

Registered number: 07302696
Charity number: 1137481

Lichfield Cathedral School

Governors' report and financial statements

for the year ended 31 August 2020



Lichfield Cathedral School
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the School, its Governors and advisers	1 - 2
Governors' report	3 - 15
Independent auditor's report on the financial statements	16 - 18
Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22 - 41

Lichfield Cathedral School
(A company limited by guarantee)

Reference and administrative details of the School, its Governors and advisers
for the year ended 31 August 2020

Governors	Mrs C Abbott BA, Chair of the Education Committee (resigned 19 December 2019) Ms N Dawes OBE, Interim Vice Chair of Governors The Very Rev'd A J Dorber BA MTh, Dean of Lichfield Cathedral Mrs R Hadley-Leonard (appointed 6 March 2020) The Rev'd Canon P S Hawkins MA (Oxon) Bphil CQSW Bth (resigned 19 December 2019) Mr C Hopkins BA MBA MBE, Chair of Governors (resigned 14 July 2020) Mrs J Mason PGCE Mr R Oakley Mr C Rickart BA PGCE Mrs N Roy FCCA The Rev'd Canon A Stead MA Ms C S Shaw BEd, Interim Chair of Governors (appointed 8 November 2019)
Company registered number	07302696
Charity registered number	1137481
Registered office	The Palace The Close Lichfield Staffordshire WS13 7LH
Head	Mrs S E Hannam BA MA PGCE
Bursar	Mr D W P Brown BA ACMA CGMA (resigned 31 December 2019) Mrs P A Sharratt FCCA (appointed 3 February 2020)
Independent auditor	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Santander Corporate Banking West Midlands Corporate Banking Centre 1 Cornwall Street Birmingham B3 2DX National Westminster Bank Plc 47 Market Street Lichfield Staffordshire WS13 6LE

Lichfield Cathedral School
(A company limited by guarantee)

Reference and administrative details of the School, its Governors and advisers (continued)
for the year ended 31 August 2020

Solicitors	Pickerings Solicitors (Tamworth) Limited Etchell House Bonehill Road Tamworth Staffordshire B78 3HQ
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Insurance Brokers	Hettle Andrews & Associates Ltd Eleven Brindley Place Birmingham B1 2LP
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Governors' report
for the year ended 31 August 2020

The Governors present their annual report together with the audited financial statements of the School for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

The Choristers of Lichfield Cathedral have been provided with an education for many hundreds of years. The school was re-founded in 1942 as an Independent School. A Charity was established in 1981, registered with the Charity Commission under charity number 1078650, however that charity ceased to operate on 5th November 2010 and all the assets and liabilities were transferred into this Charitable Company on that date. The governors and executive officers of the Charitable Company are listed on page 1 together with particulars of the professional advisers.

Objectives and activities

a. Policies and objectives

Charitable Objects

The Charity's Objects, as set out in its Articles of Association, are:

- To advance education in such ways as the Governors see fit, including in particular by the provision and conduct of a school for boys and girls which shall have a religious character in accordance with the tenets of the Church of England and which shall in particular (but without limitation) provide education for the Choristers of the Cathedral.
- To advance religion through worship according to the rites and ceremonies of the Church of England as offered from time to time in the Cathedral and elsewhere and the participation therein of the Choristers, other pupils at the School, families of the pupils, staff and other persons connected with the School.
- To further religious, educational and other charitable work in accordance with the principles of the Church of England in the diocese of Lichfield and the wider community.

In meeting these Objects, the School aims to create and maintain an educational environment which nurtures, nourishes and stimulates young minds and talents; one where the children may gain a thorough academic foundation and a wealth of experiences and challenges; and one where daily life is conducted according to Christian values. Furthermore, the School aims to provide a secure and ordered framework through which the children may develop their self-esteem and confidence, discover the riches of successful participation and achievement, and develop a spirit of generosity and service to others within the wider community.

Objectives and activities (continued)

Main Objectives

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we enhance the academic success of the School and continue to provide a wide range of co-curricular activities and enrichment opportunities for our pupils.

In the furtherance of these aims and planning our activities, the Governors have given careful consideration to the Charity Commission's public benefit guidance.

Main objectives for the year included:

- To increase pupil recruitment across all year groups, with a specific focus on Pre-School and Sixth Form.
- To improve pupil retention, particularly between Key Stage 2 and 3 and Key Stage 4 and 5.
- To raise achievement and value-added scores across all subjects.
- To continue to improve the School's provision for sport, PE and games.
- To expand the physical space and resources available for learning with particular focus on Sixth Form provision
- To further extend the co-curricular programme.
- To support all aspects of chorister life for all boy and girl choristers of the school.
- To further develop the programme of performance management and appraisal for all teaching and support staff.
- To extend the School's links with other educational, charitable and commercial organisations.
- To expand the School's musical and other outreach work with primary and secondary schools across the diocese.
- To provide continuing support for pupils already in receipt of fee assistance through bursaries.
- To increase the provision of means-tested bursary support.
- To continue participation in the cultural and social life of Lichfield.

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The governors resolved to scrutinise and support the work of the Senior Management and Leadership Groups in shaping the new curriculum, appointing staff, implementing the admissions policy, resourcing and facilitating academic departments, increasing extra-curricular provision and developing links with the wider educational community within clear budgetary guidelines. It was reaffirmed that the appointment of high quality staff in all areas of the school's activities was the key to success.

c. Grant-making policies

The policy of reducing the financial resources provided for awards based on merit (scholarships) and allowing more funds to be provided for the assistance of those in financial need (bursaries) was sustained during the year. With no endowments or restricted funds, the School pays all such awards from income, necessarily requiring in this challenging economic environment that such awards are relatively small, but allowance has been made for the award of a 100% bursary should the appropriate circumstances present themselves.

Objectives and activities (continued)

d. Volunteers

The School is fortunate to have a dedicated, experienced Board of Governors who have given increased time and thought to the governance of the School during this academic year.

The Friends of the Cathedral School is run by a committee of highly enthusiastic and dedicated parents. Their principal twin aims are to provide good quality social events throughout the year for parents and pupils to enjoy, whilst also raising funds for the School in order to provide items that might not otherwise be afforded. Their policy for the allocation of funds is to provide for special items that would not naturally fall within the school's budget, and to ensure that all children in the school, throughout the age range, benefit from the projects supported. Events organised by The Friends include Quiz Nights, a festive afternoon tea and a Christmas Fayre, plus film nights and discos for children. The School's second-hand uniform shop is organised and managed by The Friends, with all proceeds spent on projects that benefit pupils.

Other parents, former staff and friends contribute to the School in a multitude of ways ranging from hearing children read in the classroom, actively supporting the School's games programme and preparing costumes for drama productions. One set of parents delivered an interactive financial workshop about money and investments to Year 6. A group of senior students were trained and joined the team of stewards of the Cathedral and have proved to be outstanding ambassadors for both the Cathedral and the School.

The Governors and Senior Management Team greatly appreciate the valuable contribution of all volunteers.

e. Sustainability

All activities of the Governing Body during the year have been dedicated to the sustainment, improvement and general development of a school which provides an education for a broader range of boys and girls aged 2 and a half to 18, in particular the Cathedral choristers, within the context of its Christian ethos.

The Governing Body intend to expand its number to broaden the representation of skills and experience. The clarification of objects, ethos, relationships and structure of governance will enable the Governors and the Senior Management Team to pursue further development with clarity of vision.

Strategic report

Achievements and performance

a. Main achievements of the School

Pupil Numbers and Fees

For the fourth year in a row, and despite difficult economic conditions which resulted in the closure of several local independent schools, the numbers on the School roll at the start of the academic year increased from the previous academic year. In September 2019 there were 514 pupils enrolled, compared to 480 on roll at the end of 2018-2019. By the end of the 2019-2020 academic year this number had increased to 531.

Strategic report (continued)

Achievements and performance (continued)

The fee increases this year were restricted by the Governors to 3% to enable the continued provision of education and the upkeep of the School's facilities. The annual fees for the year before the deduction of any means-tested bursaries and scholarships were:

Nursery and Pre-Reception full day	£9,090
Reception	£9,090
Years 1 and 2	£9,675
Years 3 and 4	£11,130
Years 5 and 6	£13,080
Years 7 to 9	£13,380
Years 10 to 13	£14,250

The impact of COVID-19

Like all schools, the global pandemic impacted greatly on school life during 2020. Remote learning was undertaken from March 2020 until the end of the school year by the majority of pupils, with only vulnerable children and the children of key workers attending school on-site. This was challenging in terms of the need for staff, pupils and, in some cases, parents to learn new skills very quickly and the fact that the necessary fee reduction led to the furloughing of a large percentage of school staff. In addition, the school continued to be open for the children of key workers through the Easter holidays. As the Trinity term progressed, preparations were made for the return of some pupils as per government guidance, so that from June 2020, pupils from the following year groups were able to attend school in some capacity: Nursery to Year 6, Years 10 and 12, plus vulnerable children and key worker children in all year groups.

The impact on the senior leaders of the school was, and continues to be, significant. At all points that the school was open, there were variable numbers of staff and pupils self-isolating or in quarantine, making the running of the organisation extremely complex. From a logistical point of view, pressures on the use of the site, in particular for dining and sports purposes, coupled with the need to keep each year group bubble separate from the others, presented considerable strain and challenge. Confusion, late decision-making and sudden reversals of policy with regard to public examinations and the release of results, caused considerable difficulty for students and staff alike.

The close relationship with Lichfield Cathedral and the restrictions and challenges faced by that sector, also impacted school life, with regard to the choristers and the inability to attend the Cathedral for services and assemblies. In spite of these not inconsiderable challenges, there was real joy and incredibly positive feedback from parents about how the school managed the situation, especially when compared to the performance of local (state and independent) schools.

Academic Performance

Despite the difficulties faced by students during the year, the GCSE and A Level exam results were the best results ever achieved by the school.

The GCSE 100% pass rate was maintained, with 100% of students achieving at least 5 GCSEs with grades 9-4 (A**-C), including English and Mathematics, a 10% improvement on the previous year. 46% of all grades were 9-7 (A**-A) and 75% of all grades were 9-6 (A**-B). The students and staff were congratulated for such outstanding results.

Strategic report (continued)

Achievements and performance (continued)

The post-16 students also achieved a 100% pass rate in A Levels and BTECs and 42% of all grades were A*-A, up from 31% the previous year. 97% of grades were A*-C, up from 86% in 2019. All students who wished to progress to higher education gained a place on the course of their choice. Outstanding individual performances included Josh Rooke (A*, A*, A*, A in EPQ) who gained a place to study Theology at the University of St Andrews; Henry Sanders (A*, A*, A, A* in EPQ) who will be studying Aerospace Engineering at Manchester University; and Joe Ridding (A*, A*, A, A in EPQ), who will study International Relations at the London School of Economics; Megan Richardson gained a place at Leeds University to study Music and Kathryn Kreuser's excellent results have secured a place at Derby University to study Animation.

As a non-academically selective school, some students entered the Sixth Form with modest GCSE results, so it is a testament to the dedication and commitment of students and staff that the leavers achieved grades high enough to gain places on challenging university courses that will prepare them for ambitious career paths.

b. Review of activities

Co-curricular Programme

Embedded within the curriculum, co-curricular programme, the Ethical Leadership qualification and other School activities (e.g. assemblies, charitable work and services of worship) are creative ways to develop the whole individual, including the 'soft skills' of presentation, public speaking, leadership, team working, coaching and mentoring of others, and social skills.

Music

As evidenced by excellent ABRSM, Trinity Guildhall and Rock School examination results and in the outstanding performances at concerts and events, the standard of singers and instrumentalists continued to rise. The Music Department forms a central part of the school's educational provision and is substantially involved in the embodiment of the School's ethos. There are several choirs, multiple ensembles and an orchestra regularly playing and performing in school and at venues across the diocese.

Highlights from the first half of 2019-2020 included: performances in several Cathedral services and Foundation Day; a lunchtime vocal recital series for both junior and senior pupils held in the School Chapel; a whole-school concert in November (Winter Wonderland) featuring children from age 5 to 18; and the Sacred Spaces concert in St Michael's in central Lichfield.

Until the last full week in March, the choristers continued to sing six services per week. Senior choristers sang for the College of Canons' evensong and were invited to stay for supper in the Cathedral. All the choristers sang with a professional orchestra in an outstanding performance of Holst's 'The Planets' suite in September. A particularly busy Christmas Week of services and concerts included shoppers' carol services, a visit to the Wedgwood factory, concerts in front of packed audiences, the Advent and Christmas Carol Services and the Christmas Day Sung Eucharist. Four choristers were chosen to sing solos with a live orchestra as part of a touring production of 'The Snowman'. Chorister Josie Sim was shortlisted in the BBC Chorister of the Year competition, with the final due to take place in November/December 2020.

Unfortunately, the lockdown meant all in-person Cathedral services were cancelled and the Cathedral closed. However, the choristers continued to record their choral parts at home, with the Director of Music editing solo recordings together to form a choir, enabling music to still form part of worship broadcast to the congregation over the internet.

The Young Singing Leader Awards continued to inspire pupils from Years 5 to 13 to develop their leadership skills, build their confidence in a position of responsibility and progress towards leading a choir whilst working with amateurs in the music outreach programme, helping to train children across the diocese.

Strategic report (continued)

Achievements and performance (continued)

For the first time, a recital evening focused exclusively on pianists, showcasing work from beginners to inspirational senior students. Clarinettist James Sutton (Year 6) won a place in the National Youth Under 11s Orchestra and Alastair Willimott (Year 12) was asked to play for the National Scout and Guide Symphony Orchestra.

Drama

Drama remains extremely popular with pupils and everyone has the opportunity to take part in a wide variety of productions. There were several small-scale productions by year groups prepared during curriculum lessons and performed to parent groups, such as the Nursery and Pre-Reception's performance of 'Twas The Night Before Christmas'. Pupils from Years 5 to 13 staged four performances of 'The Sound of Music' at the Sutton Coldfield Town Hall in February 2020 to great acclaim. Students had the opportunity to see professional theatre productions of 'Blood Brothers', 'Cinderella', 'The Prince and the Pauper', an RSC production of 'Macbeth' via livestream broadcast, and a live performance of 'King John' in Stratford and 'An Inspector Calls' at Birmingham Rep. The effects of the pandemic cut short the normal pattern of performances and theatre visits.

LAMDA lessons continued for a second year at the school, with a significant increase in the number of pupils taking part and more than 90 lessons taking place each week. The examination results were outstanding with every pupil achieving either 'merit' or 'distinction', and a number of senior pupils achieved medals (and UCAS points) in public speaking and performance. Year 8 pupil Euan Williams-Cobley placed second in his category of the Poetry Competition hosted by Lichfield Cathedral, from a field of over 1,000 entries.

Sport

Sport for enjoyment and fitness forms a central part of the curriculum for all age groups and the co-curricular programme. The number of children participating in sport fixtures and the variety of sports continued to increase. Rugby, football, cricket, hockey, rounders, netball, cross-country, orienteering and athletics teams compete with other schools in leagues and tournaments. Students benefit from the use of facilities within the school and professional facilities in the local area that enable them to take part in badminton, squash, gymnastics and swimming.

Some of the highlights of the year included hosting two hugely successful sports awards evenings with Paralympic athlete Chelsey Dixon and GB hockey player Anna Toman as guest speakers. These annual events took place to recognise and celebrate the sporting achievement of LCS pupils. The school was presented with an award by the Lawn Tennis Association, in the Staffordshire LTA Education category, for its outstanding outreach work. A successful partnership between LCS and Beacon Park Tennis was secured, enabling the complete refurbishment of the tennis and netball courts. The school achieved the National School Games Gold award again, for the third year.

The number of students achieving county, regional or national success in a range of sports continues to increase: Lily Upton - hockey, National Performance Centre pathways; Ben Evans - cross country, Staffordshire; Grace Megan - hockey, Staffordshire; Christian Bannister - rugby, Staffordshire, Leicester Tigers DPP; Sebastian Fisher - hockey, Regional representation plus tennis, Staffordshire; Sophie Mayne - rugby, Staffordshire; Sophie Evans and Madison Seedhouse - equestrian, national and international level; Eloise and Chloe Mott - hockey, Staffordshire; Megan Henderson - swimming, Staffordshire; Joshua Burford, motorsport, national; Jake Wright - American football, Team GB U19. Matthew White continued to win regional golf tournaments and became an ambassador for the sportswear brand Squadkit.

Strategic report (continued)

Achievements and performance (continued)

Careers education

Unfortunately, due to the timing of the lockdown, a significant number of planned careers events had to be cancelled. However, work continued through Personal, Social and Health Education lessons. In addition, senior students took part in 'What Career / University Live', a large-scale higher education and careers fair held at the NEC, which included the opportunity to speak with potential employers and benefit from seminars and workshops. Year 6 completed a financial and enterprise challenge run by a local firm headed by parents and Computer Science pupils visited Warwick University to research career options.

Enrichment activities

Despite the planned programme of school trips being curtailed, pupils visited places of educational interest such as: Geography field trips to Wales, Carding Mill Valley and Iceland; the Roman site at Wall for Year 5; 100% Design exhibition in London; the Natural History Museum; the Birmingham Museum; Sixth Form Biology field trip to Margam in Wales; English in Action conference for English Literature A Level students; Year 3 visited the Thinktank in Birmingham; Junior pupils enjoyed the Snowdome in Tamworth; Business and Economics conference in Birmingham for A Level students; Year 5 visited Lichfield Library; Year 9 visited the Science Museum in London; Year 1 visited the Pear Tree Creperie to practice their French; Year 2 went to the Samuel Johnson Birthplace Museum; Year 7 attended the 'Feel the Music' concert in Symphony Hall in Birmingham; Year 11 attended the Science Live event in Birmingham; and juniors visiting the Potsy Pamsy Art Studio. The final large-scale trip of the year was a ski trip to Fiesch in Switzerland during the February half term.

A number of team-building activities were organised including residential trips for Year 7 in York at the start of the academic year; Year 9 staying at the Kingswood Outdoor Activity Centre at Dearne Valley near Doncaster; and Year 11 and 12 visited the Woodlands Outdoor Activity Centre.

The Duke of Edinburgh Award scheme continues to thrive, with senior students undertaking three-day expeditions, learning new skills and completing community service. Two students completed the Gold level and received their awards from Prince Edward, Earl of Wessex. Two students also took part in the Walsingham Youth Pilgrimage.

The Forest School programme is now firmly embedded in the curriculum from EYFS to Year 9. Pupils continued to develop useful outdoor skills, whilst building self-confidence, resilience and an appreciation of the natural environment. Year 9 students developed their mentoring and leadership skills through working with Year 2 children to improve their mathematical understanding and skills. Key Stage 4 and 5 students produce Radio Lichfield, devising, recording and editing regular news and current affairs items made available in the form of podcasts downloaded from soundcloud.com.

Cross-curricular enrichment days included celebrating the European Day of Languages which involved a French café run by pupils, a themed school lunch and modern foreign languages featuring in every lesson; Year 2 had a Victorian experience day at Blists Hill; the whole school got involved in National Poetry Day, including visits from local poets; the Junior school initiated a series of termly rambles through the countryside surrounding the Longdon site; Year 3 studied the lives of Romans. Sixth Form psychology and biology students took part in a 'brain day' with guest speakers. Other extension events aimed at Key Stage 5 included Maths lectures, a science and engineering fair and conferences in philosophy and ethics, business studies and economics, alongside residential study and revision sessions.

Strategic report (continued)

Achievements and performance (continued)

Details of bursary and scholarship awards

Bursaries

This year the value of means-tested bursaries totalled £268,596 (2019 - £197,736) and represented 4.2% (2019 - 3.6%) of our gross fees and provided assistance to 52 (2019 - 38) of our pupils.

Scholarships

In addition, the School awarded scholarships to 163 (2019 - 150) pupils, based on their educational merit and potential, totalling £346,975 (2019 - £276,472) and representing 5.5% (2019 - 5.0%) of our gross fees. The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of reviews.

Service to the Community

Fundraising

A large amount of fundraising was undertaken throughout the year on behalf of Buddy Bag Foundation, Children in Need, the RSPCA, Sport Relief and Christian Aid. During lockdown many children took part in a wide range of charitable giving, ranging from donations of hair for the Little Princess Trust (to create wigs for children undergoing cancer treatment), to sponsored head shaves to raise money for the NHS. As a school, there was considerable focus on providing support to the Lichfield and Rugeley Foodbanks, to help local families in need.

Music outreach

Music outreach activities enable the School to share its expertise with local schools and encourage children from across the region to engage with new forms of making music. The School's award-winning MusicShare programme, which is supported by Entrust, Staffordshire's Music Service, the Music Partnership and the Arts Council, has continued to grow and reach more children across the Midlands. When it started, MusicShare worked with 3 schools per term, now it works with 150 per term in core projects and one-off workshops.

Before the lockdown, the school continued to provide a free weekly hour-long sing-along group for under 5s and their parents called Toddler Rhyme Time based at the Longdon site and Mini Voices, a weekly music group for the same age range based in The Close. These valuable sessions enable children to build confidence and social skills, as well as developing the early phonics building blocks for literacy and numeracy. During lockdown, Mini Voices continued via online sessions. Other groups run by MusicShare include community choirs such as Young Voices (ages 6-11), Youth Voices (ages 12-18) and Ladies Who Lark (age 18+), curriculum singing workshops for Key Stage 1 and 2, and 2-day choral courses during the holidays for talented singers aged 12-18 to try challenging repertoire and benefit from coaching by experienced singing tutors.

School ensembles such as Barbershop and Harmonics choirs delighted patients and staff at the Samuel Johnson Hospital and a performed a fundraising concert of festive music for Christmas at Swinfen Hall Hotel.

The 'Be a Chorister for a Day' workshop, organised and hosted by the School, enabled 80 boys and girls from the region to experience choral singing through vocal workshops and the opportunity to sing with the Lichfield Cathedral Choir during evensong. These annual events help to spread the joy of singing and enable local families to experience sacred choral music, often for the first time.

Strategic report (continued)

Achievements and performance (continued)

STEM outreach

Recognising that STEM subjects are vital to the future economic growth of the UK and key to attaining solutions to global concerns, such as sustainability and developing renewable energies, the School has expanded its outreach activities to include STEM (science, technology, engineering and maths). In September, a pilot project which was delivered by the school in partnership with the Erasmus Darwin House Museum and part-funded by a grant from the Lichfield Science and Engineering Society, saw 30 pupils from a state school in Rugeley take part in a half-day workshop exploring the science of space. The children built rockets, created a scale model of the solar system and learned about the scientific and artistic achievements of Erasmus Darwin. This extremely successful event was proof of concept for a series of whole day workshops that were planned for later in the academic year. Unfortunately, the pandemic significantly affected plans, with several large-scale activities that were due to take place during the Lent and Trinity terms necessarily postponed.

Sport outreach

The school successfully ran an outstanding tennis outreach programme in partnership with the Tim Henman Foundation which provided £10k in funding for the 1 year programme. The programme consisted of a free 6-week tennis programme delivered in local primary schools for the benefit of both pupils and staff. The funding enabled a qualified, experienced tennis coach to visit 9 schools per term to deliver focused lessons building tennis techniques, and provided a supply of tennis equipment to enable the schools to continue to deliver tennis within their sport curriculum. The programme was predicted to impact more than 1,000 local primary school children in over 15 different local schools. Again, this programme was affected by the pandemic, but plans are in place to complete the programme once pupils return to school. Similarly, planned outreach events in cross country, hockey, tri-golf and netball were postponed.

Access to facilities and expertise

The School offered Forest Tots, a weekly outdoor session for under 5s and their parents learning about the natural environment. Practical activities stimulate creative thinking, problem-solving and skill development, while fostering confidence, learning to co-operate and how to identify and manage risk. The sessions are led by a qualified Forest School practitioner. During the lockdown, video tutorials were provided for parents to use with their children at home or in local outdoor areas.

The School continued to open its doors to a wide variety of local groups free of charge, such as:

- A local community choir, The Palace Singers, rehearse weekly in the School Chapel for free.
- The Pre-School hosted a series of free morning Stay and Play events involving a range of activities for children 5 under and their parents.
- The School ran a series of Saturday workshops for under 5s and their parents focused on craft and cooking activities.
- The Johnson Society hold their monthly meetings at the School.
- The Guild of Stewards of Lichfield Cathedral host dinners and social events at the School.

Strategic report (continued)

Financial review

a. Going concern

The Governors assess whether the use of going concern is appropriate, that is, whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the school to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the school has adequate resources to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Governors have prepared cashflow forecasts and projections, taking account of reasonably possible changes in financial performance as a result of the COVID-19 pandemic, these show that the school should be able to operate within the level of its current facility.

Following the year end, the School has renegotiated the bullet repayment of the bank loan. A new loan facility was agreed on 5 May 2021 which is repayable over a 15 year period.

b. Reserves policy

The Governors have established a policy whereby the unrestricted funds held by the School should be enough to cover one school term of expenditure. At this level the Governors feel that they would be able to continue the current activities of the School. At 31 August 2020 the unrestricted free reserves of the School totalled £1,302,698. The charity restricted funds are represented by fixed assets and current assets. The purposes of these funds are detailed in note 17 to the accounts.

c. Risk management objectives and policies

The Governors are responsible for the management of risks faced by the School. Detailed considerations of financial risk are undertaken by the Finance and General Purposes Committee, and that of children's welfare and workplace risk by the School's Health and Safety Committee which in turn reports to the Finance and General Purposes Committee. Risks are identified and assessed, and controls established, throughout the year. In all specialised areas, relevant qualified and experienced experts are employed to give advice. A formal financial audit by an external body is carried out each year and their report is considered by the Governors. The Charitable Company adopts a system of formal agendas and minutes for all committee and full meetings, as well as comprehensive strategic planning, budgeting and management accounting, clear organisational structure and lines of reporting, formal written policies, clear authorisation and approval systems, and vetting procedures as required by law for the protection of the vulnerable. Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated.

d. Financial review

The accounting year of the Charitable Company has resulted in a surplus of funds for the year of £413,038.

The principal financial management policies adopted include:

- the production of regular termly management accounts which are scrutinised by the Finance and General Purposes Committee;
- the preparation of detailed annual budgets which include comparison to actual performance;
- a detailed audit carried out by a firm of Chartered Accountants who report their findings direct to the Governors at a formal Governors meeting;
- regular meetings between the Chairman of the Finance and General Purposes Committee and the Bursar;

Governors' report (continued)
for the year ended 31 August 2020

- the authorisation of all expenditure by either the Head Teacher or the Bursar; and
- regular weekly meetings between the Head Teacher and the Bursar.

Structure, governance and management

a. Constitution

Lichfield Cathedral School is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 2 July 2010.

b. Methods of appointment or election of Governors

The management of the School is the responsibility of the Governors who are elected and co-opted under the terms of the Memorandum of Association.

c. Organisational structure and decision-making policies

The day to day running of the School is delegated to the Head Teacher, Bursar and Senior Management Team. The Head Teacher and Bursar attend all meetings of Governors.

The board of Governors meet at least once each term. It has two working committees: Finance and General Purposes and Education. Each committee meets formally every term in advance of the full governing body meeting, and holds further meetings as necessary.

d. Policies adopted for the induction and training of Governors

The board of Governors consists of up to fifteen individuals, up to five are appointed by the Chapter of Lichfield Cathedral and of such five, at least two shall be members of Chapter; up to ten are appointed by the Governors. At the end of the last meeting of each academic year, the Governors appoint one of their number to act as Chairman to chair the meetings until the last meeting of the following academic year. The Governors may revoke at any time any such appointment.

All New Governors are inducted into the workings of the Charitable Company by the Head Teacher and Bursar. All Governors are welcome to visit the School and training is available through AGBIS and other organisations, as required.

e. Governors' indemnities

The School has taken out Professional Indemnity/Governors Liability insurance as part of the public liability policy. The insurance provides cover up to £2,000,000 (2019 - £2,000,000).

Governors' report (continued)
for the year ended 31 August 2020

Plans for future periods

In addition to continuing to meet the primary objectives of the School as itemised above, the key objectives for the next five years are to:

- 1 develop the quality of systems of governance and strengthen the accountability of management;
- 2 achieve the highest standards of learning throughout the school, particularly in preparation for public examinations;
- 3 ensure that the curriculum from Pre-school to Year 13 is balanced and effective;
- 4 continue the development of the Sixth Form by increasing the pupil numbers;
- 5 continue to develop a realistic longer term business strategy, which includes the improvement of the facilities at the School;
- 6 foster the relationship of the boy and girl choristers to the Cathedral Foundation;
- 7 continue to develop inspirational opportunities both within and beyond the curriculum including partnerships with the wider educational and Christian community.

Members' liability

The Members of the School guarantee to contribute an amount not exceeding £10 to the assets of the School in the event of winding up.

Statement of Governors' responsibilities

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

Company law requires the Governors to prepare financial statements for each financial . 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 School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

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

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

Lichfield Cathedral School
(A company limited by guarantee)

Governors' report (continued)
for the year ended 31 August 2020

Disclosure of information to auditor

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

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

Auditor

The auditor, Dains LLP, has indicated his willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

Approved by order of the members of the board of Governors on 24 May 2021 and signed on their behalf by:



Ms C S Shaw BEd
Interim Chair of Governors

Independent auditor's report to the Members of Lichfield Cathedral School

Opinion

We have audited the financial statements of Lichfield Cathedral School (the 'school') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Independent auditor's report to the Members of Lichfield Cathedral School (continued)

Other information

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Governors' report.

Independent auditor's report to the Members of Lichfield Cathedral School (continued)

Responsibilities of trustees

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

In preparing the financial statements, the Governors are responsible for assessing the 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.

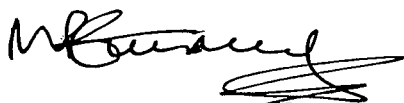
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Gurney FCCA (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

24 May 2021

Lichfield Cathedral School
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Charitable activities	4	5,460,793	23,502	5,484,295	5,068,640
Investments	5	3,562	-	3,562	3,543
Other income	6	321,822	-	321,822	-
Total income		5,786,177	23,502	5,809,679	5,072,183
Expenditure on:					
Raising funds	7	178,076	-	178,076	63,717
Charitable activities	8	5,206,067	12,498	5,218,565	4,991,173
Total expenditure		5,384,143	12,498	5,396,641	5,054,890
Net movement in funds		402,034	11,004	413,038	17,293
Reconciliation of funds:					
Total funds brought forward		900,664	17,501	918,165	900,872
Net movement in funds		402,034	11,004	413,038	17,293
Total funds carried forward		1,302,698	28,505	1,331,203	918,165

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 22 to 41 form part of these financial statements.

Lichfield Cathedral School
(A company limited by guarantee)
Registered number: 07302696


Balance sheet
for the year ended 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	-	-
Tangible assets	13	2,551,437	2,611,337
		<u>2,551,437</u>	<u>2,611,337</u>
Current assets			
Debtors	14	270,721	175,813
Cash at bank and in hand		946,368	535,918
		<u>1,217,089</u>	<u>711,731</u>
Creditors: amounts falling due within one year	15	(2,437,323)	(1,414,903)
Net current liabilities		<u>(1,220,234)</u>	<u>(703,172)</u>
Total assets less current liabilities		<u>1,331,203</u>	<u>1,908,165</u>
Creditors: amounts falling due after more than one year	16	-	(990,000)
Total net assets		<u><u>1,331,203</u></u>	<u><u>918,165</u></u>
Charity funds			
Restricted funds	17	28,505	17,501
Unrestricted funds	17	1,302,698	900,664
Total funds		<u><u>1,331,203</u></u>	<u><u>918,165</u></u>

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Governors on 24 May 2021 and signed on their behalf by:


Ms C S Shaw BEd
 Interim Chair of Governors

The notes on pages 22 to 41 form part of these financial statements.

Lichfield Cathedral School
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	20	<u>552,874</u>	<u>169,926</u>
Cash flows from investing activities			
Investment income		3,562	3,543
Proceeds from the sale of tangible fixed assets		-	(6,560)
Purchase of tangible fixed assets		<u>(74,533)</u>	<u>-</u>
Net cash used in investing activities		<u>(70,971)</u>	<u>(3,017)</u>
Cash flows from financing activities			
Repayments of borrowing		(53,750)	(107,500)
Bank and loan interest paid		<u>(17,703)</u>	<u>(48,911)</u>
Net cash used in financing activities		<u>(71,453)</u>	<u>(156,411)</u>
Change in cash and cash equivalents in the year		410,450	10,498
Cash and cash equivalents at the beginning of the year		<u>535,918</u>	<u>525,420</u>
Cash and cash equivalents at the end of the year	21	<u><u>946,368</u></u>	<u><u>535,918</u></u>

The notes on pages 22 to 41 form part of these financial statements

1. General information

Lichfield Cathedral School is a charitable company incorporated in England and Wales under the Companies Act and registered with the Charity Commission in England and Wales. The address of the registered office is given in the reference and administrative information of these financial statements. The nature of the charity's operations and principal activities are given in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Lichfield Cathedral School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling, which is the functional currency of the School, and the financial statements are rounded to the nearest £1.

2.2 Going concern

The Governors assess whether the use of going concern is appropriate, that is, whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the school to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the school has adequate resources to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Governors have prepared cashflow forecasts and projections, taking account of reasonably possible changes in financial performance as a result of the COVID-19 pandemic, these show that the school should be able to operate within the level of its current facility.

Following the year end, the School has renegotiated the bullet repayment of the bank loan. A new loan facility was agreed on 5 May 2021 which is repayable over a 15 year period.

2. Accounting policies (continued)

2.3 Income

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

For donations to be recognised the School will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the School and it is probable that they will be fulfilled.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. Investment management costs are included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the School's right to receive payment is established.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are credited to the statement of financial activities in the same period as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2. Accounting policies (continued)

2.7 Taxation

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the school assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Goodwill	- 8 % straight line
----------	---------------------

2.9 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

At each reporting date the School assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation (continued)

Freehold land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 2% straight line
Short-term leasehold property	- Over the period of the lease
Motor vehicles	- 20% straight line
Furniture and fittings	- 12.5% straight line

2.10 Debtors

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

2.11 Cash at bank and in hand

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

2.12 Loan and borrowings

Loans and borrowings are initially recognised at the transaction price, including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction then it is measured at present value.

2.13 Liabilities and provisions

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

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

2.14 Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.15 Lease of school premises

The School enjoys the benefit of having a long term lease from Lichfield Cathedral for the Palace and School House. The lease was taken out on 1 September 1981 for a period of 99 years of which 60 years remain. No lease premium was paid and as such this has not been capitalised.

Rental payments are charged to the Statement of Financial Activities in the period in which they relate.

On 28 August 2003, the School acquired a further long-term lease of 76 years for Dimble House, Beacon Street, Lichfield, from Lichfield Cathedral. The cost of the lease has been capitalised and is being amortised over the term of the lease. Lichfield Cathedral have agreed to an extension of the term of the lease to 125 years at no additional cost.

2.16 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

2.17 Pensions

The School operates a defined contribution pension scheme for non-teaching staff. A defined contribution plan is a pension plan under which the School pays fixed contributions into a separate entity. Once the contributions have been paid the School has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the School in independently administered funds.

Retirement benefits to certain members of the teaching staff are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

2.18 Fund accounting

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

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

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

Notes to the financial statements
for the year ended 31 August 2020

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Critical areas of judgement:

Depreciation and residual values

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Fees receivable	6,333,094	-	6,333,094
Less: Remissions	(1,149,917)	-	(1,149,917)
Music Lessons	159,546	-	159,546
Other income	118,070	23,502	141,572
Total 2020	5,460,793	23,502	5,484,295

	Unrestricted funds 2019 £	Total funds 2019 £
Fees receivable	5,495,711	5,495,711
Less: Remissions	(745,084)	(745,084)
Music Lessons	173,821	173,821
Other income	144,192	144,192
Total 2019	5,068,640	5,068,640

Notes to the financial statements
for the year ended 31 August 2020

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	3,562	3,562

	Unrestricted funds 2019 £	Total funds 2019 £
Bank interest	3,543	3,543

6. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Coronavirus Job Retention Scheme income	321,822	321,822	-

The School has been eligible to claim from the government support schemes in response to the Covid-19 outbreak.

The School furloughed certain staff under the governments Coronavirus Job Retention Scheme (CJRS). The income reported consists of grants received of £201,877 and grants accrued of £119,945, all relating to claims made in respect of the year.

Notes to the financial statements
for the year ended 31 August 2020

7. Expenditure on raising funds

Finance and other costs

	Unrestricted funds 2020 £	Total funds 2020 £
Bank charges	1,725	1,725
Bank and loan interest	45,703	45,703
Bad debts	130,648	130,648
	<u>178,076</u>	<u>178,076</u>

	Unrestricted funds 2019 £	Total funds 2019 £
Bank charges	1,730	1,730
Bank and loan interest	48,911	48,911
Bad debts	13,076	13,076
	<u>63,717</u>	<u>63,717</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Teaching costs	3,260,818	-	3,260,818
Welfare	480,773	-	480,773
Premises	605,642	-	605,642
Support costs of schooling	762,708	12,498	775,206
Governance costs	96,126	-	96,126
	<u>5,206,067</u>	<u>12,498</u>	<u>5,218,565</u>

Notes to the financial statements
for the year ended 31 August 2020

8. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Teaching costs	3,127,619	-	3,127,619
Welfare	553,539	-	553,539
Premises	540,891	-	540,891
Support costs of schooling	741,213	5,833	747,046
Governance costs	22,078	-	22,078
	<u>4,985,340</u>	<u>5,833</u>	<u>4,991,173</u>

Summary by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £
Teaching costs	2,977,879	1,970	280,969	3,260,818
Welfare	176,554	-	304,219	480,773
Premises	115,088	64,752	425,802	605,642
Support costs of schooling	529,730	56,209	189,267	775,206
Governance costs	-	-	96,126	96,126
	<u>3,799,251</u>	<u>122,931</u>	<u>1,296,383</u>	<u>5,218,565</u>

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total funds 2019 £
Teaching costs	2,794,742	3,614	329,263	3,127,619
Welfare	171,807	-	381,732	553,539
Premises	108,482	65,148	367,261	540,891
Support costs of schooling	492,211	59,652	195,183	747,046
Governance costs	-	-	22,078	22,078
	<u>3,567,242</u>	<u>128,414</u>	<u>1,295,517</u>	<u>4,991,173</u>

Lichfield Cathedral School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2020

9. Auditor's remuneration

	2020 £	2019 £
Fees payable to the School's auditor for the audit of the School's annual accounts	4,250	4,100
Fees payable to the School's auditor in respect of: All non-audit services not included above	<u>1,300</u>	<u>1,250</u>

10. Staff costs

	2020 £	2019 £
Wages and salaries	3,023,777	2,965,195
Social security costs	273,617	261,667
Contribution to defined contribution pension schemes	501,857	340,380
	<u>3,799,251</u>	<u>3,567,242</u>

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

	2020 No.	2019 No.
Head and teachers	84	84
Welfare and maintenance	17	17
Bursary and administration	29	28
	<u>130</u>	<u>129</u>

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	2
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

The School considers its key management personnel to comprise the Head Teacher, the Bursar, the Deputy Head, the Head of Junior School, the Assistant Head and the Directors of Marketing and Admissions. The total amount of employee benefits received by key management personnel was £433,358 (2019 - £360,767).

Notes to the financial statements
for the year ended 31 August 2020

11. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Governor expenses have been incurred (2019 - £NIL).

12. Intangible assets

	Goodwill £
Cost	
At 1 September 2019	25,000
At 31 August 2020	<u>25,000</u>
Amortisation	
At 1 September 2019	25,000
At 31 August 2020	<u>25,000</u>
Net book value	
At 31 August 2020	<u>-</u>
At 31 August 2019	<u>-</u>

Notes to the financial statements
for the year ended 31 August 2020

13. Tangible fixed assets

	Freehold land and buildings £	Long-term leasehold property £	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation						
At 1 September 2019	1,510,269	1,431,001	139,894	31,928	1,043,761	4,156,853
Additions	493	6,972	-	-	67,068	74,533
Disposals	(2,178)	(3,200)	-	(13,859)	(51,092)	(70,329)
At 31 August 2020	<u>1,508,584</u>	<u>1,434,773</u>	<u>139,894</u>	<u>18,069</u>	<u>1,059,737</u>	<u>4,161,057</u>
Depreciation						
At 1 September 2019	209,579	413,377	77,033	25,818	819,709	1,545,516
Charge for the year	25,120	28,705	10,927	1,970	56,209	122,931
On disposals	(358)	(340)	-	(13,859)	(44,270)	(58,827)
At 31 August 2020	<u>234,341</u>	<u>441,742</u>	<u>87,960</u>	<u>13,929</u>	<u>831,648</u>	<u>1,609,620</u>
Net book value						
At 31 August 2020	<u>1,274,243</u>	<u>993,031</u>	<u>51,934</u>	<u>4,140</u>	<u>228,089</u>	<u>2,551,437</u>
At 31 August 2019	<u>1,300,690</u>	<u>1,017,624</u>	<u>62,861</u>	<u>6,110</u>	<u>224,052</u>	<u>2,611,337</u>

14. Debtors

	2020 £	2019 £
Due within one year		
Fees	55,060	69,514
Other debtors	10,039	1,231
Prepayments and accrued income	205,622	105,068
	<u>270,721</u>	<u>175,813</u>

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loan	1,043,750	107,500
Trade creditors	189,194	285,870
Pupil deposits	166,927	165,125
Other taxation and social security	64,795	66,301
Other creditors	170,677	174,856
Accruals and deferred income	801,980	615,251
	2,437,323	1,414,903
	2020 £	2019 £
Deferred income at 1 September 2019	550,260	539,725
Resources deferred during the year	558,442	550,260
Amounts released from previous periods	(550,260)	(539,725)
	558,442	550,260

Security

Santander Corporate Banking hold a first legal mortgage over Lichfield and the junior school land and buildings at Longdon Green, Longdon, Staffordshire.

They also hold a first legal charge over Dimple House, Beacon Street, Lichfield and a debenture over all the assets and undertakings of the School, subject to non-material properties and non-material leases.

The amount outstanding at 31 August 2020 was £1,043,750 (2019 - £1,097,500). A renegotiation of the loan has been approved following the balance sheet date.

Notes to the financial statements
for the year ended 31 August 2020

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

	2020 £	2019 £
Bank loan	-	990,000
	<u> </u>	<u> </u>

Included within the above are amounts falling due as follows:

	2020 £	2019 £
Between one and two years		
Bank loan	-	990,000
	<u> </u>	<u> </u>

Security

Santander Corporate Banking hold a first legal mortgage over Lichfield and the junior school land and buildings at Longdon Green, Longdon, Staffordshire.

They also hold a first legal charge over Dimble House, Beacon Street, Lichfield and a debenture over all the assets and undertakings of the School, subject to non-material properties and non-material leases.

The amount outstanding at 31 August 2020 was £1,043,750 (2019 - £1,097,500). A renegotiation of the loan has been approved following the balance sheet date.

Notes to the financial statements
for the year ended 31 August 2020

17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
Unrestricted funds				
General Funds	900,664	5,786,177	(5,384,143)	1,302,698
Restricted funds				
MUGA Project	17,501	-	(5,833)	11,668
Arts Council funding	-	7,000	(4,170)	2,830
Tim Henman funding	-	8,502	-	8,502
Friends of LCS	-	8,000	(2,495)	5,505
	17,501	23,502	(12,498)	28,505
Total of funds	918,165	5,809,679	(5,396,641)	1,331,203

Statement of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Balance at 31 August 2019 £
Unrestricted funds				
General Funds	877,538	5,072,183	(5,049,057)	900,664
Restricted funds				
MUGA Project	23,334	-	(5,833)	17,501
Total of funds	900,872	5,072,183	(5,054,890)	918,165

Notes to the financial statements
for the year ended 31 August 2020

17. Statement of funds (continued)

MUGA Project

Restricted funding comprising of donations received and expended on the MUGA Project in the year to 31 August 2017.

Arts Council funding

Restricted funding for Musicshare Hub.

Tim Henman funding

Restricted funding received from the Tim Henman Foundation.

Friends of LCS

Restricted funding received from the Friends of LCS.

18. Summary of funds

Summary of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
General funds	900,664	5,786,177	(5,384,143)	1,302,698
Restricted funds	17,501	23,502	(12,498)	28,505
	<u>918,165</u>	<u>5,809,679</u>	<u>(5,396,641)</u>	<u>1,331,203</u>

Summary of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Balance at 31 August 2019 £
General funds	877,538	5,072,183	(5,049,057)	900,664
Restricted funds	23,334	-	(5,833)	17,501
	<u>900,872</u>	<u>5,072,183</u>	<u>(5,054,890)</u>	<u>918,165</u>

Notes to the financial statements
for the year ended 31 August 2020

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,539,769	11,668	2,551,437
Current assets	1,200,252	16,837	1,217,089
Creditors due within one year	(2,437,323)	-	(2,437,323)
Total	1,302,698	28,505	1,331,203

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	2,593,836	17,501	2,611,337
Current assets	711,731	-	711,731
Creditors due within one year	(1,414,903)	-	(1,414,903)
Creditors due in more than one year	(990,000)	-	(990,000)
Total	900,664	17,501	918,165

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	413,038	17,293
Adjustments for:		
Depreciation charges	122,931	128,083
Amortisation charges	-	344
Bank interest received	(3,562)	(3,543)
Bank and loan interest paid	17,703	48,911
Loss on the sale of fixed assets	11,502	2,007
Increase in debtors	(94,908)	(17,830)
Increase/(decrease) in creditors	86,170	(5,339)
Net cash provided by operating activities	552,874	169,926

Notes to the financial statements
for the year ended 31 August 2020

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	946,368	535,918
Total cash and cash equivalents	946,368	535,918

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	535,918	410,450	-	946,368
Debt due within 1 year	(107,500)	53,750	(990,000)	(1,043,750)
Debt due after 1 year	(990,000)	-	990,000	-

23. Pension commitments

The School's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and a defined contribution scheme for non-teaching staff.

In reference to the defined contribution pension scheme, the assets of the scheme are held separately from those of the School in an independently administered fund. The pension cost charge represents contributions payable by the School to the fund and amounted to £30,485 (2019 - £25,399). Contributions totalling £5,495 (2019 - £6,937) were payable to the fund at the balance sheet date and are included in other creditors.

Teachers' Pension Scheme

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

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

The Teachers' Pension Budgeting and Valuation Account

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

Notes to the financial statements
for the year ended 31 August 2020

23. Pension commitments (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £471,372 (2019 - £314,981).

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

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

24. Operating lease commitments

At 31 August 2020 the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	162,760	150,298
Later than 1 year and not later than 5 years	543,575	427,935
Later than 5 years	2,775,490	2,867,286
	<u>3,481,825</u>	<u>3,445,519</u>

25. Other financial commitments

Lichfield Cathedral owns some of the premises from which the School operates. The Charitable Company has a long-term assured tenancy of which 60 years remain. The current rent is £49,263 per annum.

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

Lichfield Cathedral contributed £137,620 (2019 - £135,540) towards the fees of the choristers during the year.

28. Controlling party

The School is controlled by the board of Governors.