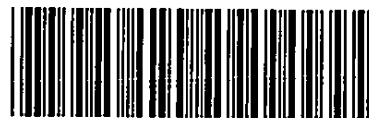


Company Registration Number 2440509
Charity Number 802427

The King's School Ely
(A Company Limited by Guarantee)

Annual Report and Financial Statements
for the year ended 31 August 2010

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The King's School Ely
for the year ended 31 August 2010

Company Registration Number 2440509
Charity Number 802427

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**Directors, Governors, Officers and Advisers
for the year ended 31 August 2010**

Directors and Governors

see next page

Head and Chief Executive

Mrs Susan Freestone

Clerk to the Board of Governors and Company Secretary

Miss Lynn Simpson

Name and Registered Office of the Company

The King's School Ely
Barton Road
Ely
Cambridgeshire
CB7 4DB

Registered Charity Number

802427

Registered Number

2440509

Advisers

Bankers

Lloyds TSB Bank plc
Ely

Solicitors

Veale Wasbrough Vizards
Bristol

Farrer & Co LLP

London

Mills and Reeve LLP

Cambridge

Auditors

PricewaterhouseCoopers LLP
Cambridge

Insurance Brokers

Marsh Brokers Limited
Haywards Heath

Investment Managers

Cazenove Capital Management Limited
London

Buildings Consultants

Bidwells LLP
Cambridge

**Directors, Governors, Officers and Advisers (continued)
for the year ended 31 August 2010**

Trustee and Governors

The trustee of the Charity is The King's School Ely, a company limited by guarantee. The directors of that Company are the members of the Board of Governors as well as being members of the Company. As members of the Company each has given a guarantee not exceeding one pound whilst they are members of the Company and for one year after ceasing to be a member.

The Governors who served during the year were as follows.

		Notes
Mr Richard Slogrove	(Chairman)	1,5,6
Professor Clara Taylor	(vice-Chairman)	1
Mrs Julie Swan	(Chairman, Executive and Finance Committee)	1,5
Dr Larry Abeln		4
Mrs Beverley Aspinall		1
Mrs Mary Benfield		3,6
The Very Reverend Dr Michael Chandler (ex-officio - Dean of Ely)		
Mr Bruce Fraser		1,5
Mr Jeffrey Hayes		1,5
Mrs Fenella Martin-Redman		1,5
Mr Anthony Morbey		1,5,6
Mr Charles Morris		1,5
Mr Richard Phillips		1
The Reverend Canon David Pritchard		2,6
Dr Nigel Richardson	(Chairman, Education Committee)	1,6
Mrs Sally Rowland		2,5
Professor Andrew Wyllie		1,6

Mrs Sally Rowland retired from the Board of Governors on 24 June 2010. Mr Jeffrey Hayes was appointed onto the Board of Governors on 24 June 2010.

Professor Clara Taylor sadly died on 2 July 2010.

On 25 March 2010 Mr Anthony Morbey and Dr Larry Abeln, as Co-opted Governors, retired and were re-elected, and the ratification of The Reverend Canon David Pritchard as Dean and Chapter representative was agreed. On 24 June 2010 Mr Richard Slogrove and Mrs Julie Swan retired and were re-elected, Professor Andrew Wyllie, as Co-opted Governor, retired and was re-elected under the one year rule. Dr Nigel Richardson was appointed as Chairman, Education Committee.

All Governors other than the late Professor Clara Taylor and Mrs Sally Rowland were serving at the date of this report.

Notes

- 1 Co-opted Governors
- 2 Dean & Chapter of Ely Cathedral Representative Governors
- 3 Ely Diocesan Board of Education Representative Governor
- 4 Cambridge University Representative Governor
- 5 Member of the Executive and Finance Committee
- 6 Member of the Education Committee

The Co-opted Governors are appointed by the Board of Governors for the time being. The Dean and Chapter of Ely Cathedral is entitled to appoint two Governors (in addition to the Dean of Ely who is normally an ex-officio Governor). The Ely Diocesan Education Board is entitled to appoint one representative Governor. Cambridge University is entitled to appoint one representative Governor. All other Governors are co-opted.

**Annual Report
for the year ended 31 August 2010**

The Governors present their annual report and the audited financial statements for the year ended 31 August 2010 under the Charities Act 1993, as amended by the Charities Act 2006 and the Companies Act 2006 and confirm that the audited financial statements comply with the requirements of those Acts and the Charities SORP 2005

The information on Governors, officers and advisers on pages 2 and 3 forms part of this Governors' Annual Report

Status and Structure

The King's School Ely is a Trust established in 970 AD. The sole trustee of the Trust is The King's School Ely, a separately constituted company limited by guarantee. The assets of the School are registered in the name of the Company as trustee, but ownership is retained by the Trust. Under a Charity Commission uniting direction dated 20 February 2003, the Trust's original charity registration number (311440) was changed to 802427 and the Charity was formally linked to its Trustee Company

The Articles of Association of the Company were revised in September 2009. Under the Articles of Association only members of the Company shall be appointed governors of the School. The Governors acting as trustees on behalf of the Company are responsible for the accounts of the Trust. The Trust has charitable status for taxation purposes.

Governance and Management

Board of Governors

Particulars of the Governors who served during the year are given on page 3

Recruitment and Training of Governors

New governors are appointed at a Board meeting on recommendation by a nomination committee chaired by the Chairman of the Board of Governors. Nominations and suggestions are invited from across the School community. The Nominations Committee considers these in accordance with the requirements detailed in the Articles of Association. Importance is placed on appointing new Governors who would attract support for the School both within the local community, among parents and staff, and on a national or international scale. Weight is also given to the specific experience and qualifications possessed by retiring Governors, and by those due to retire within two years, to ensure continuity of representation of a broad variety of men and women with a cross section of talents.

A formal induction is arranged for all new Governors. This ensures that they are familiar with the School, the way in which it operates, and the current issues which face Governors and Management. This involves provision of a comprehensive pack of relevant papers, followed by meetings and visits to familiarise the Governor with the School and the key personalities including the Chairman, the Head, the Heads of the five elements of the School, Heads of Departments, including Support staff and the Clerk to the Governors. Training of Governors is carried out through the medium of internal seminars or presentations. Governors are also encouraged to attend external seminars such as those run by AGBIS, ISC, HMC or ISBA.

Organisational Management

The Governors, as the charity Trustees, are legally responsible for the overall management and control of the School and normally meet four times a year. Much of the detailed work is carried out by the members of the Executive and Finance Committee (E&F), who meet in advance of the full Board meetings and at other times as required. Other committees of Governors are formed as required from time to time. All committees report to the full Board of Governors, the Chairman of Governors is an ex-officio member of the E&F. The formation of an Education Committee was agreed by the Board in June 2010 with the first meeting to be held in September 2010.

The School has adopted a unified organisation structure, appointing the Head as Chief Executive. The School has five elements: King's Acremont (KA), including the Nursery (KN), King's Junior (KJ), King's Senior (KS) and King's International (KI). The Head of the King's School Ely is Head and Chief Executive of all five sections. From November 2009 the new posts of Director of Business and Administration and Director of Operations, who are responsible for all non-academic staff and functions needed to support the School's educational objects, report directly to the Head. The day-to-day running of the School is co-ordinated by the School Management Team and the affairs of each School managed by a committee chaired by the respective Head and attended by the Head of the King's School, Director of Business and Administration and the Director of Operations.

**Annual Report (continued)
for the year ended 31 August 2010**

Group Structure

The Charity has a wholly owned trading subsidiary which is incorporated in the United Kingdom, The King's School Ely Enterprises Limited, whose activities and trading performance are discussed below in note 3 of the financial statements

Risk Management

The Board of Governors is responsible for the management of the risks faced by the School. The Head reports regularly in accordance with the Risk Strategy Document that concerns all aspects of school life including health and safety (H&S), child protection, financial borrowing, charitable status, disaster planning and governance and management. The management of risk is a routine part of all school activities and appropriate procedures are in place. These are coordinated at the termly meetings of the School's Health and Safety Committee at which the Board of Governors, all parts of the School and principal departments are represented. A formal review of the risk management policy is conducted annually by Governors.

The key controls used by the School include

- formal agendas for all Committee and Board activity,
- detailed terms of reference for all Committees,
- comprehensive strategic planning, budgeting and management accounting,
- established organisational structure and lines of reporting,
- formal written policies,
- clear authorisation and approval levels, and
- vetting procedures as required by law for the protection of the vulnerable

The major risks to which the School are exposed, as identified by the Governors, have been reviewed and systems or procedures are in place to manage those risks. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Object, Aims, Objectives and Policy

Charitable Object

The object, for which the Company is established, is to advance the education of the public including education in the teachings and practice of the Church of England.

At The King's School Ely, children of all ages and both sexes, both day and boarding (from age 6) are accommodated. The education of boy and girl choristers of Ely Cathedral is supported by the School and they are accommodated within the School community.

Aims and Intended Impact

In the context of a secure, stable yet dynamic environment rooted in Christian values, The King's School Ely aims

- to provide and maintain a culture of integrity and trust in which childhood and youth are honoured and people of all races, faiths and backgrounds feel valued and respected;
- to promote self knowledge and develop skills for life built on sound foundations,
- in every context to provoke high expectation, strong self-esteem and high achievement,
- to meet individual needs, be they educational or pastoral, and to allow each pupil to find a voice,
- to promote personal and social responsibility for self, the School and for local and wider communities,
- to seek and embrace the challenges and opportunities life presents thereby enhancing personal development and leadership skills;
- to foster creativity and independence of mind and to incite a love of learning and a life-long zest for Education.

**Annual Report (continued)
for the year ended 31 August 2010**

Public Benefit

Our immediate beneficiaries are the young people whose attendance can be funded by their parents or guardians or else from bursaries or other forms of charitable grant support provided by the School under the Remissions Policy and external charitable organisations, or a combination of these. In addition, we believe that society in general is the ultimate beneficiary of a King's education and the inculcation of sound social values and personal responsibility in our pupils will be of benefit to any community in which they live and work.

In addition to the means-tested bursaries and choral awards, the School is involved in a number of activities which benefit the local and wider communities and the School maintains a public benefit register which lists many of the opportunities we offer. During 2009-2010 these activities included:

- providing, free of charge, access to our facilities for sports, academic and social events for children both locally and nationally, including the Hackney Link project for children from the East London parish of St John's,
- initiatives to promote links with local state schools including the Government Independent/State School Partnerships scheme (ISSP) for Chemistry Network programme,
- musical productions to support other charities and schools, including support of the Cathedral Outreach project, taking singing into local primary schools,
- work experience schemes within the School for students from local schools and colleges,
- community action projects run by our own staff and students, including local care and primary education providers,
- contributions to academic events for children from across the region.

Close links between parents/guardians and our teachers, as well as Old Eleans, in addition to our monitoring and contributing to the development of national education initiatives, enable us to ensure that the schooling we provide is modern, relevant and imaginative and thereby represents best practice. Active liaison with local organisations and the community at large enables us to maintain dynamic and relevant activities for the public benefit.

Remissions policy

The policy is reviewed annually by the Board of Governors during the School's budgeting process.

Governors are committed to broadening access to the School. They review the Remissions Policy annually and authorise a percentage of the Gross Fee Income (less Staff Discounts) to be allocated for allowances, bursaries, choral awards, discounts, exhibitions and scholarships. For 2010-11, a figure of 9% [2009-10 - 8%] was approved. Such awards are at the discretion of the Head and confirmed by Governors. Full details of procedures, which are published in the General Information Booklet and on the School's web-site, and advice are freely available from the School. In the year to 31 August 2010, the value of allowances, bursaries, choral awards and discounts made to pupils was £1,368,607 [2009 £1,261,288] and, in addition, the value of scholarships and exhibitions was £311,437 [2009 £338,994].

Governors offer means-tested financial support of up to 100% for a number of eligible children who would not otherwise be able to take advantage of the education offered. These bursaries may apply to new applicants on entry to the School or to existing pupils in the event of changed circumstances and all awards are reviewed annually. The Ovin Bursary is awarded to a deserving and outstanding pupil from East Anglia seeking to be a day pupil in the Sixth Form, whose circumstances would normally preclude such an opportunity. This award is means-tested and may represent up to 100% of day fees. As the School does not have an endowment for funding bursary awards, Governors are mindful that a balance be achieved between those parents who make considerable personal sacrifices to fund their children's school fees and those benefitting from bursary assistance.

Governors support the education of the Boy and Girl Choristers of Ely Cathedral by providing Choral awards and provide allowances for families of the Armed Forces of the Crown and the Clergy serving the Christian faith within the Anglican Communion. Families with three or more children attending the School, receive a sibling discount.

Scholarships and exhibitions with a fixed remission on fees of between 5% and 25% are awarded to talented pupils to promote the continuation of excellence.

**Annual Report (continued)
for the year ended 31 August 2010**

In order to attract and retain the very best academic and support staff, the School operates a discount scheme for all staff members who choose to educate their children at the School

Governors are satisfied that due regard has been given to the public benefit guidance published by the Charity Commission as required by section 4 of the Charities Act 2006. In 2010 at the request of the Charity Commission, the School submitted a report on the public benefit, which was acknowledged and filed.

Review of Achievements and Performance for the Year

Report on the Strategic Plan for the Year 2009-10

This year has been another year of achievements. In January our newly built Arts Centre was ready for occupation by enthusiastic staff and pupils eager to display and enhance their many talents, members of the Sixth Form have benefitted from additional facilities in the newly acquired premises on The Gallery, and refurbishment of the Catherine Needham's building has provided up to date teaching accommodation. The School's long tradition of teaching and learning has been rewarded with the coveted National Assessment of Able Children in Education (NACE) Challenge Award and the public examination results, particularly at GCSE level, were very pleasing. Management of the School has been successfully strengthened by the unified organisation structure and Governors recognise, with thanks, the professionalism and dedication of all staff in their commitment to the School and wider community.

The financial results for the year are particularly pleasing, net incoming resources increased from additional fee income and careful budgetary control, giving confidence to increase the School's borrowing to fund the exciting projects to further concentrate the School's footprint within the community.

Compliance in all areas of child protection, education, business, health and safety, employment and charity law continued to be a high priority. Governors and the School community mourned the passing of their vice-Chairman, Professor Clara Taylor, in July this year.

Revised Articles of Association have been adopted and Governors have approved the formation of an Education Committee to strengthen the School's focus on *learning adventurously*.

The School Improvement plan for 2009-2010 identified nine major initiatives. Achievements during the year include

- 1 our negotiations to progress the acquisition of the lease for the **Old Bishop's Palace** from Sue Ryder Care have continued and, through the opening of the newly built **Arts Centre** in January 2010, refurbishment of the Catherine Needham's building and the acquisition of leased property in **The Gallery**, teaching resources and facilities for the Sixth Form have been greatly enhanced,
- 2 **recruitment**, particularly to KJ, has been strong despite the effects of the economic recession. Open days for the whole School and taster sessions, particularly for potential boarders have been highly successful;
- 3 wider **access** to the School for children from families in poverty has been achieved through some 100% means-tested bursary awards,
- 4 new agreements between KSE and Dean and Chapter (D & C) have continued to be discussed, including negotiation of a revised lease for the capitular properties to ensure long term security of tenure and further cement the **relationship between KSE and D&C**,
- 5 the School achieved the National Assessment of Able Children in Education (NACE) Challenge Award in September 2009 and NACE procedures have been firmly embedded into School practice enhancing **academic achievement** throughout the whole School,
- 6 the **academic target setting and monitoring** module in Facility CMIS has been successfully embedded in School practice and consideration given for further and more efficient use of CMIS and additional packages such as in CAS and SOSCA,
- 7 in reviewing the School's **future academic direction**, the decision to introduce the International Baccalaureate in Sixth Form has been deferred for further consideration;
8. a review of current **sporting provision** was undertaken which identified the need for considerable investment in the short to medium term,
- 9 in pursuit of the Green Agenda, the "Cycle to Work" scheme was offered to all staff, with six participants, provision of bicycle racking and shelters has improved, a programme for installation of thermostatic radiator valves got underway. Limited progress was made in recycling and power conservation.

**Annual Report (continued)
for the year ended 31 August 2010*****Principal Activities of the Year***

The School principally provides education in Ely to boys and girls from the ages of 3 - 18 in Nursery, Acremont, Junior, Senior and International Study Centre. In addition, during the holiday times courses are run for overseas students and sports training events for local children.

This year average attendance totalled 974 (2009 978) and consisted of

	Boys Boarding	Boys Day	Girls Boarding	Girls Day	Total Boarding	Total Day	Total Pupils
King's Senior	89	187	65	117	154	304	458
King's Junior	33	147	10	133	43	280	323
King's Acremont		51		51	-	102	102
King's Nursery		27		24	-	51	51
King's International	25		15		40	-	40
Total	147	412	90	325	237	737	974

Day numbers have increased by 1 over the level in 2009 and boarding numbers have reduced by 5, additional pupils in King's Senior and King's International offsetting reduced numbers in King's Junior and King's Acremont. Effective marketing throughout the year has reversed the trend and recruitment for King's Junior was buoyant.

Volunteers

The active Old Eleans' association continued to support the School this year. The Friends of the King's School Ely (FoKSE), an independent body operating under its own constitution, provided an effective focus for the parent body, numerous ex-members of staff and those with close association with the School enabling them all to continue to be part of our activities. The success of FoKSE activities continued to demonstrate the strength of feeling for the School and the level of support locally.

Operational Performance of the School

A report on the operational performance of the School, adapted from the Head's report at Prize Giving in May 2010 indicates

"The lives of schools are constantly shifting kaleidoscopes of complex shapes and colours and the stories that enrich them are about the frustrations, trials and triumphs of people. It is odd, therefore, that the world seems to judge us by statistics and structures

As far as statistics go, we have had a very successful year, with new records being broken in public exams, the achievement of the much coveted NACE Award; representative honours for our pupils in a range of sports; we hosted an inaugural National Schools' Art Exhibition, our pupils achieved successes in a number of prestigious competitions and, last August, a group of Ely Schemers scaled a mountain of over six thousand metres in Bolivia.

Our stock of structures has also expanded impressively. Although our Sixth Form has grown beyond even our new capacity, we acquired a pair of houses on The Gallery and converted them for use by the Sixth Form from September. Most obviously, we have rejoiced in the opening of our new Arts Centre, which offers inspirational new spaces for work and development in the visual and performing arts. The building was opened in March by Lord Browne of Madingley, Old Elean and Chairman of the Tate Gallery.

Another highlight of the year came on 19th November, when we had the privilege of welcoming Her Majesty the Queen and the Duke of Edinburgh to Ely, as part of Ely Cathedral's 900th Anniversary celebrations. Children from King's Acremont greeted Her Majesty outside the Cathedral, whilst our two cathedral choirs performed during the service.

**Annual Report (continued)
for the year ended 31 August 2010**

Academic

Exam results

The summer of 2009 brought pleasing public exam results, again setting several records

A-levels

Passes achieved by King's students included forty-four per cent at grade A and seventy per cent at A and B, the highest percentages on record. Fourteen students achieved three or more A grades, and four of them achieved four A grades. Eighty-seven per cent of results were graded A to C in a total of twenty-seven subjects.

Since last summer, three King's students have been offered places at the University of Oxford. Annie Coleridge and Inga Meladze, have places at St John's College to read Human Sciences and Somerville College to read Psychology respectively whilst David Wallis has been offered a place to read Chemistry at Exeter College. Yet again, the majority of our students progressed to Russell Group universities and all have gone on to courses of their choosing or taken gap years, providing abundant proof of the quality of the higher education advice they received at King's.

GCSEs

At GCSE we celebrated new records in the percentage of passes at A* and A and the highest ever points score per subject entry. Forty-four per cent of students' GCSE were graded A* or A with one in seven passing ten or more subjects with these top grades. Key Stage 2 SATs. Our 11 year old, Year 6 students' SATs results were an improvement on the previous year's results. 96% of our pupils achieved at or above a Level 4 score in July 2009. 25% achieved a Level 5 for their Maths. 33% achieved a Level 5 in English.

Mathematics

One set of our current Year 11 achieved another first for King's by sitting for their GCSE six months early, every one of them achieved an A*. However, they have not rested on their laurels but are working hard for the challenging Additional Maths qualification in June. King's pupils again achieved highly in the UK Intermediate Maths Challenge in March.

Chemistry

The much acclaimed Chemistry Network, involving four schools with King's at the hub, continues to provide exceptional opportunities for extension for able pupils, and receives government funding through the Independent State Schools Partnership.

NACE Award

King's became the first independent school in Cambridgeshire to achieve the prestigious Challenge Award from NACE, (the National Association for Able Children in Education). The award was formally presented to the school on 26th March by Ben Barton, Advisor to NACE, and Professor Michael Proctor, Vice Master of Trinity College, Cambridge. Although the award is given ostensibly for excellence in provision for able, gifted and talented pupils, in reality, it is a recognition of the quality of teaching across the whole school and the ability of our talented and committed teachers to educate in the true sense of the word. Their skill in helping our pupils discover and develop their talents, be they academic, musical, sporting, artistic or interpersonal was applauded, as was the school's attitude to endeavour and success.

Art

We hosted the inaugural National Art Exhibition in Ely Cathedral in October for schools in membership of SHMIS, (Society of Heads of Independent Schools) which celebrated the excellence, quality and diversity of art in SHMIS schools.

The new Arts Centre has inspired ambitious, high quality creations that reveal highly individual approaches to project requirements. Specialist studio space for Fashion and Textiles, Fine Art, 3D and Photography has provided a professional working environment and students are exploring the potential fully in the development of large scale work. The formal opening by Lord Browne was followed by the Art Department's Spring Exhibition.

Drama

The drama department has had another busy year, much of which was hampered by the delayed move into the new studios. Nonetheless, the year has embraced no fewer than five productions. Three students have gained places on coveted summer courses with the National Youth Theatre, the RADA Summer School Musical Theatre Course and The Youth Music Theatre respectively.

**Annual Report (continued)
for the year ended 31 August 2010**

Music

Again, a plethora of outstanding results have been achieved in Associated Board Examinations and, exceptionally, Luke Cunnah in Year 13, gained his Associated Board Diploma on the flute. Charlotte Sivier can now proudly add the letters ATCL to her name following her success on the flute, in achieving the diploma which bestows the status of Associate of Trinity College London.

A first for our musicians, under the leadership of our Acting Director of Music, Ian Sutcliffe, has been a professional recording of all of the choral groups who work across the school together with a rousing rendition of the school hymn, *How shall I sing that Majesty?* from the massed voices of Junior and Senior schools combined.

Ely Cathedral Choirs

The Ely Cathedral Girls' Choir have sung for the Queen when she visited the cathedral in November and performed in concert with Henry Olunga at St George's Church, Littleport. The Ely Cathedral Boys' Choir took part in a very successful live BBC broadcast during the year. Both choirs excelled in addition to singing many concerts and a full round of services and other devotional events throughout the year.

Hackney Link

Our link with the parish of St John's at Hackney was consolidated in June, 2009, when King's students hosted a visit from a group of children from East London, who enjoyed the thrills of camping and of our assault course. The second Hackney Link weekend, ably and generously organised by Paul Lott, took place in July 2010.

Sport at King's

The School continues to punch above its weight in sport. Girls' successes include the U16 Netball team triumph in the District Tournament and the most successful hockey season we have enjoyed for several years.

The School's efforts at the Henley Royal Regatta moved one step further this year when Laurence Dugdale rowed in the Prince of Wales Challenge Cup, following on from his achievements last summer, as he became a double European Gold in the Coupe de la Jeunesse European Championships held in Vichy, where he represented Great Britain.

The highlight of the rugby season was undoubtedly being involved in the prestigious St Joseph's English Schools' Rugby Festival and despite a short and snow encumbered football term there were many highlights. The first team recorded their highest winning score in school history with an 8-1 win over Bedford School. The 3rd XI were the most successful of the senior sides and recorded the best ever set of results at that level, whilst the U15Bs progressed unbeaten throughout the term.

Individual sporting honours

Flavia Kumar achieved the Ely Youth Standard Achievement Award for Girls. This year, King's pupils achieved representative honours at county, regional or national level in athletics, Cross-Country, hockey, netball, football, rugby, and judo.

Ely Scheme

Once in a while, our intrepid Ely Schemers embark on an exceptional project. The summer of 2009 brought just such an expedition to Bolivia, culminating in a group of seven Ely Scheme pupils reaching the 6100 metre summit of Huayna Potosí in Bolivia on 1st August. For the sake of comparison, Huayna Potosí is higher than Mount Kilimanjaro. Other Ely Scheme and DofE expeditions took King's pupils to Scotland, the Loire Valley, Dartmoor, The Peak District, the Lake District, the River Wye and the Picos de Europa.

Trips

The school year at King's is punctuated by all manner of trips which enhance the learning of our pupils in myriad ways. Our kayakers visited the French Alps and North Wales where over fifty pupils attended our annual trip to the Christian Mountain Centre.

The Chapel Choir went to the Czech Republic where they performed in St Nicholas' Church and St Vitus' Cathedral in Prague, sang Sunday Mass and gave a concert to a packed congregation at the Church of the Community Centre of Mother Theresa in Prague and performed in the Church of Ascension in Karlovy Vary.

The Lent Term brought a Year 9 trip to Paris and Easter, a Year 13 French trip to Brittany.

There was a range of trips offered to Junior School students this year including the annual ski trip to France, the King's Voices Choir Tour to Holland, two Outward Bound residential trips for members of Years 3,4 and 5 and an Art and MFL trip to Paris in the spring of 2010.

I pay tribute to the teaching staff, who, in other schools might take advantage of the mythical long holidays such professionals are reputed to enjoy, for the time and energy they devote to making such adventures possible.

**Annual Report (continued)
for the year ended 31 August 2010**

My thanks go also to our support teams, to those who look after our grounds and buildings, provide our meals and support our academic and pastoral functions through efficient administration. We could not function without them and without our teams of secretaries and accounts staff, medical, maintenance, grounds and catering teams, King's would quickly cease to function. We celebrate the fact that this wonderful team is truly part of the King's family and, as such, each member plays his or her part with commitment and dedication."

Fundraising Performance

During 2009-10 pupils raised over £3,400 for the Haiti Earthquake Appeal and over £16,000 for the School's nominated charities, including, East Anglia Children's Hospice, Asthma UK, Jimmy's Night Shelter, Speaking Up, CLIC, Riding for the Disabled and Children in Need.

No other fundraising activities have been conducted by the School during 2009-10.

Financial Review and Results for the Year

The results for the year are set out in the Statement of Financial Activities on page 16 and demonstrate that the School had another satisfactory year.

There were net incoming resources for the year of £439,535 as compared with net incoming resources of £262,645 in the previous year. After including net gains on the School's investments there was an overall net increase in funds of £498,037 as compared with £150,634 in the previous year.

Fee income in the year was £12,692,076, an increase of £302,628 over the previous year, partly reflecting the boarding/day mix of pupils.

Expenditure on projects has totalled £3,271,670, of which £2,970,961 has been capitalised, including completion of building of the new Arts Centre, refurbishment of the newly acquired Sixth Form Centre, transformation to classroom facilities within the Catherine Needham's building and the continued upgrading of boarding and day facilities and the estate to meet health and safety requirements.

Performance of subsidiary company

During the year the King's School Ely Enterprises Limited accrued £12,387 (2009 £22,988) for a gift aid payment to the School, thereby transferring all its taxable profits to the School. Activity in the subsidiary company is expected to remain at a similar level during 2010-11.

Reserves Policy

The School's unrestricted funds stood at £9,987,074 which continues to be less than the book value of its fixed assets. In the absence of free reserves, day-to-day working capital is met by use of a bank overdraft facility and careful management of short term liquid resources. The School's policy, which is reviewed annually by Governors, is to continue to build reserves out of future annual operating surpluses, subject to prior capital demands, to ensure the School's continuing ability to provide first class educational services. Through steady recruitment of pupils at all stages of the School and by prudent budgetary control, Governors seek to achieve an annual operating cashflow of £100,000 and to increase fundraising to build reserves. Net operating cash outflow of £2million for the year is after planned and approved development activities of the Arts Centre and Sixth Form Centre.

The Governors' powers of investment are unfettered. Funds donated for specific scholarships and school prizes continue to be invested through the Charities Official Investment Fund. Other undesignated funds are now invested through Cazenove Capital Management. Notes 15 and 16 to the accounts show the movements on these funds during the year and, where relevant, give a description of the terms on which the funds are held. The investments are sufficient to meet the School's obligations on a fund by fund basis. Governors review the policy annually.

**Annual Report (continued)
for the year ended 31 August 2010**

Investment Policy and Objectives

Since July 2006 the Charity's unrestricted investments have been managed by Cazenove Capital Management who report to the Board of Governors on a regular basis. The restricted funds, managed by CCLA Management Limited, are held in COIF Charities Investment Fund (Income Units). The larger unrestricted funds, totalling £1,823,380, are held in a series of Collective Investment vehicles with appropriate investment targets. The value of the investment has increased by 5.3% over the year, a satisfactory increase in the current economic climate and is in line with the Governors' policy to achieve, over the long term, an increase in the fund's capital value, in real terms (inflation adjusted).

Employee involvement

Regular meetings are held throughout the organisation in which all subjects, teaching and non-teaching, are discussed with the staff at all levels. The Governors are committed to ensuring that The King's School Ely provides equality of opportunity in recruitment and employment. All applicants for employment and existing employees are treated by reference to their particular aptitudes, abilities and relevant qualifications and receive equal treatment as provided by law regardless of gender, sexual orientation, marital status, race, colour, nationality, ethnic or national origins, religious belief, age or disability.

Future Plans

The School Improvement plan identifies major initiatives and was endorsed by Governors in September 2010 and is reviewed and updated annually. Key objectives extracted from the plan for 2010-11 are:

- to continue negotiations to acquire the lease for the **Old Bishop's Palace** from Sue Ryder Care and to formulate plans for the occupation of the building for the School's use by September 2011,
- to prepare for Independent Schools' Inspectorate (ISI) interim and boarding **inspections**,
- to build on the achievement of the **National Assessment of Able Children in Education (NACE) Challenge Award** with full integration of improved practice for all staff throughout the School and to develop effective use of **Assessment for Learning (AFL)**,
- to establish a School-wide **Modern Foreign Language (MFL) programme**;
- to implement recommendations from the review of the School's sporting provision and facilities to improve the **sports experience** for all pupils throughout KJ and KS,
- to enhance car and bicycle parking facilities around the site, with particular emphasis on the School's **Green Agenda**,
- to establish a **classroom refurbishment** schedule for KS2 year groups,
- to improve **boarding facilities**,
- to widen **access**, enabling more children from families in poverty to have access to places at KSE by awarding up to 100% bursaries,
- to continue exploring opportunities to further develop the very long-term moral and commercial **relationships** with the Dean and Chapter of Ely Cathedral and other external agencies.

Auditors

PricewaterhouseCoopers LLP were appointed as auditors to the charitable Company in June 2007.

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

As far as each Director is aware, there is no relevant audit information of which the charitable Company's auditors are unaware and each Director has taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the charitable Company's auditors are aware of that information.

**Annual Report (continued)
for the year ended 31 August 2010**

Statement of Governors' Responsibilities

The Governors, who are also the directors of The King's School Ely for the purposes of company law, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Governors to prepare financial statements for each financial year. Under that law, the Governors have elected to prepare the group and charitable parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charitable Company and of the incoming resources and application of resources, including the income and expenditure of the Group, 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 in the Charities SORP,
- make judgments and accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the charitable Company and the Group 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 charitable Company and the Group 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 the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charitable Company's auditors are aware of that information.

The Governors are responsible for the maintenance and integrity of the charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 9 December 2010 and signed on its behalf by



Mr Richard Slogrove
Chairman



Mrs Julie Swan
Chairman of Executive and Finance Committee

**Independent Auditors' Report to the Members of the King's School Ely
for the year ended 31 August 2010**

We have audited the financial statements of The King's School Ely for the year ended 31 August 2010 which comprise the Consolidated Statement of Financial Activities, the Group and School Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The Trustees/Governors' (who are also the directors of the charitable Company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Governors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable Company has not kept adequate accounting records, if the charitable Company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Governors' remuneration specified by law are not made.

We read the Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and the charitable Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent Auditors' Report to the Members of the King's School Ely
for the year ended 31 August 2010 (continued)**

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the Group's and School's affairs as at 31 August 2010 and of the Group's incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Annual Report is consistent with the financial statements



Liz Hazell (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge

Date: 10 December 2010.

The financial statements may be published on The King's School Ely website (www.kingsschoolely.co.uk), the maintenance and integrity of which is the responsibility of The King's School Ely. The work that we carry out as auditors does not involve consideration of the maintenance and integrity of the website and accordingly we accept no responsibility for any changes that may occur to the financial statements following their initial presentation on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Consolidated Statement of Financial Activities

(incorporating a consolidated Income and Expenditure account and a statement of recognised gains and losses)

for the year ended 31 August 2010

	<u>Note</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2010</u> £	<u>Total 2009</u> £
Incoming Resources					
Charitable activities					
Fees receivable	2	12,692,076	-	12,692,076	12,389,448
Other educational activities	4	243,621	-	243,621	208,629
Other ancillary trading income	4	28,210	-	28,210	24,120
Incoming resources from generated funds					
Activities for generating funds	3	50,965	-	50,965	54,208
Investment income	5	52,509	1,814	54,323	99,083
Voluntary income		5,379	-	5,379	8,681
Other incoming resources	4	<u>4,975</u>	<u>-</u>	<u>4,975</u>	<u>800</u>
Total Incoming Resources		<u>13,077,735</u>	<u>1,814</u>	<u>13,079,549</u>	<u>12,784,969</u>
Resources Expended					
Costs of generating funds					
Cost of goods sold and services provided	6	23,068	-	23,068	27,060
Financing costs	6	240,503	-	240,503	158,485
Charitable activities					
School's operations	6	12,340,943	1,339	12,342,282	12,306,818
Governance costs	6	<u>34,161</u>	<u>-</u>	<u>34,161</u>	<u>29,961</u>
Total Resources Expended	6	<u>12,638,675</u>	<u>1,339</u>	<u>12,640,014</u>	<u>12,522,324</u>
Net incoming resources for the year		439,060	475	439,535	262,645
Gains on investments realised	9	<u>2,731</u>	<u>-</u>	<u>2,731</u>	<u>2,705</u>
Net income/expenditure for the year		441,791	475	442,266	265,350
Gains /(losses) on investments unrealised	9	<u>53,435</u>	<u>2,336</u>	<u>55,771</u>	<u>(114,716)</u>
Net movement in funds for the year		495,226	2,811	498,037	150,634
Fund balances at 1 September 2009		<u>9,491,848</u>	<u>38,331</u>	<u>9,530,179</u>	<u>9,379,545</u>
Fund balances at 31 August 2010		<u>9,987,074</u>	<u>41,142</u>	<u>10,028,216</u>	<u>9,530,179</u>

All activities are classed as continuing

There are no other gains or losses apart from those recognised above

The notes on pages 19 to 32 form part of these financial statements

The King's School Ely

Company Registration Number 2440509

Charity Number 802427

Balance Sheets as at 31 August 2010

	Note	Group 2010 £	Group 2009 £	School 2010 £	School 2009 £
Fixed Assets					
Tangible fixed assets	8	12,719,481	10,387,009	12,719,481	10,387,009
Investments	9	<u>1,863,220</u>	<u>1,768,568</u>	<u>1,863,320</u>	<u>1,768,668</u>
		<u>14,582,701</u>	<u>12,155,577</u>	<u>14,582,801</u>	<u>12,155,677</u>
Current Assets					
Stocks	10	56,817	68,233	56,817	68,233
Debtors amounts due within one year	11	242,679	191,080	278,443	205,768
Debtors amounts due after more than one year	11	516,661	556,445	516,661	556,445
Cash at bank and in hand		<u>2,489,037</u>	<u>826,943</u>	<u>2,453,173</u>	<u>812,155</u>
		<u>3,305,194</u>	<u>1,642,701</u>	<u>3,305,094</u>	<u>1,642,601</u>
Creditors: amounts falling due within one year	12	<u>3,875,975</u>	<u>3,176,134</u>	<u>3,875,975</u>	<u>3,176,134</u>
Net Current (Liabilities)		<u>(570,781)</u>	<u>(1,533,433)</u>	<u>(570,881)</u>	<u>(1,533,533)</u>
Total Assets less Current Liabilities		14,011,920	10,622,144	14,011,920	10,622,144
Creditors: amounts falling due after more than one year	13	<u>3,983,704</u>	<u>1,091,965</u>	<u>3,983,704</u>	<u>1,091,965</u>
		<u>10,028,216</u>	<u>9,530,179</u>	<u>10,028,216</u>	<u>9,530,179</u>
Funds					
Restricted funds	15	41,142	38,331	41,142	38,331
Unrestricted funds	16	<u>9,987,074</u>	<u>9,491,848</u>	<u>9,987,074</u>	<u>9,491,848</u>
		<u>10,028,216</u>	<u>9,530,179</u>	<u>10,028,216</u>	<u>9,530,179</u>

Total funds include a revaluation gain of £11,905 (2009 £78,229 loss) reflecting the cumulative investment gains made on investments

The notes on pages 19 to 32 form part of these financial statements.

These financial statements were approved by the Trustees on 9 December 2010 and signed on its behalf by



Mr Richard P Slogrove

Date:

**Consolidated Cash Flow Statement
for the year ended 31 August 2010**

	Note	2010 £	2009 £
Net cash inflow from operating activities	20	1,986,771	168,903
Returns on investments and servicing of finance			
Investment income receipts		46,532	58,747
Bank interest received		5,058	40,336
Bank interest paid		(181,432)	(62,707)
Finance interest paid		(5,225)	(10,966)
		(135,067)	25,410
Capital expenditure and financial investment			
Payment for tangible fixed assets		(2,965,402)	(1,288,178)
Proceeds from sale of tangible fixed assets		5,000	800
		(2,960,402)	(1,287,378)
Payment for investments	9	(89,665)	(75,730)
Proceeds from sale of investments		10,074	-
		(3,039,993)	(1,363,108)
Management of liquid resources			
Movement in cash held by investment company		46,172	-
		46,172	-
Net cash flow before financing		(1,142,117)	(1,168,795)
Financing			
New loans		3,000,000	(117,133)
Repayment of bank loans		(165,073)	
Financing lease agreements – capital element		(30,716)	(63,483)
		2,804,211	(180,616)
Increase/(decrease) in cash in the year		1,662,094	(1,349,411)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the period		1,662,094	(1,349,411)
(Increase)/decrease in debt in the period		(2,804,211)	180,616
		(1,142,117)	(1,168,795)
Net funds at 1 September 2009		45,420	1,214,215
Net funds at 31 August 2010	21	(1,096,697)	45,420

The notes on pages 19 to 32 form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 August 2010**

1 Accounting policies

The financial statements are prepared under the Companies Act 2006 and in accordance with applicable accounting standards in the United Kingdom and the Statement of Recommended Practice on Accounting and Reporting by Charities the Charities SORP 2005

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of investment assets

Basis of consolidation

The accounts consolidate those of the Charity and its wholly owned non-charitable subsidiary trading company The King's School Ely Enterprises Limited. In accordance with paragraph 397 of the Charities SORP 2005, no separate Statement of Financial Activities has been presented for the Charity alone. The Consolidated Statement of Financial Activities (SOFA), the consolidated balance sheet and the consolidated cash flow statement include the results of the Charity and its subsidiary undertaking made up to 31 August 2010 and consolidated on a line by line basis. Intra-group transactions and profits are eliminated fully on consolidation.

Resources arising - income

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable assurance of receipt. Where a claim for repayment of income tax has or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income:

a) Fees and other educational activities

Fees receivable and charges for use of premises are accounted for in the period in which the service is provided. Registration fees are accounted for on receipt. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School, but include contributions received from Restricted Funds for scholarships, bursaries and other grants. Payments received in respect of future fees are deferred in creditors and are released to the Statement of Financial Activities in the relevant term.

b) Fees in advance

Future school fees may be paid to the School in accordance with a written contract. Deposits are held in creditors and are released to the Statement of Financial Activities in the appropriate term for which school fees have been provided. Such deposits may be returned to the payer, subject to specific conditions.

c) Acceptance deposits

Acceptance deposits are deposits placed when pupils join the School and are refunded at the end of the final term after deducting any outstanding debts. Deposits are held in creditors until refunded.

d) Other ancillary trading income

Charges for non-educational services and use of premises and rentals are accounted for in the period in which the service is provided.

e) Activities for generating funds

Charges for services provided by the King's School Ely Enterprises Limited are accounted for in the period in which the service is provided.

f) Investment income

Investment income is accounted for when receivable.

g) Donations

Donations and all other receipts from fund-raising are reported gross and the related fund-raising costs are reported in expenditure. Donations receivable for the general purposes of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Governors of The King's School Ely.

Notes to the Financial Statements**for the year ended 31 August 2010**

1 Accounting policies (continued)**Resources expended**

Expenditure is allocated to expense headings on a direct cost basis. The irrecoverable element of VAT is included with the item of expense to which it relates. Liabilities are recognised when an obligation arises to transfer economic benefit as a result of past transactions or events.

Costs of generating funds

Costs of generating funds comprise the cost of sales of the trading subsidiary, King's School Enterprises Company Limited, unrecovered debts for school fees and interest and charges in respect of the banking facility, loans, finance arrangements and the investment portfolio. Expenditure is accounted for on an accruals basis.

Direct charitable expenditure

Direct charitable expenditure includes all expenditure directly related to the objects of the Charity, and is accounted for on an accruals basis.

Governance costs

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 of The King's School Ely and all the costs of complying with constitutional and statutory requirements.

Fund accounting

The Charity maintains various types of funds as follows:

a) Restricted Funds

Restricted funds represent grants, donations and legacies received which are given by the donor for specific purposes. Income on these investments is also restricted by the donor.

b) Unrestricted Funds

Designated funds comprise amounts set aside by the Governors for specific purposes.

General unrestricted funds represent funds which are expendable at the discretion of the Governors in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation which is provided in equal annual instalments over the estimated useful lives of the assets. Assets over a cost of £1,000 are capitalised. Properties are maintained throughout the year and an impairment review is carried out on an annual basis.

No depreciation is charged on freehold land or assets in the course of construction. The rates of depreciation applied to other assets are as follows, unless the period of any lease is shorter:

Freehold property	-	2% on cost
Leasehold property	-	2% - 10% on cost
Fixtures, fittings, furniture and equipment	-	15% on cost
Catering equipment, teaching aids, mowers and implements	-	20% on cost
Plant and musical instruments	-	10% on cost
Motor vehicles	-	25% on cost
Computer equipment	-	33½% on cost

**Notes to the Financial Statements
for the year ended 31 August 2010**

1 Accounting policies (continued)

Investments

Listed investments are stated at the market closing price on 31 August 2010. Realised and unrealised gains and losses are shown separately in the appropriate section of the Statement of Financial Activities and are in accordance with the Governors' investment policy explained in the Annual Report (page 12). Investments in subsidiary undertakings are stated at cost.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Pension costs

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the scheme actuary and advised to the Governors by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme. The Charity also contributes to a defined contribution money purchase scheme for non-teaching staff at 14.1% of annual pay. Contributions to both schemes are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

Operating lease agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Finance lease agreements

Assets held under finance lease agreements are capitalised and disclosed under tangible fixed assets at cost less depreciation. The capital element of the future payments is treated as a liability and the interest is charged to the Statement of Financial Activities on a straight line basis.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Amounts held on the balance sheet are translated at that date and any resulting gain or loss transferred to the Statement of Financial Activities.

2 Fee income

	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
The School's fee income comprised		
Gross fees	14,510,407	14,102,254
less scholarships	(311,437)	(338,994)
less bursaries and allowances	(1,368,607)	(1,261,288)
less commission	<u>(139,300)</u>	<u>(113,506)</u>
	12,691,063	12,388,466
Add back scholarships and bursaries paid for by Restricted Funds	<u>1,013</u>	<u>982</u>
	<u>12,692,076</u>	<u>12,389,448</u>
 Grants, awards and prizes paid for by Restricted Funds comprised:		
Scholarships and bursaries	1,013	982
Prizes	<u>326</u>	<u>501</u>
	<u>1,339</u>	<u>1,483</u>

The above educational awards were made to 389 individuals (2009: 388); the number of scholarships awarded was 193 (2009: 188) and the number of bursaries and allowances was 305 (2009: 401).

**Notes to the Financial Statements
for the year ended 31 August 2010**

3 Trading activities of subsidiary

The Charity has a wholly owned trading subsidiary which is incorporated in the United Kingdom. The King's School Ely Enterprises Limited provides catering and conference services. The Company donates its taxable profits under Gift Aid to The King's School Ely. A summary of its trading results for the year, as extracted from the audited accounts, is shown below, together with the School's own results for the year to distinguish them from the group results in the consolidated Statement of Financial Activities. Audited accounts will be filed with the Registrar of Companies.

	Subsidiary		School	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	£	£	£	£
Turnover	50,965	54,208	12,963,907	12,622,197
Cost of sales KSE Enterprises Ltd	(23,068)	(27,060)		
Rental charge from School	<u>(14,065)</u>	<u>(2,955)</u>	<u>14,065</u>	<u>2,955</u>
Gross profit KSE Enterprises Ltd	13,832	24,193	12,977,972	12,625,152
Administration KSE Enterprises Ltd	(1,445)	(1,262)		
Other income	-	-	10,354	9,481
Investment income receivable	-	57	<u>54,323</u>	<u>99,026</u>
Net income for the year	12,387	22,988	13,042,649	12,733,659
Gift aid donation to The King's School Ely	<u>(12,387)</u>	<u>(22,988)</u>	<u>12,387</u>	<u>22,988</u>
Gross incoming resources School	-	-	13,055,036	12,756,647
Costs of charitable activities			(12,342,182)	(12,306,803)
Governance costs of the School			(32,839)	(28,731)
Costs of Generating Funds: School			<u>(240,480)</u>	<u>(158,468)</u>
Net incoming resources	<u>-</u>	<u>-</u>	<u>439,535</u>	<u>262,645</u>
 Total assets of subsidiary	 36,827	 15,799		
Total liabilities of subsidiary	<u>(36,727)</u>	<u>(15,699)</u>		
Total assets less liabilities of subsidiary	<u>100</u>	<u>100</u>		

All direct costs of trading activities undertaken by the Subsidiary have been met by the School.

4 Other Income

	<u>2010</u>	<u>2009</u>
	£	£
Other educational charitable activities		
Registration fees	26,634	24,067
Educational holiday lettings	<u>216,987</u>	<u>184,562</u>
	<u>243,621</u>	<u>208,629</u>
Other ancillary activities		
Surcharge on late payment of fees	7,352	8,086
Rental income	24,435	10,641
Commission and sundry income	<u>10,488</u>	<u>8,348</u>
Total School	42,275	27,075
Charge to KSE Enterprises Ltd for use of facilities	<u>(14,065)</u>	<u>(2,955)</u>
Total Group	<u>28,210</u>	<u>24,120</u>
Other incoming resources		
Gains on sale of tangible fixed assets	<u>4,975</u>	<u>800</u>
Total Group	<u>4,975</u>	<u>800</u>

The King's School Ely

Company Registration Number 2440509

Charity Number 802427

Notes to the Financial Statements for the year ended 31 August 2010

5 Investment income

	<u>2010</u> £	<u>2009</u> £
Income from investments	49,265	58,747
Bank interest receivable for the School	<u>5,058</u>	<u>40,279</u>
Total School	54,323	99,026
Bank interest receivable for the Subsidiary	-	57
Total Group	<u>54,323</u>	<u>99,083</u>

6 Resources expended

	<u>Staff costs</u> £	<u>Other</u> £	<u>Depreciation</u> £	<u>Total</u> 2010 £	<u>Total</u> 2009 £
Costs of generating funds					
Financing costs for the charity	-	240,480	-	240,480	158,468
Financing costs for the subsidiary	-	23	-	23	17
	-	<u>240,503</u>	-	<u>240,503</u>	<u>158,485</u>
Trading costs for the subsidiary	-	23,068	-	23,068	27,060
Total for the School	-	240,480	-	240,480	158,468
Total for the Group	-	<u>263,571</u>	-	<u>263,571</u>	<u>185,545</u>
Charitable activities					
Teaching	6,033,918	540,193	39,356	6,613,467	6,519,599
Welfare	824,554	493,507	21,268	1,339,329	1,318,394
Premises	731,376	1,525,434	465,466	2,722,276	2,695,695
Support costs of schooling	<u>827,853</u>	<u>715,877</u>	<u>112,374</u>	<u>1,656,104</u>	<u>1,761,287</u>
School's operating costs	8,417,701	3,275,011	638,464	12,331,176	12,294,975
Grants, awards and prizes	-	11,006	-	11,006	11,828
Total for the School	8,417,701	3,286,017	638,464	12,342,182	12,306,803
Support costs for the subsidiary	-	100	-	100	15
Total for the Group	<u>8,417,701</u>	<u>3,286,117</u>	<u>638,464</u>	<u>12,342,282</u>	<u>12,306,818</u>
Governance costs					
Governance costs for the Charity	-	32,838	-	32,838	28,731
Governance costs for the subsidiary	-	1,323	-	1,323	1,230
Total for the Group	-	<u>34,161</u>	-	<u>34,161</u>	<u>29,961</u>
Total Resources Expended	School <u>8,417,701</u>	3,559,336 <u>3,583,849</u>	638,464 <u>638,464</u>	12,615,501 <u>12,640,014</u>	12,494,002 <u>12,522,324</u>

	<u>2010</u> £	<u>2009</u> £
Governance costs		
Auditors' remuneration:		
for audit services	24,439	22,608
for other services	-	-
Total School	24,439	22,608
Audit fee for King's School Ely Enterprises Ltd	<u>1,308</u>	<u>1,230</u>
Total Group	25,747	23,838
Governors' expenses for the School:	455	660
Professional fees.		
School:	7,944	5,463
Subsidiary:	15	-
Total School	<u>32,838</u>	<u>28,731</u>
Total Group	<u>34,161</u>	<u>29,961</u>

**Notes to the Financial Statements
for the year ended 31 August 2010**

7 Employee information

	<u>2010</u> £	<u>2009</u> £
Total staff costs comprises:		
Wages and salaries	7,017,522	6,871,835
Social security costs	563,752	552,533
Pension contributions	786,211	766,431
Employee benefits in kind paid	47,274	44,814
Agency staff costs	<u>2,942</u>	<u>2,000</u>
	8,417,701	8,237,613

The average number of employees (full time equivalents) in the year was

Teaching and support	146	147
Welfare	47	45
Premises	40	38
Support staff	<u>26</u>	<u>25</u>
Total for the School and Group	259	255

The number of employees employed by the subsidiary was nil (2009 nil)

Neither the Governors of The King's School Ely nor persons connected with them received any remuneration or other benefits from the School Expenses totalling £335 (2009 £660) incurred in performing their duties were reimbursed to two (2009 two) Governors

The number of higher paid employees was	<u>2010</u> No.	<u>2009</u> No.
Taxable emoluments band:		
£ 60,000 - £ 70,000	2	1
£ 70,000 - £ 80,000	1	1
£ 80,000 - £ 90,000	0	1
£110,000 - £120,000	0	1
£130,000 - £140,000	1	0

For those staff whose emoluments exceed £60,000, pension contributions amounting to £nil (2009 £9,942) were paid for the provision of a money purchase benefit and four staff members have benefits accruing under a defined benefit scheme

	<u>2010</u> No.	<u>2009</u> No.
The number with retirement benefits accruing in:		
- Money purchase schemes was	64	69
for which the contributions amounted to	£148,164	£155,942
- Defined benefit Scheme was	121	122
for which the contributions amounted to	£638,047	£610,489

Notes to the Financial Statements
for the year ended 31 August 2010

8 Tangible Fixed Assets

	<u>Assets under Construction</u> £	<u>Land and Freehold Property</u> £	<u>Long leasehold property</u> £	<u>Equipment</u> £	<u>Group and School Total</u> £
Cost					
At 1 September 2009	1,128,434	9,874,075	1,948,677	4,052,051	17,003,237
Additions	2,142,581	-	253,505	574,875	2,970,961
Disposals	-	-	-	(23,104)	(23,104)
Transfers	(3,271,015)	3,271,015	-	-	-
At 31 August 2010	-	13,145,090	2,202,182	4,603,822	19,951,094
Accumulated depreciation					
At 1 September 2009	-	2,735,385	847,642	3,033,201	6,616,228
Charge for the year	-	239,095	44,043	355,326	638,464
On disposals	-	-	-	(23,079)	(23,079)
At 31 August 2010	-	2,974,480	891,685	3,365,448	7,231,613
Net book value					
At 31 August 2010	-	10,170,610	1,310,497	1,238,374	12,719,481
At 31 August 2009	1,128,434	7,138,690	1,101,035	1,018,850	10,387,009

2010
£

Net book value of assets held under finance leases included in equipment above
The net book value of assets used for the administration of the charity is insignificant

2009
£

9 Investments held as fixed assets

Group	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total Funds</u> £
Valuation at 1 September 2009	1,731,064	37,504	1,768,568
Additions at cost	89,665	-	89,665
Disposals at carrying value	(7,343)	-	(7,343)
Net decrease in cash	(46,172)	-	(46,172)
Net realised gains	2,731	-	2,731
Net unrealised revaluation gains	53,435	2,336	55,771
Valuation at 31 August 2010	1,823,380	39,840	1,863,220
Historical costs at 31 August 2010	1,839,352	11,963	1,851,315

All assets are invested through United Kingdom institutions

Investments included in the above with a market value greater than 5% of the total portfolio market value at 31 August 2010 are

Cazenove Investment Fund Management Growth Trust for Charities	£397,594	29.4%
Cazenove Absolute Return Trust for Charities	£284,951	21.0%
Cazenove Equity Income Trust for Charities	£208,428	15.4%
Cazenove Multi Strategy Property Trust for Charities	£146,359	10.8%
Cazenove Multi Manager Global (ex UK) Fund	£175,987	13.0%
Cazenove Cash account	£ 76,091	5.6%

School

The School also has a 100% holding of 100 ordinary shares of £1 each in King's School Ely Enterprises Limited, a limited company incorporated and registered in England and Wales

**Notes to the Financial Statements
for the year ended 31 August 2010**

10 Stocks

	<u>Group and School 2010 £</u>	<u>Group and School 2009 £</u>
Teaching resources	32,601	44,858
Catering and domestic provisions	17,862	18,893
Grounds materials	400	400
Clothing and stationery	<u>5,954</u>	<u>4,082</u>
	<u>56,817</u>	<u>68,233</u>

11 Debtors

	<u>Group 2010 £</u>	<u>School 2010 £</u>	<u>Group 2009 £</u>	<u>School 2009 £</u>
Amounts falling due within one year				
School fees	283,953	283,953	217,636	217,636
less provision for doubtful debts	<u>(206,496)</u>	<u>(206,496)</u>	<u>(164,916)</u>	<u>(164,916)</u>
Net school fees	77,457	77,457	52,720	52,720
Trade debtors	963	-	1,011	-
Prepayments and accrued income	164,259	164,259	137,349	137,349
Due from subsidiary undertaking	<u>-</u>	<u>36,727</u>	<u>-</u>	<u>15,699</u>
	<u>242,679</u>	<u>278,443</u>	<u>191,080</u>	<u>205,768</u>
Amount falling due after more than one year				
Renovation costs of capitular properties, borne by the School	964,520	964,520	964,520	964,520
Interest paid by the School on the bank loan	1,515,845	1,515,845	1,486,996	1,486,996
Rent payable foregone	<u>(932,144)</u>	<u>(932,144)</u>	<u>(883,144)</u>	<u>(883,144)</u>
Amount recoverable from the landlord for renovating certain of the School's capitular leasehold properties	1,548,221	1,548,221	1,568,372	1,568,372
amounts not covered by estimated future rents	<u>(1,031,560)</u>	<u>(1,031,560)</u>	<u>(1,011,927)</u>	<u>(1,011,927)</u>
	<u>516,661</u>	<u>516,661</u>	<u>556,445</u>	<u>556,445</u>

An agreement was entered into between the School and the Dean and Chapter of the Ely Cathedral in 1989 whereby the finance required to renovate the four capitular properties occupied for many years by the School (the Dean and Chapter having responsibility for external repairs under the existing leases) would be provided to the Dean and Chapter by the School. This advance, and the interest costs borne by the School of the bank loan to finance it, is repayable by the Dean and Chapter by it foregoing annual rent under new leases granted following the renovations being carried out. A term of the agreement is that any part of the advance not repaid by August 2024 will be forgiven by the School. The net balance is being charged to the Statement of Financial Activities over the period to August 2024.

**Notes to the Financial Statements
for the year ended 31 August 2010**

12 Creditors: amounts falling due within one year

	<u>Group</u> <u>2010</u> £	<u>School</u> <u>2010</u> £	<u>Group</u> <u>2009</u> £	<u>School</u> <u>2009</u> £
Bank loans	217,574	217,574	125,284	125,284
Trade creditors	336,236	336,236	286,095	286,095
Other taxation and social security	172,002	172,002	158,749	158,749
Payments received on account of future fees	1,937,639	1,937,639	1,616,068	1,616,068
Pension contributions payable	97,766	97,766	93,167	93,167
Acceptance deposits	205,311	205,311	161,492	161,492
Obligations under finance leases	-	-	30,716	30,716
Other creditors and accruals	399,752	399,752	243,796	243,796
Advance fees	<u>509,695</u>	<u>509,695</u>	<u>460,767</u>	<u>460,767</u>
	<u>3,875,975</u>	<u>3,875,975</u>	<u>3,176,134</u>	<u>3,176,134</u>

13 Creditors: Amounts falling due after more than one year

	<u>Group and</u> <u>School</u> <u>2010</u> £	<u>Group and</u> <u>School</u> <u>2009</u> £
Acceptance deposits	193,955	174,242
Bank loans	3,368,160	625,523
Advance fees	<u>421,589</u>	<u>292,200</u>
	<u>3,983,704</u>	<u>1,091,965</u>

Acceptance deposits	<u>193,955</u>	<u>174,242</u>
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The analysis of acceptance deposits between those repayable between one and two years, between two and five years and after five years cannot be readily determined as their repayment only falls due on the event of a pupil leaving the School

Bank loans

	<u>The King's</u> <u>School loan</u> <u>2010</u> £	<u>Arts Complex</u> <u>loan</u> <u>2010</u> £	<u>Barton Square</u> <u>loan</u> <u>2010</u> £	<u>Group and</u> <u>School</u> <u>2010</u> £	<u>Group and</u> <u>School</u> <u>2009</u> £
due after five years	-	2,381,685	-	2,381,685	-
due within two to five years	-	314,895	193,282	508,177	347,375
due within one to two years	<u>240,127</u>	<u>180,454</u>	<u>57,717</u>	<u>478,298</u>	<u>278,148</u>
	240,127	2,877,034	250,999	3,368,160	625,523
due within one year	<u>108,241</u>	<u>83,177</u>	<u>26,156</u>	<u>217,574</u>	<u>125,284</u>
	<u>348,368</u>	<u>2,960,211</u>	<u>277,155</u>	<u>3,585,734</u>	<u>750,807</u>

The King's School bank loan, arranged in 2002, is secured on the School's freehold property known as Barton Farm and is repayable in quarterly instalments (capital and interest) over 11 years at the rate of £129,640 per annum. Interest is payable at a fixed rate of 6.959%.

**Notes to the Financial Statements
for the year ended 31 August 2010**

13 Creditors: Amounts falling due after more than one year (continued)

The Barton Square bank loan, arranged in 2003, is secured by a legal charge. It is repayable in quarterly instalments (capital and interest) over 10 years at the rate of £43,914 per annum and a final payment of £196,515. Interest is payable at a fixed rate of 6.63665%.

The Arts Complex bank loan, arranged in January 2010, is secured by a legal charge. It is repayable in monthly instalments (capital and interest) over 20 years at the rate of £257,757 per annum. Interest is payable at a fixed rate of 5.99%.

	<u>Group and School 2010</u>	<u>Group and School 2009</u>
	<u>£</u>	<u>£</u>
Advance fees		
due after five years	198,728	97,610
due within two to five years	146,914	126,622
due within one to two years	<u>75,947</u>	<u>67,968</u>
	421,589	292,200
due within one year	<u>509,695</u>	<u>460,767</u>
	<u>931,284</u>	<u>752,967</u>
The balance represents the accrued liability under the contracts		
The movements during the year were		
Balance at 1 September 2009	752,967	493,392
New deposits	772,965	496,796
Amounts accrued to deposits as debt financing costs	<u>16,138</u>	<u>12,717</u>
	1,542,070	1,002,905
Amounts utilised in school fees to the School	<u>(593,275)</u>	<u>(249,938)</u>
Amounts refunded to parents	<u>(17,511)</u>	<u>-</u>
Balance at 31 August 2010	<u>931,284</u>	<u>752,967</u>
Obligations under finance leases:		
due within two to five years	-	-
due within one to two years	<u>-</u>	<u>-</u>
	-	-
due within one year	<u>-</u>	<u>30,716</u>
	<u>-</u>	<u>30,716</u>

14 Net assets of the funds of School and Group

The School's net assets relate to the various funds as follows

	Fixed Assets	Investments	Net current Assets/ (Liabilities)	Net long term (Liabilities)	Fund Balances
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Restricted funds	-	39,840	1,302	-	41,142
Unrestricted funds	<u>12,719,481</u>	<u>1,823,480</u>	<u>(572,183)</u>	<u>(3,983,704)</u>	<u>9,987,074</u>
School	12,719,481	1,863,320	(570,881)	(3,983,704)	10,028,216
Subsidiary's reserves	-	(100)	100	-	-
Group	<u>12,719,481</u>	<u>1,863,220</u>	<u>(570,781)</u>	<u>(3,983,704)</u>	<u>10,028,216</u>

**Notes to the Financial Statements
for the year ended 31 August 2010**

15 Movement in restricted funds

Restricted funds comprise the following unexpended donations and grants given for specific purposes

	<u>Balance at</u> <u>1 September</u> <u>2009</u> £	<u>Income</u> £	<u>Gains</u> <u>and</u> <u>losses</u> £	<u>Expenditure</u> £	<u>Balance at</u> <u>31 August</u> <u>2010</u> £
School scholarships and bursaries	20,936	1,013	1,304	(1,013)	22,240
School prizes	<u>17,395</u>	<u>801</u>	<u>1,032</u>	<u>(326)</u>	<u>18,902</u>
	<u>38,331</u>	<u>1,814</u>	<u>2,336</u>	<u>(1,339)</u>	<u>41,142</u>

School prizes and scholarship funds represent a number of individually low value funds donated to the School for use towards prizes and scholarships. These funds are represented by investments in the Charities Official Investment Fund income shares. Income from these shares is brought into the Statement of Financial Activities as restricted income.

16 Movement in unrestricted funds

Unrestricted funds comprise the following

	<u>Balance at</u> <u>1 September</u> <u>2009</u> £	<u>Income</u> £	<u>Gains</u> <u>and</u> <u>losses</u> £	<u>Expenditure</u> £	<u>Transfers</u> £	<u>Balance at</u> <u>31 August</u> <u>2010</u> £
Designated funds.						
Reserve Fund	1,264,837	43,459	56,166	(10,104)	-	1,354,358
Fixed Asset Fund	8,561,931	-	-	-	(511,523)	8,050,408
Fees in Advance	752,967	789,103	-	(610,786)	-	931,284
Un-designated funds						
General Fund	<u>(1,087,887)</u>	<u>12,194,208</u>	<u>-</u>	<u>(11,993,272)</u>	<u>537,975</u>	<u>(348,976)</u>
Total School	9,491,848	13,026,770	56,166	(12,614,162)	26,452	9,987,074
Non-charitable trading	<u>-</u>	<u>50,965</u>	<u>-</u>	<u>(24,513)</u>	<u>(26,452)</u>	<u>-</u>
Total Group	<u>9,491,848</u>	<u>13,077,735</u>	<u>56,166</u>	<u>(12,638,675)</u>	<u>-</u>	<u>9,987,074</u>

The Reserve Fund is a designated fund represented by Cazenove investment funds. It is available at Governors' discretion for expenditure on the future development of the School. The Fixed Asset Fund is a designated fund representing the net book value of sums expended on tangible fixed assets together with the long term debtor due to the School from its landlord, less bank loans and borrowing facilities, a transfer is made each year between this fund and the General Fund which represents the movement on the Fixed Asset Fund. The General Fund represents net working capital to meet the day to day requirements of the School.

**Notes to the Financial Statements
for the year ended 31 August 2010**

17 Pension Costs

The School participates in the Teachers' Pension Scheme, which provides benefits based on the final pensionable salary. The total pension cost for the year was £638,047 (2009 £610,489). The pensions cost is assessed in accordance with the advice of the Government actuary, using the following main assumptions.

Latest actuarial valuation	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6½% per annum
Salary scale increases per annum	5% per annum
Market value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of assets	98.88%

The employer contribution rate was 13.5% from 1 April 2003 and has been 14.1% since 1 January 2007.

The School is unable to identify its share of the underlying assets and liabilities of the scheme.

At 31 August 2010 outstanding employer and employee contributions amounted to £76,247 (2009 £73,988). This is shown in current liabilities.

The School also operates a Defined Contribution Pension Scheme for non-teaching staff. The assets of the Scheme are administered by trustees, independent from those of the School. The pension cost relating to the Scheme, charged in the financial statements in the year, was £148,164 (2009 £155,942). It is estimated that a similar amount will be charged in the financial statements in 2010-11.

At 31 August 2010 outstanding employer and employee contributions amounted to £18,753 (2009 £16,984). This is shown in current liabilities.

18 Financial commitments

At 31 August 2010, the School and Group had annual commitments under non-cancellable operating leases as follows:

	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>
	<u>Land and</u>	<u>Other</u>	<u>Land and</u>	<u>Other</u>
	<u>Buildings</u>		<u>Buildings</u>	
	£	£	£	£
Expiring within one year	-	4,270	-	-
Expiring in one to two years	-	-	-	4,304
Expiring in two to five years	-	55,567	-	43,661
Expiring in more than five years	<u>50,617</u>	<u>-</u>	<u>50,617</u>	<u>-</u>

The total rentals under operating leases, charged as an expense in the Statement of Financial Activities, were:

	<u>2010</u>	<u>2009</u>
	<u>£</u>	<u>£</u>
Land and buildings	50,617	50,617
Other	<u>50,758</u>	<u>45,461</u>
Total	<u>101,375</u>	<u>96,078</u>

At 31 August 2010, the School and Group had contracted capital expenditure of £16,835 (2009 £2,380,737).

**Notes to the Financial Statements
for the year ended 31 August 2010**

19 Ultimate Parent Company

The ultimate parent company is The King's School Ely, a charitable company incorporated in England and Wales and limited by guarantee. The level of guarantee for each member is limited to £1 per member.

20 Reconciliation of net incoming resources to net cash inflow from operating activities

	<u>2010</u> £	<u>2009</u> £
Net incoming resources	439,535	262,645
Depreciation	638,464	610,138
(Profit) on sale of tangible fixed assets	(4,975)	(800)
Rent foregone by landlord	49,000	49,000
Income from investments	(49,265)	(58,747)
Bank and other interest received	(5,058)	(40,336)
Bank and loan interest payable	181,432	62,707
Interest payable on finance leases	5,225	10,966
Interest recoverable from landlord	(28,849)	(35,441)
Increase in provision for loan interest	19,633	24,118
Decrease in stocks	11,416	20,330
(Increase)/decrease in debtors	(51,599)	166,023
Increase/(decrease) in creditors	<u>781,812</u>	<u>(901,700)</u>
Net cash inflow from operating activities	<u>1,986,771</u>	<u>168,903</u>

21 Analysis of net debt/net funds

	<u>At</u> <u>1 September</u> <u>2009</u> £	<u>Cashflow</u> £	<u>At</u> <u>31 August</u> <u>2010</u> £
Cash at bank and in hand	<u>826,943</u>	<u>1,662,094</u>	<u>2,489,037</u>
Debt due after one year	(625,523)	(2,742,637)	(3,368,160)
Debt due within one year	(125,284)	(92,290)	(217,574)
Finance leases	<u>(30,716)</u>	<u>30,716</u>	<u>-</u>
	<u>(781,523)</u>	<u>(2,804,211)</u>	<u>(3,585,734)</u>
Total	<u>45,420</u>	<u>(1,142,117)</u>	<u>1,096,697</u>

**Notes to the Financial Statements
for the year ended 31 August 2010**

22 Reconciliation of net cash flow to movement in net (debt)/funds

	<u>2010</u> £	<u>2009</u> £
Increase/(decrease) in cash in the year	1,662,094	(1,349,411)
Cash inflow/(outflow) from new bank loan	(3,000,000)	-
Loan repayment in the year	165,073	117,133
Financing lease agreements – capital element	<u>30,716</u>	<u>63,483</u>
Change in net debt	(1,142,117)	(1,168,795)
Net funds at 1 September	<u>45,420</u>	<u>1,214,215</u>
Net (debt)/funds at 31 August	<u>(1,096,697)</u>	<u>45,420</u>

23 Related party transactions

The School has a number of related party transactions with the Dean and Chapter of Ely Cathedral. In the year the Dean and Chapter contributed £121,215 (2009 £147,773) towards the cost of educating the Cathedral Choristers. The School supported Choristers and ex Choristers with £136,915 (2009 £112,100) of bursary assistance towards school fees. The School paid to the Dean and Chapter £37,877 (2009 £46,148) in rents, including rent for the capitular properties, £1,613 (2009 £2,163) for use of facilities and a donation of £nil (2009 £30,000). The Dean of Ely Cathedral is an ex-officio member of the Governing Body and there are two Dean and Chapter of Ely Cathedral Representative Governors.

During the period the School held investments which were managed by Cazenove Capital Management Limited, of which Jeffrey Hayes, Governor from 24 June 2010, was a shareholder and Chairman of the Cazenove Capital Pension Trust. The level of shareholding held by Jeffrey Hayes was not considered to have any influence over the transactions that the School has had with Cazenove during the period as disclosed in note 9.

24 Post Balance Sheet events

In November 2010 the School received a donation of £1,200,000 from an anonymous benefactor. The donation was gift aided and an application to reclaim income tax thereon has been lodged with HM Revenue and Customs.

On 26th November 2010 the School purchased the leasehold of The Old Bishop's Palace from Sue Ryder Care. The building will be refurbished during the year to provide the Sixth Form Centre, student accommodation and the consolidation of other activities for occupancy in September 2011.