

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

REPORT AND ACCOUNTS

31 JULY 2019



HEREFORD CATHEDRAL SCHOOL

Company Registration No. 02081261
Charity Registration No. 518889



HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

REPORT AND ACCOUNTS

For the year ended 31 July 2019

CONTENTS

Page	
1 - 2	Governors, officers and advisers
3 - 10	Report of the trustees including the strategic report
11	Statement of Governors' responsibilities
12 - 14	Auditor's report
15	Statement of financial activities
16	Balance sheet
17	Cash flow statement
18 - 38	Notes to the accounts

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

GOVERNORS, OFFICERS AND ADVISERS

31 July 2019

Governors, Directors and Charity Trustees

The governors of the School, who are also the charity trustees and the directors of the company who served during the year and up to the date of approving these financial statements, were:

Rear Admiral P Wilcocks (Chairman)
Mr C D Hitchiner
Mr A Teale
Mr W Hanks
Mr S Borthwick
Mr T Keyes
The Rt Rev'd A Magowan
Mr J Sheldon
Mrs K Usher
Major L Glover (resigned 26 July 2019)
Mr J Preece
Mrs J Deval-Reed (resigned 1 June 2019)

The governors are elected at a full governors' meeting. The Dean and Chapter of Hereford Cathedral have the right to recommend up to one quarter of the total number of governors. One third of the governors, or if their number is not three or a multiple of three, then the number nearest to, retire from office at each Annual General Meeting. They can be re-elected. The governors had no interests which were required to be disclosed under the Companies Act 2006. Unless otherwise determined by the company by ordinary resolution, the number of governors shall not be less than 10, or more than 18.

Members recommended by The Dean and Chapter of Hereford Cathedral:-

Mr W Hanks
The Rt Rev'd A Magowan
Mr A Teale

Governors retiring by rotation

The following governors retired in accordance with the Articles of Association, and being eligible, were re-elected:-

Rear Admiral P Wilcocks
Mr J Sheldon
Mrs K Usher
Mrs L Glover

GOVERNORS, OFFICERS AND ADVISERS

Professional advisers and key personnel

Mr R Pizzi

Hereford Cathedral Junior School
28 Castle Street
Hereford
HR1 2NW

Investec
30 Gresham Street
London
EC2V 7QP

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

REPORT OF THE TRUSTEES

31 July 2019

The governors present their annual report including the audited financial statements of the charitable company for the year ended 31 July 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and administration

The regulating document is a Charity Commission Scheme made under the Endowed Schools Acts on the 26 June 1893. The latest amendment was in 1987. The School is a registered Charity, number 518889. The registered company number is 2081261. The Governing instrument is the Memorandum and Articles of Association, adopted on 5 December 1986.

Status

The charitable company does not have a share capital, but the directors, as members, have undertaken to contribute a sum not exceeding one pound each in the event of a deficiency on winding up the company's affairs.

Recruitment and Training of Governors

New governors' recruitment is based on a pre-determined set of skills and competences in the areas of education, finance, law, religion, medicine, land & buildings and business. The policy of the governors is to maintain a balanced board, with a broad experience base, covering all of the topics outlined above. New governors are inducted into the workings of the School, including governing body policy and procedures, at an induction workshop specially organised for them by the Headmaster, the Head of the Junior School and Clerk. The new governors also attend specialist external and/or online courses on the role and responsibilities of charity trustees. All new governors are issued with an induction manual, which seeks to assist in the understanding of the complex issues faced by a new charity trustee and non-executive director.

In addition all new governors are expected in their first year to sit on each of the sub-committees in order to understand all aspects of the School's business.

Governors attend external trustee training and information courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

Organisational Management

Governors, as the charity trustees, are legally responsible for the overall management and control of the School. The governors determine the general policy, as well as being responsible for the strategic management and control of the business activities of the School. Meetings of the full governing body are held at least once a term, with occasional extra meetings called if matters arise of a sufficiently serious nature.

The operational management of the School is delegated to the Headmaster, Head of the Junior School and Bursar and their respective Senior Leadership Teams (SLT) and together this group are the key management personnel. The Headmaster, Head of Junior School and the Bursar attend all meetings of the governing body's committees, which discuss issues for forwarding to the full governors' meetings. The main governor committees are listed below:-

Finance:-chaired by Mr C D Hitchiner

Education:-chaired by Mr T Keyes

General Purposes:-chaired by Mr J Preece

In addition to these meetings, governors and senior leaders also attend meetings covering Health & Safety and Development (fundraising). Mr W Hanks is the designated governor for Safeguarding issues.

Remuneration is set by the governors, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the School's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools and the maintained sector to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

REPORT OF THE TRUSTEES

31 July 2019

Organisational Management (continued)

We aim to recruit, subject to experience, at the lower to medium point on the pay scale. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Employment policy

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School.

Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to apprise staff of current issues.

Investment policy and objectives

The School's investment objectives are to balance the current and future needs by:

- Maintaining (at least) the value of the investments in real terms;
- Producing a consistent and sustainable amount to support expenditure; and
- Delivering these objectives within acceptable levels of risk.

To meet these objectives the School's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the Charity Commission has been made aware of the School's intention to invest permanent endowments to maximise total return and to make available an appropriate proportion of the total return for expenditure each year. The investment strategy and policy is monitored by the Finance Committee, as is investment performance, which is reported below, within the Strategic Report.

OBJECTIVES AND ACTIVITIES

Principal activity

The charitable company's principal activity continues to be the running of the Hereford Cathedral Senior and Junior Schools.

Charitable objects

The objects of the Charity are to promote the advancement of education by acquiring, establishing, providing, conducting and carrying on schools in which boys and girls of all sections of the community may receive a sound general education (including religious instruction in accordance with the doctrines of the Church of England).

Policy

It is the policy of the School to attain the highest academic standards for our pupils and to encourage each individual to achieve his or her highest potential intellectually, culturally and physically. The School welcomes pupils from all backgrounds. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the assessment processes.

Aims and intended impacts

To produce well rounded individuals through not only the national curriculum, but also through a series of additional activities, including music, sport, Duke of Edinburgh award scheme and the Combined Cadet Force (CCF). To provide a structured educational environment that develops pupils' capabilities, where each student can develop and fulfil his or her potential, building their self-confidence and creating a desire to contribute to the wider community. The school recognises that a diverse range of cultures will significantly add to this goal, and therefore welcomes pupils from other countries who would directly benefit from our unique Cathedral School education. In addition, the School provides music and community support to the Cathedral, as well as the sub-letting and sharing of School facilities with the wider community.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

REPORT OF THE TRUSTEES

31 July 2019

Objectives for the year

Governors and the SLT conducted a series of joint working groups to review and inform the Development Plan which is now being redrafted and also forms part of the School's Self Evaluation Plan. The Development plan is aligned to the goals of Vision 2030 which was jointly developed by the governors and SLT in the previous period and widely briefed to the School community.

The main objectives for the period were similarly aligned to preparing the first steps of Vision 2030:

- continue to develop academic monitoring and the use of data to ensure highly effective pupil progress at all levels; both parts of the School have made good use of data to analyse potential vs performance. This objective is overseen by the Education Committee.
- Convert and open a boarding house; Wilmot House opened in April 2019 and was filled close to capacity for the start of the 2019/20 academic year.
- Introduce "Firefly" a Virtual Learning Environment (VLE) and information portal; this new tool has proved useful for pupils, staff and parents as a method of setting and monitoring homework as well as sharing information and resources.
- Progress plans for a Multi-Use Games Area (MUGA), unfortunately the prospective site on the A49 received equivocal pre-planning advice. The governors are unwilling to pay a premium for land if planning permission is to be problematic and so the search continues.
- Outreach remains an important objective and is reported on below.

Strategies to achieve the year's objectives

The various governor committees work together to assess the needs of the School from an educational, charitable and financial perspective.

- The Education Committee seeks to continually develop the academic, pastoral and extra-curricular provision offered at the School, and also encourages facility development in conjunction with the General Purposes and Finance Committees.
- The Finance Committee continues to apply controls to ensure that the development of the staffing and the fabric of the School is delivered effectively, as well as providing sufficient funds to increase the level of bursary awards granted, as a mainstay of the School's delivery of public benefit.
- The General Purposes Committee seeks to prioritise those areas of the School identified as being in need of physical improvement and works to a medium-term plan, with surpluses in excess of budget used to accelerate the plan.

The governors continued to support the SLT to build links and encourage community access of the School facilities for educational purposes and the delivery of outreach programmes.

Grant making policy

The governors' policy, in line with other independent schools, is to award scholarships on the basis of the individual's academic, musical, dramatic, artistic and sporting ability. Bursaries are awarded to individuals who qualify under a stringent means-testing system but are not required to be academic high-flyers. The only restriction to entry is the ability to pass the standard school entrance examination.

Public Benefit

The School offers substantial financial provision, funding a significant number of transformational bursaries and provides a greater ratio of bursaries to scholarships within its recruitment and charitable strategies, including free places to some individuals. The school seeks to provide 10% of gross fee income in the form of scholarship and bursary awards. Bursaries and scholarships awarded in 2018/19 were 10% and 2% of fee income, respectively. Bursaries were awarded to 19% of pupils and included 14 100% awards.

The School prospectus includes reference to the availability of bursary awards and all bursaries are awarded after undertaking robust means testing procedures, including home visits and interviews of all parents by an independent company. In assessing means we take a number of factors into consideration including family net worth, including: income, investment and savings, and family circumstances such as dependants and siblings. This enables wider access to the school for those who would not otherwise be able to meet the full fee. Parents in receipt of significant bursary awards (over 50%) will also be interviewed by the Headmaster and Bursar.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

REPORT OF THE TRUSTEES

31 July 2019

Public Benefit (continued)

Local groups and clubs have the opportunity to hire and use the School's facilities, including the sports hall, the Powell Theatre, St David's hall and minibuses which are used for a variety of sporting, educational and music activities within the local community. The CCF partnership with a local academy school continues to flourish.

The School hosts and sponsors sporting events involving local primary and secondary schools, this year included: a primary school football tournament and a variety of county schools' events. Our sports pitches are used weekly by a local community football club, Hinton FC, and the youth section of Hereford Rugby Club.

The School continues to support the local community with outreach work in the state education sector, including science, maths, music, sport, design and technology and classical civilisation workshops, as well as providing education to the Cathedral choristers.

Music outreach includes a regular Saturday morning music school and series of concerts, details of which are on the School's website. Summer and Easter Residential music courses are open to local children and subsidised for those in financial need. The School's music department brings together a number of the County's primary schools for a number of large-scale events: such as the Words and Music for Remembrance (400 children), a Primary Schools' Advent carol service (600 children) and major choral & orchestral concert in the Spring Term (400 children).

Other members of staff help at local schools and academies, particularly with exam moderation. The School's activities and partnerships are recorded in the Schools Together website: www.schoolstogether.org.

The School's Charity Committee continues to be busy raising money for various worthwhile causes locally and nationally.

In drafting the above statements, the governors have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

STRATEGIC REPORT

The Strategic Report will give a fair review of the School's business, a description of the principal risks and uncertainties facing the School, the development and performance of the School's business during the financial year and the School position at the end of the year.

Achievements and Performance

School Performance

Hereford Cathedral School's GCSE and A Level results place the school as the highest performing School or College in the County and it remains a highly respected and well established coeducational HMC School. Our students celebrated outstanding successes in this year's results, with over 70% of all A-Level entries being awarded A*-B grades and nearly half of all students securing nothing less than a B grade. GCSE results were also excellent, with almost half of all entries awarded the highest grades of 9-7, and nearly a third of all grades at 9-8 (A* equivalent). Fourteen exceptional GCSE pupils achieved all 9-7 (A*/A) grades, with 13 pupils boasting five or more top grade 9s.

A detailed breakdown of the School's academic results is available online, via the School's website or upon request.

The School runs a rich and varied programme in addition to the wide range of opportunities in sport and music and performance. Possibly the highlight of the year were the three sell-out performances of *Oliver!*, staged at the city's Courtyard Theatre. The School's Chorister's sang at the D-Day commemorations in Normandy, and the School hosted many major concerts in the Cathedral, several of which are listed in our Public Benefit declaration. CCF, DoE, trips and a wide range of other extra-curricular activities are offered to pupils through the School. Full details of the programme are available on the School's website or through Firefly.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

REPORT OF THE TRUSTEES

31 July 2019

Achievements and Performance (continued)

The conversion of the former hotel into a boarding house was delayed by environmental factors and the boarders were housed with host families for the first two terms of the year. This turned out to be a positive experience for all concerned, some pupils opting to stay with their host families after the boarding house opened in the Summer Term. Wilmot House is now fully operational and is proving very popular, recruiting is above expectations and will provide greater diversity to the School's pupil population.

Several green initiatives were completed during the year: the boarding house was upgraded in terms of thermal insulation and energy efficiency, several major teaching blocks have been retrofitted with LED lighting and the School now has four arrays of solar PV panels. The School has purchased an electric vehicle and is fitting EV charging points in strategic locations.

Fundraising Performance

Progress continues to be made in the School's on-going work of raising voluntary funding and building a legacy/bequest stream. The Development Office has been tasked with launching a major fundraising campaign to support further transformational bursaries.

Grants and donations were gratefully received from a variety of sources, including other charities, all of which has been used to directly support families in need or to supplement the School's own means tested bursaries of children who would not otherwise be able to attend HCS.

The governors are aware of the increasing regulations with regards to fundraising and are keen to adopt an ethical and transparent approach in this respect.

The School employs a full-time member of staff in a development role and their duties include fundraising. The School raises funds either through applications to external grant making bodies or through appeals to alumni. Funds raised are almost exclusively used for fee support for pupils. The School does not use external or "professional" fundraisers. The School is a member of The Institute for Development Professional in Education (IDPE) which is a body that advises members on best practice in fundraising and compliance with fundraising regulations. Our development Director is regional Vice President of that organisation. The charity monitors its fundraising activities of any person acting on its behalf through regular meetings with the Headmaster and termly reports to the governors. There is a governor with specific focus on Fundraising compliance as part of their role and governors attend the Development Board meetings.

The governors do not know of any failure by the charity, or of any person acting on its behalf, to comply with fundraising standards. The charity received no complaints relating to its fundraising activities. The charity protects vulnerable people and other members of the public from behaviour which; is unreasonable intrusion on a person's privacy, is unreasonable persistent, places undue pressure on a person to give money. The charity does not approach members of the public for fundraising. The School raises funds from grant making bodies by application. All applications relating to pupils are confidential and data is handled accordingly. The school raised some money from alumni and parents in the last year. These people have an existing relationship with the school. The school does not undertake cold calling, telephone campaigns or employ any third parties to raise funds on our behalf. The School, through its Head and Development Director, is aware of the duty of care when raising money from former pupils and parents who might be classed as vulnerable and of the need to be sensitive; not invade privacy or be unreasonably persistent. The Development Director regularly attends industry conferences and regional networking meetings to ensure we are aware of, compliant with and sensitive to, the letter and spirit of regulatory guidelines, legislation and best practice in our fundraising.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

REPORT OF THE TRUSTEES

31 July 2019

Financial Review

Financial Review and Results for the Year

Fee income increased by £482,205 (6.5%) during the year.

The surplus for the year (before transfers between funds and gains on investment assets) amounted to £54,614 (2018: £59,359). The surplus for the year after transfers between funds and gains on investment assets amounted to £99,226 (2018: £128,466) and has been transferred to reserves. Total funds amounted to £5,737,195 (2018: £5,637,969). The surplus for the year was above the budget set, due largely to staff savings relating to the delay in opening Wilmot House.

Investment performance

The School's long-term investments are managed by two investment companies. At the year-end the total value of the investment portfolio was £1,320,168 (2018: £1,272,666). The overall investment return amounted to £63,017 (calculated as the net investment gain of £44,612 plus dividends received of £29,832 less management fees of £11,427), which reflected a satisfactory result.

Under the total return accounting basis, it is the governors' policy to extract as income one tuition fee. This fee is used to support the bursary of the "Knapton Music Scholar" thanks to the generosity of the benefactors: Miss Barbara Knapton and Mrs Kathleen Cavill. The governors will keep the level of income withdrawn under review to balance the need and interests of current and future beneficiaries of the School's activities.

Investment and Reserves policy

The governors' investment powers are set out in the regulating document.

Governors have continued to manage the investments in conformity with this policy and their returns are considered to be satisfactory in view of the performance of the stock market during the year.

In common with other independent schools, the governors have invested substantial sums into School buildings in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. The "free reserves" as at 31 July 2019 consist of unrestricted net current assets as shown in note 18 amounting to £(1,043,206) (2018: £(1,364,430)). The governors have chosen to invest in a new boarding house as part of the long-term strategy to increase pupil numbers and widen the diversity of the School. Therefore, the governors do not consider it appropriate at this time to place a great deal of emphasis on this figure. Rather the figure illustrates the extent of the investment in our School, which is a common practice by independent schools which have to finance their own capital investment plans. The closing value of our tangible assets, property, plant and equipment, was £8,175,507 (2018: £6,824,230). In the main, this increase reflected the purchase and conversion of How Caple Grange Hotel, now Wilmot house.

The governors consider that given the strength of the charity's balance sheet, the stable cash flow, the on-going popularity and academic success of our School, and the available banking facility that can be called upon if need arises, that there is no current need to build up a large free reserve.

The school had total reserves of £5,737,195 at the year end (2018: £5,637,969), of which £1,058,862 is restricted, £545,716 is endowed, leaving £4,132,617 of unrestricted funds.

The governors recognise that the level of reserves fluctuates during periods of investment in the School estate and the arrangements with our bank are in place to provide an adequate "safety net" should it be required.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

REPORT OF THE TRUSTEES

31 July 2019

Plans for Future Periods

In challenging times, the current economic climate and localised demographic dips in pupil numbers, good schools need to look to the future, to build upon their successes and to maintain a dynamic momentum that will ensure their future success. Hereford Cathedral School has not stood still in recent years. Through self-evaluation and development, the School will continue to adapt to ever changing circumstances in ways that will maintain its status as one of the top independent Schools in the country. The School's international reputation is also growing, through the opening of Boarding and initial contacts regarding establishing an overseas franchise.

Governors and Senior Leadership are continuing to develop a medium and long-term strategy for the School and have taken decisive steps towards increasing the number of international students which will help secure the future of the School for generations to come. The governors' have further refined the details of Vision 2030 and discussed contingencies to mitigate the impact of the risks facing the School.

Principal Risks and Uncertainties

Risk Management

The governors undertake a full review of risk management procedures each year, with each sub-committee tasked with assessing and rating risks relevant to the areas for which they hold responsibility. The risks faced by the School include political, buildings (on-going maintenance and health and safety considerations), demographic and economic changes and retention of staff and pupils. Issues are identified and discussed with the specific purpose of reducing risk in all areas, with the findings reviewed annually at full Board level. The Board has established two working groups with the specific tasks of boarding oversight and to formulate strategies to thrive in an era of increasingly challenging political pressures.

Risk Management (continued)

The other key control mechanisms used to mitigate risk wherever possible are:-

- Formal agendas for all governors' meetings;
- Full and thorough management accounting, budgeting and 5-year planning;
- Preparation of, and reference to, written policies and committee terms of reference;
- Operational management through an organisational structure;
- Clear authorisation and approval levels for expenditure of budgets;
- Robust procedures for legislative compliance educationally, financially and legally;
- Membership of professional bodies which advise and support the school: AGBIS, ISBA, BSA, IAPS and HMC; and
- Full insurance cover which is reviewed annually.

Principal Risks

The governors are mindful of the intense pressures facing the sector and the potential impact on the successful delivery of Vision 2030. They have identified the following principal risks facing the school and are taking appropriate steps to mitigate them:

- The financial consequences of the substantial increase in employer's contributions to the Teachers' Pension Scheme (TPS) and potential further increases at the next review.
- Increased costs introduced as a result of political doctrine that is hostile to the independent sector, including:
 - Loss of mandatory business rates relief;
 - Loss of Charitable Status;
 - Imposition of VAT on school fees.
- Affordability of fees in the continuing economic climate.
- Herefordshire's demographic and economic situation.

The governors consider the increase in the TPS contributions to be the principal risk faced by the School in the coming year. They recognise the political risks and consequences listed above, particularly in light of the recent motion passed at the 2019 Labour Party Conference.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

REPORT OF THE TRUSTEES

31 July 2019

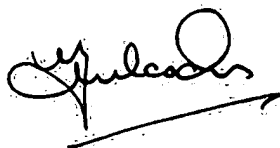
Uncertainty

"There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we don't know. But there are also unknown unknowns. There are things we don't know we don't know". Donald Rumsfeld. Governors and the SLT are fully aware of the Donald Rumsfeld's "known unknowns" and "unknown unknowns". They endeavour to understand the implications of uncertainty by keeping abreast of developments within the sector through regular networking meetings, ongoing training and the use of consultants where appropriate.

In so far as the governors are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees Annual Report is approved by the board of governors and the Strategic Report (included therein) is approved by the board of governors in their capacity as directors at their meeting on 22 November 2019



On behalf of the Board

Rear Admiral P Wilcocks

Director

Hereford Cathedral School
Old Deanery
Cathedral Close
Hereford
HR1 2NG

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

for the year ended 31 July 2019

The governors (who are also the directors of the charity for purposes of company law) are responsible for preparing the governors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing those financial statements, governors are required to:

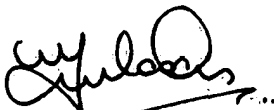
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 charity will continue in business.

The governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of governors on 22 November 2019 and signed on its behalf by:



Rear Admiral P Wilcocks
Director

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

Independent Auditor's Report to the Members of Hereford Cathedral School

31 July 2019

Opinion

We have audited the financial statements of Hereford Cathedral School for the year ended 31 July 2019 which comprise The Statement of Financial Activities, the Balance Sheet, 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 charitable company's affairs as at 31 July 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about 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.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

Independent Auditor's Report to the Members of Hereford Cathedral School

31 July 2019

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

We have nothing to report in this regard.

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 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 directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 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 statement of Governors' responsibilities set out on page 11, 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.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

Independent Auditor's Report to the Members of Hereford Cathedral School

31 July 2019

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.

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.

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
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

5 December 2019

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating the income and expenditure account)

for the year ended 31 July 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Fund £	Total Funds 2019 £	Total Funds 2018 £
Income and endowments from:						
Charitable activities:						
School fees receivable	3	7,983,252	163,000	-	8,146,252	7,664,047
Ancillary trading income	4	1,109,238	-	-	1,109,238	1,155,843
Other educational income	4	6,300	-	-	6,300	6,375
Voluntary sources						
Donations and legacies		-	64,380	-	64,380	35,854
Investments						
Income from investments	5	2,127	17,069	11,127	30,323	31,003
Other trading activities:						
Non-ancillary trading income	5a	128,278	-	-	128,278	104,434
Total incoming resources		<u>9,229,195</u>	<u>244,449</u>	<u>11,127</u>	<u>9,484,771</u>	<u>8,997,556</u>
Expenditure on:						
Raising funds						
		<u>123,002</u>	<u>6,878</u>	<u>4,548</u>	<u>134,428</u>	<u>100,852</u>
Charitable activities						
Schools and education		8,415,990	200,982	-	8,616,972	7,855,723
School trips and activities		552,784	-	-	552,784	886,576
Financing costs						
Interest	10	125,973	-	-	125,973	95,046
		<u>9,094,747</u>	<u>200,982</u>	<u>-</u>	<u>9,295,729</u>	<u>8,837,345</u>
Total expenditure	7	<u>9,217,749</u>	<u>207,860</u>	<u>4,548</u>	<u>9,430,157</u>	<u>8,938,197</u>
Net incoming resources from operations before transfers and investment gains		<u>11,446</u>	<u>36,589</u>	<u>6,579</u>	<u>54,614</u>	<u>59,359</u>
Net gains on investments	13	-	27,511	17,101	44,612	69,107
Transfers between funds	17	5,630	950	(6,580)	-	-
Net movement in funds for the year		<u>17,076</u>	<u>65,050</u>	<u>17,100</u>	<u>99,226</u>	<u>128,466</u>
Fund balances at 1 August 2018	23	<u>4,115,541</u>	<u>993,812</u>	<u>528,616</u>	<u>5,637,969</u>	<u>5,509,503</u>
Fund balance at 31 July 2019	17	<u>4,132,617</u>	<u>1,058,862</u>	<u>545,716</u>	<u>5,737,195</u>	<u>5,637,969</u>

The notes on pages 18 to 38 form part of these accounts.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

BALANCE SHEET

at 31 July 2019

	Note	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets for operational use	12		8,175,507		6,824,230
Investments	13		1,320,168		1,272,666
			<u>9,495,675</u>		<u>8,096,896</u>
Current assets					
Debtors - amounts falling due within one year	14	651,056		655,819	
Cash at bank and in hand		453,312		107,870	
		<u>1,104,368</u>		<u>763,689</u>	
Creditors: amounts falling due within one year	15a	(1,863,163)		(1,878,357)	
Net current (liabilities)/assets			<u>(758,795)</u>		<u>(1,114,668)</u>
Total assets less current liabilities			<u>8,736,880</u>		<u>6,982,228</u>
Creditors: amounts falling due after more than one year	16		(2,999,685)		(1,344,259)
Net assets			<u>5,737,195</u>		<u>5,637,969</u>
Capital and reserves	17				
Permanent endowment fund			545,716		528,616
Restricted fund			1,058,862		993,812
Unrestricted fund			4,132,617		4,115,541
			<u>5,737,195</u>		<u>5,637,969</u>

The financial statements were approved and authorised for issue by the board of directors on 22.11.19 and signed on its behalf by:



Rear Admiral P Wilcocks (Director)



C D Hitchiner (Director)

The notes on pages 18 to 38 form part of these accounts.

Company no.02081261

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

CASH FLOW STATEMENT
for the year ended 31 July 2019

	2019	2018
	£	£
Net cash inflow from operations (note 18)	904,514	300,984
Returns on investment and servicing of finance		
Dividend income	29,832	29,715
Investment income receipts	491	1,288
Interest on bank loans	(102,385)	(68,937)
	<u>(72,062)</u>	<u>(37,934)</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(1,634,350)	(1,647,906)
Payments to acquire fixed asset investments	(2,889)	(3,053)
	<u>(1,637,239)</u>	<u>(1,650,959)</u>
	<u>(804,787)</u>	<u>(1,387,909)</u>
Financing		
Advance fees scheme - receipts from new contracts	449,401	431,320
- utilised during the year	(517,205)	(502,738)
New loans	1,380,364	499,636
Capital element of bank loans repaid	(162,331)	(153,762)
	<u>1,150,229</u>	<u>274,456</u>
Net cash inflow/(outflow)	<u>345,442</u>	<u>(1,113,453)</u>
Reconciliation of cash inflow/(outflow) to the closing bank balance:		
Net cash inflow/(outflow) for the reporting period	345,442	(1,113,453)
Cash and cash equivalents at the beginning of the reporting period	107,870	1,221,323
	<u>453,312</u>	<u>107,870</u>

Further details are given in notes 19 and 20.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)
NOTES ON ACCOUNTS

31 July 2019

1 Principal accounting policies

1a) Basis of accounting

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

1b) Charity information

Hereford Cathedral School is a charitable company limited by guarantee. The School is registered with the Charity Commission England and Wales (registered no: 518889). The charity was incorporated as a company limited by guarantee with Companies House England and Wales (registered no: 02081261). Its registered and principal office is Old Deanery, The Cathedral Close, Hereford, Herefordshire, HR1 2NG.

1c) Basis of preparation

These financial statements have been prepared on the going concern basis, which the governors consider to be appropriate as a result of projections prepared. Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainty's over the school's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Accounting and Reporting Responsibilities on page 11.

1d) Subsidiary

Hereford Cathedral School has incorporated a non-charitable company during the financial year. HCS Educational Services Limited (registered company number: 11613027) is a wholly owned subsidiary limited by share capital of £1 owned by Hereford Cathedral School. HCS Educational Services Limited shares the same address as its parent company. The company has remained dormant for the financial year 2019, the financial statements have therefore been prepared under a single entity basis, rather than consolidated.

1e) Fees and similar income

Fees consist of charges for the school year, less scholarships, bursaries and allowances granted by the school. Fees receivable and charges for services and use of premises, are accounted for in the period in which the service is provided.

To secure a place at the School, a registration fee is paid by all pupils, both domestic and international. This sum is non-refundable and goes towards the HCS Charitable Bursary Scheme, which is used to support pupils who would not otherwise be able to access education at an independent school. As the fee is non-refundable, the income is recognised in the Statement of Financial Position upon receipt of the funds.

1f) Donations

Donations subject to specific wishes of the donors are carried to relevant restricted funds. Any donations received for the general purposes of the School are credited to "Unrestricted Funds". Donations are accounted for on receipt.

1g) Investment income

All investment income is credited according to the date of receipt into the investment cash account.

1h) Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes the costs of all fundraising activities, events and non-charitable trading.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

1 Principal accounting policies (continued)

1i) Charitable activities

Expenditure is accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to the activity in the year. Irrecoverable VAT is included with the item of expense to which it relates. Support costs are those costs incurred in directly administering school operations as an educational establishment.

Governance costs comprise the costs of running the charity, including strategic planning (for its future development), also external audit, any legal advice for the governors, and all the costs of complying with constitutional and statutory requirements, such as costs of governors' meetings and of preparing statutory accounts and satisfying public accountability.

1j) Pension costs

The company operates a defined contribution pension scheme with Halifax Bank of Scotland Investment Service (HBOS) for non-teaching staff and has opted to join the Teachers' Pension Scheme, a defined benefit scheme operated by the Department for Education, for teaching staff. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme. Pension costs are recognised in the profit and loss account in the accounting period in which the contributions are payable.

1k) Taxation

As a charity the company is generally exempt from the corporation tax on income it receives. Although this exemption does not normally extend to trading income the company benefits from a concession, which also exempts such income from taxation, as the trade carried out is part of the primary purpose of the charity i.e. provision of education.

1l) Tangible fixed assets

The School decided to take advantage of the transition option under FRS 102 to accept the property revaluation done in 2016 as deemed cost.

Freehold Property is depreciated between 1% and 2% each year. Land is not depreciated. The non-depreciable land element of the Freehold Property has been deemed to be 30% of the full cost, with depreciation being charged on the remaining 70%.

Leasehold property improvements are depreciated over the shorter of the lease term or the expected useful life of the asset.

Equipment costing more than £1,000, or less than £1,000 as part of a larger project and new build projects are capitalised and carried in the balance sheet at historic cost.

Other fixed assets are being depreciated over their useful lives on a straight-line basis as follows:

Motor vehicles	-	7 years
Equipment	-	5 - 20 years
Computers & Media	-	3 - 5 years

No depreciation is charged on Assets under the course of construction

1m) Investments

Investments are stated at market value. Realised and unrealised gains or losses arising on the sale and revaluation of investments are taken to the Statement of Financial Activities.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

1 Principal accounting policies (continued)

1n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of one month or less from the date of acquisition or opening of the deposit or similar account.

1p) Creditors

Creditors and provisions are recognised where the charity 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1q) Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of the inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability. Rentals paid under operating leases are charged against expenditure as incurred.

1r) Advance fees

Fees paid in advance are included in creditors and released to the Statement of Financial Activities as they fall due.

1s) Deposits

The governors have reviewed the contract terms under which pupil fee deposits are held by the School. Although under normal circumstances these will be repaid in future years when the pupils complete their education at the school, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of deposits held at the year end has been included within current liabilities. The prior year pupil fee deposits balance has been similarly represented.

1t) Termination benefits

Termination benefits are recognised immediately as an expense when committed to terminate the employment of an employee or to provide termination benefits.

1u) Fund accounting

Unrestricted general funds are available for use at the discretion of the governors in furtherance of the general objectives of the charity.

Restricted funds are those funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Permanent endowment arises where a donor intends the gift to be retained permanently for use by the School or for its financial benefits. Endowment funds cannot be expended but any interest earned can be used to further the general objectives of the charity. The Philpotts Educational Charity was originally established as a Scholarship Fund but under a Ministry of Education Order of 1947, the Scheme was varied to allow income to be used for the benefit of the school generally. It can be invested on a Total Returns basis.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

1 Principal accounting policies (continued)

1v) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, school fees and extras, accrued income, and other debtors. A specific provision is made for debts for which recoverability is in doubt. Financial liabilities held at amortised cost comprise trade creditors, bank loans other creditors, accruals and deposits.

1w) Judgements in applying accounting policies and key sources of estimation 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.

The items in the financial statements where estimates and judgements have been made include the following:

- **Useful economic lives of tangible assets**

The annual depreciation charges for tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the tangible assets and note 11) for the useful lives for each class of asset.

- **Impairment of debtors**

The School makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors and associated impairment provision.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

2 Net incoming resources	2019	2018
	£	£
Charitable activity expenditure includes:		
Depreciation of tangible fixed assets - owned assets	283,070	225,185
	<u> </u>	<u> </u>
Operating lease rentals - land and buildings	302,325	302,834
- equipment	109,657	114,899
	<u> </u>	<u> </u>
Governance expenditure includes:		
Auditors' remuneration - for audit	<u>13,800</u>	<u>12,900</u>
Auditors' remuneration - for VAT advice	<u>4,950</u>	<u>3,505</u>
3 School fees		
The school fee income comprised:	2019	2018
	£	£
Gross Fees	9,283,466	8,796,193
Less: Bursaries	881,970	862,340
Scholarships	183,038	188,591
Staff allowances	328,407	360,284
Other allowances	107,781	<u>83,053</u>
	<u>(1,501,196)</u>	<u>(1,494,268)</u>
	7,782,270	7,301,925
Add back: Bursaries paid from restricted funds	200,982	199,122
	<u> </u>	<u> </u>
	7,983,252	7,501,047
	<u> </u>	<u> </u>
The above awards were made to 299 individuals (2018: 294).		
The Old Herefordian Fund contributed £163,000 (2018: £163,000) towards the cost of scholarships and bursaries. This contribution is given for this specific purpose and can therefore be categorised as a restricted donation. During the year £175,814 (2018: £175,814) of rent was paid to the Old Herefordian Fund.		
4 Other charitable income	2019	2018
	£	£
Other educational income		
Entrance fees	6,300	6,375
	<u> </u>	<u> </u>
Ancillary trading income		
Meals	265,839	248,782
School trips, activities, tuition and transport	843,399	907,061
	<u> </u>	<u> </u>
	1,109,238	1,155,843
	<u> </u>	<u> </u>

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

	2019	2018
	£	£
5 Investment income		
Bank deposit account interest	491	1,288
Dividend income	29,832	29,715
	<u> </u>	<u> </u>
	30,323	31,003
	<u> </u>	<u> </u>
	2019	2018
	£	£
5a Other income		
Teacher release	9,916	4,619
Rent & Hire of school facilities	21,883	13,505
Hire of sports hall	16,144	13,343
Educational activities	21,532	19,510
Other	58,803	53,457
	<u> </u>	<u> </u>
	128,278	104,434
	<u> </u>	<u> </u>
	2019	2018
	£	(restated)
		£
6 Directors and employees		
Staff costs:		
Wages and salaries	5,045,212	4,688,406
National Insurance costs	440,291	416,799
Pension costs (teaching staff)	535,601	515,305
Other pension costs (support staff)	95,815	83,141
	<u> </u>	<u> </u>
	6,116,919	5,703,651
	<u> </u>	<u> </u>

2018 wages costs have been restated to reflect a reallocation of costs.

No directors or persons connected with them received emoluments, fees, benefits in kind or reimbursement of expenses from the School or any connected organisation during the year (2018: £Nil).

The Headmaster, Head of Junior School and Bursar are considered to be the key management personnel, along with the Senior Leadership Team. Aggregate employee-benefits of key management personnel totalled £751,015 during the year (2018: £804,285).

The number of higher paid employees was:

	2019	2018
	No.	No.
£60,000 - £70,000	1	1
£70,000 - £80,000	2	1
£110,000 - £120,000	-	1
£120,000 - £130,000	1	-

The School paid £38,241 (2018 restated: £37,754) in respect of the higher paid employees to the defined benefit scheme. During the year, there were termination payments made which amounted to £21,521 (2018: £10,000). None were outstanding at the year-end (2018: £Nil).

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

6 Directors and employees (continued)

	2019	2018
	No.	No.
The average number of employees in the year was:		
Teaching and teaching support staff	136	110
Administration and Support staff	37	56
Domestic and maintenance staff	36	35
	<hr/>	<hr/>
	209	201
	<hr/>	<hr/>

Pension costs

Defined contribution scheme

The company operates a defined contribution scheme for non-teaching staff. The assets of the non-teaching staff scheme are held separately from those of the company in a fund independently administered by HBOS. The pension cost charge represents contributions payable by the company to the non-teaching staff fund and amounted to £95,815 (2018: £83,141 (restated)).

Defined benefit scheme

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 £535,601 (2018: £515,305) and at the year-end £69,995 (2018 - £67,175) 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.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

Defined benefit scheme (continued)

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.

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 a remedy to the discrimination conclusion has been determined by the Employment Tribunal 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.

7 Analysis of total resources expended

	Staff Costs £ (Note 6)	Other £	Interest £	Depreciation £ (Note 12)	2019 Total £	2018 Total £
Raising funds						
Generating donations	123,001	11,427	-	-	134,428	100,852
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Charitable activities						
Academic	5,334,377	1,016,070	-	136,736	6,487,184	5,816,361
Domestic	221,757	353,869	-	-	575,626	534,682
Premises	187,214	718,388	-	146,334	1,051,936	1,024,069
Support costs (note 8)	242,296	229,644	-	-	471,940	455,698
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Schools and education	5,985,644	2,317,971	-	283,070	8,586,686	7,830,810
School trips and activities	-	552,784	-	-	552,784	886,576
Interest (note 10)	-	-	125,973	-	125,973	95,046
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,985,644	2,870,755	125,973	283,070	9,265,442	8,812,432
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Governance costs (note 9)	8,274	22,013	-	-	30,287	24,913
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,993,918	2,892,768	125,973	283,070	9,295,729	8,837,345
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	6,116,919	2,904,195	125,973	283,070	9,430,157	8,938,197
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

8 Support costs	2019 £	2018 £
Wages and salaries	242,296	219,813
Legal and professional fees	58,349	49,160
Insurance	55,659	69,637
Advertising and marketing	45,988	52,044
Health and safety	3,248	11,441
Telephone	18,685	14,918
Printing, postage and stationery	8,839	7,043
Computer expenses	4,568	4,344
Bank charges	28,197	22,269
Miscellaneous	6,111	5,029
	<hr/>	<hr/>
	471,940	455,698
	<hr/>	<hr/>
	2019 £	2018 £
9 Governance costs		
Total remuneration paid to auditors	20,700	15,480
Reimbursement of personal expenses to governors - travel costs	637	508
Other governance costs	676	748
Staff costs	8,274	8,177
	<hr/>	<hr/>
	30,287	24,913
	<hr/>	<hr/>
Travel expenses were reclaimed by 2 members (2018: 2) of the Governing body		
	2019 £	2018 £
10 Interest payable		
Bank loans re purchase of property	102,385	68,938
Fees in advance agreements	23,588	26,108
	<hr/>	<hr/>
	125,973	95,046
	<hr/>	<hr/>
11 Tax on profit on ordinary activities		

The directors do not believe the company is liable for any corporation tax arising out of its activities during the year on the grounds referred to in note 1k) Principal Accounting Policies - Taxation.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

12 Tangible assets

	Freehold Buildings £	Short Leasehold Buildings £	Long Leasehold Buildings £	Fixtures, Fittings Equipment & Motor Vehicles £	Total £
Cost					
At 1 August 2018	3,373,592	647,190	3,523,012	1,170,188	8,713,982
Additions	1,028,956	43,338	171,723	390,333	1,634,350
Disposals	-	-	-	(104,705)	(104,705)
At 31 July 2019	<u>4,402,548</u>	<u>690,528</u>	<u>3,694,735</u>	<u>1,455,816</u>	<u>10,243,627</u>
Depreciation					
At 1 August 2018	-	334,853	905,042	649,859	1,889,754
Charge for year	19,900	15,503	110,932	136,736	283,071
On disposals	-	-	-	(104,705)	(104,705)
At 31 July 2019	<u>19,900</u>	<u>350,356</u>	<u>1,015,974</u>	<u>681,890</u>	<u>2,068,120</u>
Net book values					
At 31 July 2019	<u>4,382,648</u>	<u>340,172</u>	<u>2,678,761</u>	<u>773,926</u>	<u>8,175,507</u>
At 31 July 2018	<u>3,373,592</u>	<u>312,339</u>	<u>2,617,970</u>	<u>520,329</u>	<u>6,824,230</u>

All fixed assets are held for use by the charity:

In 2016, the School obtained a formal professional valuation of its freehold properties, which showed a market value for those properties of approximately £1.980 million. The historical cost of these properties was approximately £1.142 million. The School has taken advantage of the transition option under FRS 102 to accept this valuation as deemed cost.

Short leasehold buildings (leaseholds with 50 years or less unexpired) comprise improvements to property leased from the Old Herefordian Fund and the Church Commissioners.

Long leasehold buildings (leaseholds with more than 50 years unexpired) comprise improvements to property leased from the Dean and Chapter of Hereford Cathedral.

The capital commitment for the coming year is £142,444 for the purchase and installation of a new computer server and boiler (2018: £1,018,959).

Included within tangible fixed assets above are assets with a net book value of £6,030 (2018: £9,000) which meet the definition of intangible fixed assets.

Included within freehold buildings in the prior year were £1,393,592 held as assets under construction. The capital works were completed as at the year end 2019 and are therefore now being depreciated in line with the freehold property accounting policy. Further additions of £1,028,956 were made in the year end 31 July 2019 and following application of depreciation, the value carried forward at the year end was £2,416,508.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

13 Fixed asset investments

	Philpotts Educational Charity £	Music Bursary Fund £	Bursary Fund £	Total £
Market Value				
At 1 August 2018	534,836	430,545	307,285	1,272,666
Additions	69,146	27,656	36,114	132,916
Disposals	(63,623)	(50,959)	(35,216)	(149,798)
Gains/(loss)	17,101	15,597	11,914	44,612
Movement in cash	1,056	17,298	1,417	19,771
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2019	558,516	440,137	321,514	1,320,167
	<hr/>	<hr/>	<hr/>	<hr/>
Split as:				
Investments held	551,126	415,594	315,462	1,282,182
Cash & pending settlements	7,390	24,543	6,052	37,985
	<hr/>	<hr/>	<hr/>	<hr/>
	558,516	440,137	321,514	1,320,167
	<hr/>	<hr/>	<hr/>	<hr/>
Investment in subsidiary				1
				<hr/>
				1,320,168
				<hr/>

All investments are listed and held in the UK.

Philpotts Education Charity

All investments form part of the Philpotts Educational Charity Permanent Endowment Fund, further details of which can be found in Note 18a. 90% of the market value is held in a Brewin Dolphin investment portfolio with 10% held in a CCLA investment portfolio.

Music bursary fund investment

All investments are held in an Investec investment portfolio.

Bursary fund investments

50% of the market value is held in an Investec investment portfolio with 50% held in a Brewin Dolphin investment portfolio.

HCS Educational Services Ltd

HCS Educational Services is a wholly owned subsidiary of Hereford Cathedral School. The holding represents the ownership of 100% of the share capital by the school.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

14 Debtors amounts falling due within one year	2019 £	2018 £
School fees	316,094	329,858
School fee extras	61,732	146,985
Other debtors	162,161	69,962
Prepayments and accrued income	111,069	109,014
	<hr/>	<hr/>
	651,056	655,819
	<hr/>	<hr/>

School fees are stated after impairment provisions totalling £150,000 (2018: £150,000).

15a Creditors: amounts falling due within one year	2019 £	2018 £
Instalments due on bank loans	253,534	755,131
Trade creditors	65,304	153,677
Other taxes and social security costs	116,835	107,862
Other creditors	82,705	82,130
Accruals	271,237	268,063
Deferred income (note 15b)	636,099	100,691
Fees in advance	333,249	336,848
Registration deposits	104,200	73,955
	<hr/>	<hr/>
	1,863,163	1,878,357
	<hr/>	<hr/>

15b Deferred income

The movements during the year were:-

Balance at 1 August 2018	100,691
Amount received during the year	636,099
Amount utilised in the payment of fees	(100,691)
	<hr/>

Balance at 31 July 2019	636,099
	<hr/>

Deferred income comprises of overseas tuition fees paid in advance of the start of term.

16a Creditors: amounts falling due after more than one year	2019 £	2018 £
Instalments due on bank loans	2,480,683	761,053
Fees in advance	519,002	583,206
	<hr/>	<hr/>
	2,999,685	1,344,259
	<hr/>	<hr/>

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

	2019	2018
	£	£
16b Ageing of Bank loans		
Amounts fall due on bank loans as follows:		
In one year or less (note 15a)	253,534	755,131
Between one and two years	209,291	152,948
Between two and five years	594,303	524,230
Over five years	1,677,089	83,875
	<hr/>	<hr/>
	2,734,217	1,516,184
	<hr/>	<hr/>
	2019	2018
	£	£
16c Fees in Advance		
Amounts fall due on fees in advance as follows:		
In one year or less (note 15a)	333,249	336,848
Between one and two years	207,877	222,994
Between two and five years	279,236	306,490
Over five years	31,889	53,722
	<hr/>	<hr/>
	852,251	920,054
	<hr/>	<hr/>
The movements during the year were:-		
Balance at 1 August 2018	920,054	
Amount received during the year	449,401	
Capital Repaid	(21,792)	
Amount utilised in the payment of fees	(495,412)	
	<hr/>	
Balance at 31 July 2019	852,251	
	<hr/>	

- a) Bank loans are being repaid by instalments as follows:
- 12 monthly instalments with interest at a fixed rate of 6.99% per annum. The loan matures on 31st December 2024.
 - 12 monthly instalments with interest at a fixed rate of 4.99% per annum. The loan matures on 31st August 2023.
 - 12 monthly instalments with interest at a variable rate. The loan matures on 7th August 2023.
 - A new loan of £1,880,000 was fully drawn down in the year. The loan will be paid via 12 monthly instalments at a fixed rate of 4.34% per annum, after an initial interest only period, ending in July 2020.
- b) The bank loans are secured by first legal charges over Nos. 28 and 31 Castle Street, St. David's Hall Hereford, Quay House & Wilmot House.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

17 Analysis of net assets between funds

The net assets held for the various funds at 31 July 2019 are:

	Tangible Fixed Assets £	Investments £	Net Current (Liabilities) £	Net Long Term (Liabilities) £	Total £
Permanent endowment fund	-	558,516	(12,800)	-	545,716
Restricted fund	-	761,651	297,211	-	1,058,862
Unrestricted funds:					
- General Fund	8,175,507	1	(1,043,206)	(2,999,685)	4,132,617
	<u>8,175,507</u>	<u>1,320,168</u>	<u>(758,795)</u>	<u>(2,999,685)</u>	<u>5,737,195</u>

17a Permanent Endowment Fund

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfer, Investment Gains £	Balance at 31 July 2019 £
Philpotts Educational Charity					
- Preserved Value	154,417	-	-	-	154,417
- Unapplied Total Return	374,199	11,127	(4,548)	10,521	391,299
	<u>528,616</u>	<u>11,127</u>	<u>(4,548)</u>	<u>10,521</u>	<u>545,716</u>

The Philpotts Educational Charity was originally established as a Scholarship Fund but under a Ministry of Education Order of 1947, the Scheme was varied to allow income to be used for the benefit of the school generally. The School operates a policy of total return on its Endowment Funds and the School extracts the dividend income and investment management fees each year. This totals £6,580 and can be seen as a transfer on the Statement of Financial Activities from Endowment Funds to Unrestricted Funds.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

17b Restricted Funds

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers, Investment Gains £	Balance at 31 July 2019 £
Old Herefordian Bursary Fund (a)	-	163,000	(163,000)	-	-
Charitable Bursary Fund (b)	384,181	43,267	(2,878)	11,914	436,484
Music Bursary Fund (c)	434,360	11,877	(17,882)	15,597	443,952
Friends Bursary Fund (d)	107,291	4,805	-	-	112,096
Other Bursary Funds (e)	66,675	21,500	(24,100)	950	65,025
Rowing Fund (f)	1,305	-	-	-	1,305
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	993,812	244,449	(207,860)	28,461	1,058,862
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The income on restricted funds comprised donations received during the current academic year.

a) The Old Herefordian Bursary Fund includes donations of £163,000 from The Old Herefordian Fund which contribute to the costs of scholarships and bursaries.

b) The source of the Charitable Bursary Fund is the donation of bursary fund contributions paid by parents when their child starts at Hereford Cathedral School. The purpose of the Charitable Bursary Fund is to make the school accessible to pupils who would not otherwise be able to access education at an independent school. The governors consider that giving access in this way fits with the ethos of the school, and is appropriate to a school which has close links to the church.

c) In 2011 the school was given a £325,000 legacy from the estates of two generous benefactors. The legacy stipulated that it should be used for a musical purpose. The governors decided that the legacy would be used to provide assistance for musically gifted children who would not otherwise be in a position to attend the school.

d) A Friends Bursary Fund has been set up which is intended to support the development of bursaries for talented pupils from families who would not be able to afford the fees. Funds are received in the form of donations made by friends of the school.

e) Other bursary funds are other small donations restricted for use towards school bursaries.

f) The rowing fund is used to support the rowing activities of the school.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

17c Unrestricted Funds

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2019 £
- General Fund	4,115,541	9,229,195	(9,217,749)	5,630	4,132,617
	<u>4,115,541</u>	<u>9,229,195</u>	<u>(9,217,749)</u>	<u>5,630</u>	<u>4,132,617</u>

A transfer of £6,580 has been made from the permanent endowment fund to unrestricted fund as the scheme allows income to be used for the benefit of the school generally. A transfer of £950 has been made to restricted funds to correct the fund balance for amount incorrectly taken from unrestricted funds.

	2019 £	2018 £
18a Reconciliation of operating surplus to net cash inflow from operating activities		
Net incoming resources	99,226	128,466
Returns on investments and servicing of finance (note 18b)	72,062	37,934
(Gain) on investments	(44,612)	(69,107)
	<u>126,676</u>	<u>97,293</u>
Operating surplus	126,676	97,293
Depreciation	283,070	225,185
Decrease in debtors	4,764	35,095
Increase/(Decrease) in creditors	490,004	(56,589)
	<u>777,838</u>	<u>203,961</u>
Net cash inflow from operating activities	<u>904,514</u>	<u>300,984</u>

The decrease in creditors of £516,858 (2018: £56,589) does not include bank loans and advance fees.

	2019 £	2018 £
18b Returns on investments and servicing of finance		
Dividend income	(29,832)	(29,715)
Bank interest received	(491)	(1,288)
Bank interest paid	102,385	68,937
	<u>72,062</u>	<u>37,934</u>

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

19 Analysis of changes in net debt

	At 1 August 2018 £	Cash Flows £	At 31 July 2019 £
Cash in hand, at bank	107,870	345,442	453,312
Debt due within 1 year	(755,131)	501,597	(253,534)
Debt due after 1 year	(761,053)	(1,719,630)	(2,480,683)
	<hr/>	<hr/>	<hr/>
Total	(1,408,314)	(872,591)	(2,280,905)
	<hr/>	<hr/>	<hr/>

20 Guarantees and other financial commitments

The total operating lease payments committed to be paid are as follows:-

	2019			2018		
	Land and Buildings £	Equipment £	Total £	Land and Building £	Equipment £	Total £
Within one year	303,850	102,541	406,391	301,544	111,334	412,878
Within two to five years	1,138,520	126,827	1,265,347	1,149,520	229,368	1,378,888
After five years	10,248,905	-	10,248,905	10,533,535	-	10,533,535
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11,691,275	229,368	11,920,643	11,984,599	340,702	12,325,301
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

21 Related party transactions

During the year governors made donations to the School towards bursary funds of £300 (2018: £300).

A number of governors have, or did have, children who are educated at the School. All fees are paid under normal terms.

The Old Herefordian Fund (charity number: 504119) is a charity in which J Sheldon, a governor at the School, is also a trustee. During the course of the year the School paid rent to the Old Herefordian Fund, details of which can be found in note 3 of these accounts.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

	2019	2018
	£	£
22 Financial instruments		
a) Financial instruments measured at amortised cost	993,299	654,675
b) Financial instruments measured at fair value	1,320,168	1,272,666
c) Financial liabilities measured at amortised cost	(3,257,663)	(2,094,009)
	<u> </u>	<u> </u>
	(943,596)	(166,668)
	<u> </u>	<u> </u>

- a) Financial assets include cash, trade and fee debtors, other debtors and accrued income.
b) Financial assets held at fair value include assets held as investments.
c) Financial liabilities include loans, fee deposits, trade creditors, other creditors and accruals.

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

23 Statement of Financial Activities – Comparative figures by fund-type – Year ended 31 July 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Fund £	Total Funds 2018 £
Income and endowments from:					
Charitable activities:					
School fees receivable	3	7,501,047	163,000	-	7,664,047
Ancillary trading income	4	248,782	907,061	-	1,155,843
Other educational income	4	6,375	-	-	6,375
Voluntary sources					
Donations and legacies		-	35,854	-	35,854
Investments					
Income from investments	5	2,927	17,000	11,076	31,003
Other trading activities:					
Non-ancillary trading income	5a	104,434	-	-	104,434
Total incoming resources		<u>7,863,565</u>	<u>1,122,915</u>	<u>11,076</u>	<u>8,997,556</u>
Expenditure on:					
Raising funds					
		<u>89,439</u>	<u>6,929</u>	<u>4,484</u>	<u>100,852</u>
Charitable activities					
Schools and education		7,653,000	202,723	-	7,855,723
School trips and activities		-	886,576	-	886,576
Financing costs					
Interest	10	95,046	-	-	95,046
		<u>7,748,046</u>	<u>1,089,299</u>	<u>-</u>	<u>8,837,345</u>
Total expenditure	7	<u>7,837,485</u>	<u>1,096,228</u>	<u>4,484</u>	<u>8,938,197</u>
Net incoming resources from operations before transfers and investment gains		26,080	26,687	6,592	59,359
Net gains on investments		-	37,534	31,573	69,107
Transfers between funds		54,736	(48,144)	(6,592)	-
Net movement in funds for the year		<u>80,816</u>	<u>16,077</u>	<u>31,573</u>	<u>128,466</u>
Fund balances at 1 August 2017		<u>4,034,725</u>	<u>977,735</u>	<u>497,043</u>	<u>5,509,503</u>
Fund balance at 31 July 2018	25	<u>4,115,541</u>	<u>993,812</u>	<u>528,616</u>	<u>5,637,969</u>

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

24a Permanent Endowment Fund - Prior Year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfer, Investment Gains £	Balance at 31 July 2018 £
Philpotts Educational Charity					
- Preserved Value	154,417	-	-	-	154,417
- Unapplied Total Return	342,626	11,076	(4,484)	24,981	374,199
	<u>497,043</u>	<u>11,076</u>	<u>(4,484)</u>	<u>24,981</u>	<u>528,616</u>

24b Restricted Funds - Prior Year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers, Investment Gains £	Balance at 31 July 2018 £
Old Herefordian Bursary Fund (a)	-	163,000	(163,000)	-	-
Charitable Bursary Fund (b)	335,537	29,470	(2,903)	22,077	384,181
Music Bursary Fund (c)	424,445	12,093	(17,635)	15,457	434,360
Friends Bursary Fund (d)	102,437	4,854	-	-	107,291
Other Bursary Funds	79,657	13,631	(26,613)	-	66,675
Rowing Fund	8,000	-	(6,695)	-	1,305
Other Educational Activities (e)	27,659	899,867	(879,382)	(48,144)	-
	<u>977,735</u>	<u>1,122,915</u>	<u>(1,096,228)</u>	<u>(10,610)</u>	<u>993,812</u>

24c Unrestricted Funds - Prior Year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 July 2018 £
- General Fund	4,034,725	7,863,565	(7,837,485)	54,736	4,115,541
	<u>4,034,725</u>	<u>7,863,565</u>	<u>(7,837,485)</u>	<u>54,736</u>	<u>4,115,541</u>

HEREFORD CATHEDRAL SCHOOL
(a company limited by guarantee)

NOTES ON ACCOUNTS

31 July 2019

25 Analysis of net assets between funds – Prior Year

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

	Tangible Fixed Assets £	Investments £	Net Current (Liabilities) £	Net Long Term (Liabilities) £	2018 Total £
Permanent endowment fund	-	534,836	(6,220)	-	528,616
Restricted fund	-	737,830	255,982	-	993,812
Unrestricted funds:					
- General Fund	6,824,230	-	(1,364,430)	(1,344,259)	4,115,541
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,824,230	1,272,666	(1,114,668)	(1,344,259)	5,637,969
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

26 Post Balance Sheet Events

A new limited Company, Hereford International School Ltd (company number: 12192308) was incorporated on 6 September 2019 and is a wholly owned subsidiary of Hereford Cathedral School from this date.