-	-	-	(2)	-	(2)
At 31 July	<u>24,212</u>	<u>52</u>	<u>1,571</u>	<u>561</u>	<u>2,814</u>	<u>59</u>	<u>29,269</u>
<i>Accumulated Depreciation</i>							
At 1 August	2,530	-	832	460	1,796	47	5,665
Charge for year	298	-	25	23	196	3	545
Disposals	-	-	-	-	(2)	-	(2)
At 31 July	<u>2,828</u>	<u>-</u>	<u>857</u>	<u>483</u>	<u>1,990</u>	<u>50</u>	<u>6,208</u>
<i>Net book value</i>							
At 31 July 2020	21,384	52	714	78	824	9	23,061
At 31 July 2019	<u>21,584</u>	<u>62</u>	<u>739</u>	<u>86</u>	<u>886</u>	<u>12</u>	<u>23,369</u>

The School has a finance lease on properties leased from Wells Cathedral, which dates back to 1983. Due to the age of the lease, there is insufficient data to be able to accurately disclose the net amount of the associated asset and depreciation for the year. This is not considered to be material to the Financial Statements.

There is £715k (2019: 739k) in leasehold land and buildings which relates to long term lease improvements.

The £52k (2019: £62k) in “assets in the course of construction” is the continued capitalisation of the science quarter development.

Canon Grange was sold for £520k. The net value of this property was £520k and it was held in “property for resale”

13 Investments

Non-current investments

	Group	
	2020	2019
	£000	£000
Investment management portfolio	879	886
	879	886

The investment management portfolio is a portfolio of equities, bonds and cash managed by Smith & Williamson Investment Management, the majority of which comprises UK assets. They are categorised as non-current assets as they are held for longer than 12 months. Any gains or losses on sale or revaluation of investments are recorded within the statement of financial activities. The investment objective is to outperform the MSCI Wealth Management Association Growth return which this year was -5.9% (2019: 5.8%). This year the portfolio outperformed the index return by 4.5% (2019: outperformed by 0.6%).

The investment fund is backed by the following funds:

Endowed funds - £855,959
Restricted funds - £23,263

Group and School	Group		School	
	2020	2019	2020	2019
	£000	£000	£000	£000
Investments at valuation				
At 1 August	886	807	-	414
Additions at cost	262	134	-	-
Disposal proceeds (includes interest)	(263)	(83)	-	-
Add transfers from School	-	-	-	(414)
Cash held for re-investment	27	20	-	-
Net gain/(loss) on investments	(34)	33	-	-
	878	911	-	-
Increase/(decrease) in cash for reinvestment	1	(25)	-	-
	879	886	-	-
At 31 July	879	886	-	-

14 Stocks

These consist of catering supplies.

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15 Debtors

	Group		School	
	2020	2019	2020	2019
	£000	£000	£000	£000
Trade debtors - amounts due from parents	501	653	501	653
Other debtors	339	329	339	329
Prepayments	367	189	281	185
	1,207	1,171	1,121	1,167

16 Creditors: amounts falling due within one year

	Group		School	
	2020	2019	2020	2019
	£000	£000	£000	£000
Bank loans and overdrafts	202	352	202	352
Fees received in advance	154	348	154	348
Pupil deposits	2,184	2,316	2,184	2,316
Trade creditors	3	9	3	9
Taxation and social security	807	186	807	186
Finance lease	7	9	7	9
Other creditors	143	169	143	169
Accruals and deferred income	291	582	288	579
	3,791	3,971	3,788	3,968

In the normal course of business and assuming the going concern basis, the expected repayment of deposits to parents of pupils leaving the School will be £2,184k (2019: £2,316k).

Fees received in advance:

Group and School

	2020	2019
	£000	£000
At 1 August	395	443
New contracts	68	257
Amounts utilised in payment of fees to the School	(294)	(305)
At 31 July	169	395

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	2020	2019
	£000	£000
Fees in advance - aged breakdown of fees:		
Fees falling due within:		
1 year	154	348
1 - 2 years	15	47
	169	395
	169	395

17 Creditors: amounts falling due after one year

	2020	2019
	£000	£000
Group and School:		
Bank loans	3,034	3,713
Fees received in advance	16	47
	3,050	3,760
	3,050	3,760

Bank loans are instalment debts and fees received in advance are non-instalment debts.

There are five (2019: five) bank loans secured on School properties.

The capital for the loans is repayable in monthly instalments which vary from £1k to £13k. The interest rates on these loans vary from 0.9% to 1.5% above base rate. The current bridging loan at year end was £325k (2019: £852k) and the interest rate on the loan is 1.5% above base rate.

There is an interest offset arrangement in place with the bank for three of the loans whereby a sweep of the loans and cash balances is made daily. A net interest adjustment is then made reflecting the balance of interest received on cash held and the interest to be paid on the outstanding loan balances.

The bank loans are repayable as follows:

	2020	2019
	£000	£000
Within:		
1 year	202	1,070
1 - 2 years	299	217
2 - 5 years	896	652
After 5 years	1,839	1,972
	3,236	3,911
	3,236	3,911

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18 Endowment Funds

Group	Chandler fund £000	Alan Quilter fund £000	Dulverton fund £000	Carnegie fund £000	Vandervell fund £000	Ashley Jones fund £000	Bursary fund £000	Group Total £000
At 1 August 2019	80	6	40	25	249	14	472	886
Additions	-	-	-	-	-	-	4	4
Interest	-	-	-	-	-	-	-	-
Loss on investments	-	-	-	-	-	-	(34)	(34)
At 31 July 2020	80	6	40	25	249	14	442	856

The Chandler fund represents an endowment, the income from which is to be used for music bursaries.

The Alan Quilter fund provides scholarships and bursaries.

The Dulverton fund is to fund bursaries for ex boy choristers at the Cathedral.

The Carnegie fund is to fund a folk singing scholarship.

The Vandervell fund is to fund scholarships and bursaries.

The Ashley Jones fund represents an endowment, the income from which is to be used to fund bursaries.

The Bursary fund represents donations which are to be used to fund bursaries.

Comparative Statement of Endowment Funds for year ended 31 July 2019

Group	Chandler fund £000	Alan Quilter fund £000	Dulverton fund £000	Carnegie fund £000	Vandervell fund £000	Ashley Jones fund £000	Bursary fund £000	Group Total £000
At 1 August 2018	80	6	40	25	249	14	393	807
Additions	-	-	-	-	-	-	26	26
Interest	-	-	-	-	-	-	20	20
Gain / (loss) on investments	-	-	-	-	-	-	33	33
At 31 July 2019	80	6	40	25	249	14	472	886

19 Restricted Funds

Group and School	Project fund £000	Bursary fund £000	Capital fund £000	Other fund £000	School 2020 £000	Foundation 2020 £000	Group 2020 £000	Group 2019 £000
Donations and other receipts	-	-	10	-	10	193	226	228
Bank and other interest received	-	-	-	-	-	23	-	-
Expenditure	-	-	(77)	-	(77)	(76)	(153)	(148)
Consolidation adjustment	(14)	-	-	-	(14)	14	-	-
(Deficit)/surplus for year	(14)	-	(67)	-	(81)	154	73	80
Transfers between funds	-	-	10	-	10	-	10	(57)
At 1 August	88	27	3,185	340	3,640	242	3,882	3,859
At 31 July	74	27	3,128	340	3,569	396	3,965	3,882

The project fund comprises funds from the DfE in respect of specific education based projects with state sector schools. The current projects are the South West Music Initiative and Outreach project.

The Bursary fund represents restricted bursaries received and awarded during the year.

The Capital fund represents the cost of buildings that were funded by the Wells Cathedral School Development Trust ("the trust") and transferred to the School prior to 2005, and contributions by the trust towards capital projects undertaken by the School. This trust closed in July 2005. The capital fund also includes amounts received by the School towards specific fixed assets from other organisations and is subject to an attributable depreciation charge.

The other fund comprises funds from the Foundation and other specific educational based projects such as Sierra Leone.

The transfers from the restricted fund of £10k (2019: £57k) comprise the following:

	2020 £000	2019 £000
Transfer to revenue fund, funds held in the Foundation related to the Cedars field development.	-	22
Transfer from designated asset fund to capital restricted fund re: musical instruments funded by Friends of Music.	10	(5)
Transfer to revenue fund in respect of restricted bursaries from the Foundation	-	35
Transfer to designated asset fund in respect of aggregated funds related to funds from the Foundation and Outreach.	-	5
Total	10	57

Comparative Statement of Restricted Funds for year ended 31 July 2019:

Group and School	Project fund £000	Bursary fund £000	Capital fund £000	Other fund £000	School 2019 £000	Foundation 2019 £000	Group 2019
Donations and other receipts	2	60	5	25	92	136	228
Bank and other interest received	-	-	-	-	-	-	-
Expenditure	-	-	(83)	-	(83)	(65)	(148)
Consolidation adjustment	-	-	-	5	5	(5)	-
	-----	-----	-----	-----	-----	-----	-----
(Deficit)/surplus for year	2	60	(78)	30	14	66	80
Transfers between funds	-	(35)	(22)	-	(57)	-	(57)
At 1 August	86	2	3,285	310	3,683	176	3,859
	-----	-----	-----	-----	-----	-----	-----
At 31 July	88	27	3,185	340	3,640	242	3,882
	-----	-----	-----	-----	-----	-----	-----

20 Designated Asset Funds

	Group		School	
	2020 £000	2019 £000	2020 £000	2019 £000
At beginning of year	18,721	18,803	18,721	18,792
School operating costs (depreciation)	(468)	(436)	(468)	(436)
Transfers between funds	916	354	916	354
	-----	-----	-----	-----
At end of year	19,169	18,721	19,169	18,710
	-----	-----	-----	-----

The Designated Asset fund represents the additions of tangible fixed assets not funded by the capital fund, less the outstanding loans secured on specific properties and the net book value of property sales.

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The transfer to the designated asset fund of £916k (2019: £354k) comprises the following:

	2020	2019
	£000	£000
Reduction in the loans secured against the assets in the fund	679	200
Unrestricted additions to fixed assets	237	334
Less net book value of property sale	10	(175)
Less fixed assets funded by the Friends of Music	(10)	(5)
Total	916	354

Comparative Statement of Designated Asset Funds for year ended 31 July 2019

	Group		School	
	2019	2018	2019	2018
	£000	£000	£000	£000
At beginning of year	18,803	18,742	18,792	18,731
School operating costs (depreciation)	(436)	(455)	(436)	(455)
Transfers between funds	354	516	354	516
At end of year	18,721	18,803	18,710	18,792

21 Financial Instruments

The School has the following financial instruments:

- Financial assets that are debt instruments measured at amortised cost

	Group		School	
	2020	2019	2020	2019
	£000	£000	£000	£000
Debtors	501	653	501	653
Bank and cash	966	264	674	5
Other receivables	339	329	339	329
	1,806	1,246	1,514	987

Bad debts written off in the year were £32k (2019: £22k)

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- Financial liabilities that are measured at fair value

	Group		School	
	2019 £000	2019 £000	2019 £000	2019 £000
Bank loans and overdraft	3,237	4,065	3,237	4,065
Trade creditors	3	9	3	9
Pupils' deposits	2,184	2,316	2,184	2,316
Accruals	192	307	189	304
Other creditors	150	178	150	178
	5,766	6,875	5,763	6,872

Financial assets that are measured at fair value

	Group	
	2020 £000	2019 £000
Investments	879	886

22 Commitments

Group and School

Operating leases

Total commitments under non-cancellable operating leases were as follows:

Group and School	2020		2019	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases commitments:				
In less than one year	58	136	58	132
In the second to fifth years inclusive	82	156	140	264
	140	292	198	396

The leases of land and buildings are subject to rent reviews which occur over 1 to 7 years. The rent for the properties in Vicars Close is £57,652 p.a. (2019: £57,652). The leases on 17 and 18 Vicars Close expire in 2021 and the leases on 16 and 26 Vicars Close expire in September 2024.

Finance leases

Total commitments under non-cancellable finance leases were as follows:

Group and School

	2020	2019
	Land and buildings	Land and buildings
	£000	£000
Finance leases which are payable:		
In less than one year	103	103
In the second to fifth years inclusive	-	103
	103	206

Commitments under finance leases relate to the rental of properties from Wells Cathedral. The lease agreements dates back to 1983 and there is insufficient data to be able to accurately disclose the finance lease creditor amount. This is not considered to be material to the financial statements.

23 Pension Scheme

The School operates two pension schemes.

(a) Teachers

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,060k (2019: £764k) and at the year-end £146k (2019: £101k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this

cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuation. Cash Flow was flawed... Bank loan negotiations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements

(b) Non-teaching staff

Most of the non-teaching staff are members of a defined contribution scheme.

The pension cost charge for the year represents contributions payable by the School to the funds (Employers Contribution) and amounted to £168k (2019: £151k) analysed as follows:

	2020	2019
	£000	£000
Non-teaching staff	168	151
Teachers	1,060	764
	1,228	915

Contributions outstanding at 31 July were as follows:

	2020	2019
	£000	£000
Non-teaching staff	24	-
Teaching staff	122	101
	146	101

24 Reconciliation of net movement in funds to net cash inflow from operating activities

	2020	2019
	£000	£000
Net movement in funds	797	552
Depreciation	545	520
Profit/Loss on sale of fixed assets	(10)	175
(Increase)/Decrease in stocks	(4)	2
(Increase)/Decrease in debtors	(36)	163
(Gains)/Loss on investments	35	(33)
Increase/(Decrease) in creditors	(61)	105
Interest from investments	(23)	(20)
Interest payable	64	84
Net cash inflow from operating activities	1,307	1,548

25 Analysis of Changes in Cash Balances

	At 1 August 2019	Cash flows	At 31 July 2020
	£000	£000	£000
Cash in hand and at bank	264	702	966
Bank overdraft	(152)	152	-
Debt due within one year	(1,070)	868	(202)
Debt due after one year	(2,841)	(195)	(3,036)
Total	(3,799)	1,527	(2,272)

26 Reconciliation of Net Debt

	2020	2019
	£000	£000
Increase in cash in the year	854	921
Cash inflow from repayment of loans and hire purchase agreements	673	201
Change in net funds resulting from cash flow	1,527	1,122
Net debt at start of year	(3,799)	(4,921)
Net debt at end of year	(2,272)	(3,799)

27 Allocation of Net Assets

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

Group

	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Endowment funds	879	(23)	-	856
Restricted funds	5,774	(1,809)	-	3,965
Revenue fund	-	(4,689)	(16)	(4,705)
Designated asset funds	17,285	4,916	(3,034)	19,169
	23,940	(1,605)	(3,050)	19,285

School

	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Restricted funds	5,744	(2,205)	-	3,569
Revenue fund	-	(4,891)	(16)	(4,707)
Designated asset funds	17,287	4,916	(3,034)	19,169
	23,061	(1,980)	(3,050)	18,031

Comparative Statement of Allocation of Net Assets for year ended 31 July 2019:

Group	Fixed assets £000	Net current assets/(liabilities) £000	Long term liabilities £000	Total £000
Endowment funds	886	-	-	886
Restricted funds	5,764	(1,882)	-	3,882
Revenue fund	-	(4,954)	(47)	(5,001)
Designated asset funds	17,605	4,829	(3,713)	18,721
	24,255	(2,007)	(3,760)	18,488

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School	Fixed assets	Net current assets/(liabilities)	Long term liabilities	Total
	£000	£000	£000	£000
Restricted funds	5,764	(2,124)	-	3,640
Revenue fund	-	(4,961)	(47)	(5,008)
Designated asset funds	17,605	4,818	(3,713)	18,710
	<u>23,369</u>	<u>(2,267)</u>	<u>(3,760)</u>	<u>17,342</u>

28 Changes in Resources available for charity use

	2020				
	Unrestricted funds £000	Designated asset funds £000	Restricted funds £000	Endowment funds £000	Total £000
Net movement in funds for year	1,222	(468)	73	(30)	797
Net increase in tangible fixed assets for direct charitable purposes	308	-	-	-	308
Net increase in funds available for future activities	<u>1,530</u>	<u>(468)</u>	<u>73</u>	<u>(30)</u>	<u>1,105</u>

29 Related Parties

(a) Connected Persons

The Chapter of Wells Cathedral ("the Chapter") is a connected person within the terms of the Charities SORP. At the School's Governors meeting in December the members have to ratify the appointment of new Governors. The articles provide for three chapter members to be Governors.

During the year:

- Rent was paid to the Chapter of £169k (2019: £160k) under a repairing lease expiring in 2063 in respect of certain School buildings. At the year end there was a prepayment of £26k (2019: £20k).
- The Chapter contributed £61k (2019: £78k) towards the fees of the Cathedral choristers.
- The School paid £27k (2019: £28k) to the Chapter in respect of use of Cathedral facilities.

Burges Salmon LLP, of which a trustee of the Foundation is a partner, received £2k (2019: £2k) from the School.

The School paid £54k (2019: £54k) to a company owned by a Trustee of the Foundation for the lease of a property.

(b) Transactions with Governors and Trustees

During the year 2 (2019: 2) of the Governors received reimbursement for expenses of £643 (2019: £329). During the year 3 Governors and 2 Trustee (2019: 4 Governors and 1 Trustees) were parents of pupils at the School and paid fees on the same terms as any other parent and received the benefits of clergy and sibling discounts where appropriate.

(c) Transactions with Wells Cathedral School Foundation

The Foundation, which is a charitable company registered in England and Wales (company number: 2804495) is not a directly owned subsidiary of the School. However the results of the Foundation have been consolidated into the School's Financial Statements as the Foundation is indirectly controlled and influenced by the School.

The School has funded the initial set up costs of the Foundation and will fund certain ongoing costs of operation of the Foundation as agreed in the 'memorandum of understanding' between the School and the Foundation. In 2019/20, the Foundation's operating costs of £58k (2019: £48k) were recharged to the School.

During the year the School received £76k (2019: £94k) from the Foundation representing donations for Bursaries and specific projects.

(d) Subsidiary Companies

The School has three wholly owned subsidiary companies which have not traded during the year: Their details are:

- Wells Cathedral School (Hong Kong) Limited (limited by guarantee) incorporated on 23 October 2014 in Hong Kong. Company Number: 2159541; and
- Wells Cathedral School International School (Hong Kong) Limited (limited by guarantee) incorporated on 23 October 2014 in Hong Kong. Company Number: 2155746; and
- iMusic Limited (limited by shares) incorporated on 22 March 1985 in England and Wales. Company Number: 101898344, dormant company.

Wells Cathedral School is the parent company of all the subsidiaries and control is determined by the one share being held by the School.

30 The Wells Cathedral School Foundation

The Wells Cathedral School Foundation was established in 2007 as a separate but connected charity, number 1118159, to act as the legal entity for the recording and control of all fundraising activity on behalf of the School.

Registered and principal office: Wells Cathedral School Limited
 College Road
 Wells Cathedral School
 Somerset
 BA5 2SX

A summary of its results is shown below:

	Endowment funds £000	Restricted funds £000	Unrestricted funds £000	Total 2020 £000	Total 2019 £000
Income					
Income from charitable activities:	4	216	59	279	643
Expenditure on raising funds:	-	(76)	(60)	(136)	(144)
Unrealised gains/(losses) on investments	(34)	-	-	(34)	33
Net movement in funds	(30)	140	(1)	109	532
Balance brought forward at 1 August	886	256	4	1,147	615
Balance carried forward at 31 July	856	396	3	1,256	1,147

The net assets and liabilities were:

	2020 £000	2019 £000
Fixed assets:		
Investments	879	886
Total current assets	379	264
Creditors: amount falling due within one year	(3)	(3)
Net current assets	376	261
Net assets	1,256	1,147
Total charity funds	1,256	1,147

Wells Cathedral School Limited (limited by guarantee)
Consolidated Statement of Financial Activities
Year Ended 31 July 2020

31 **Comparative Consolidated Statement of Financial Activities for year ended 31 July 2019**

	<i>Note</i>	Unrestricted revenue £000	Designated asset funds £000	Restricted funds £000	Endowment funds £000	Total 2019 £000
INCOME FROM:						
Donations & legacies	5	-	-	228	27	255
Other trading activities	5	132	-	-	-	132
Income from investments	10	2	-	-	20	22
Charitable activities:						
Fees receivable	3	14,306	-	-	-	14,306
Other educational income	4	822	-	-	-	822
Other ancillary trading income	4	264	-	-	-	264
Total income		15,526	-	228	47	15,801
EXPENDITURE ON:						
Raising funds	6	317	-	-	-	317
Charitable activities	6	14,381	436	148	-	14,965
Total expenditure		14,698	436	148	-	15,282
Gain on investments	15	-	-	-	33	33
Net income/(expenditure)		828	(436)	80	80	552
Transfers between funds	18,19	(296)	354	(57)	(1)	-
Net movement in funds		532	(82)	23	79	552
Fund balances brought forward at 1 August 2018	18,19,20	(5,533)	18,803	3,859	807	17,936
Fund balances carried forward at 31 July 2019	18,19,20	(5,001)	18,721	3,882	886	18,488