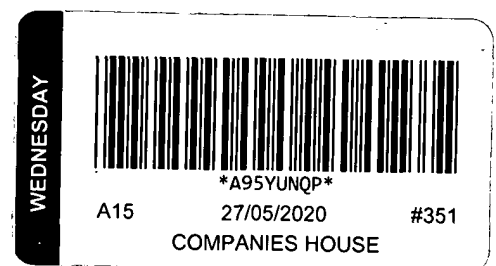


THE KING'S SCHOOL ELY

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 August 2019



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Directors and Governors

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Principal

John Attwater

Company Secretary

Roger Axworthy

Clerk to the Board of Governors

Roger Axworthy-

Name and Registered Office of the Company

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

Registered Charity Number

802427

Registered Company Number

2440509

Registered VAT Number

183012243

Bankers

Lloyds Bank plc, Minster Place, Ely CB7 4EN

Barclays Bank plc, 1 Churchill Place, Canary Wharf, London, E14 5HP

Solicitors

Veale Wasbrough Vizards, Narrow Quay House, Narrow Quay, Bristol BS1 4QA

Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH

Mills and Reeve LLP, Botanic House, 98-100 Hills Rd, Cambridge CB2 1PH

Peninsula Business Services Limited, The Peninsula, Victoria Place, Manchester, M4 4FB

Independent auditors

Crowe U.K. LLP, St. Bride's House, 10 Salisbury Square, London EC4Y 8EH

Insurance Brokers

Hettle Andrews, Eleven Brindleyplace, 2 Brunswick Place, Birmingham, B12LP

Investment Managers

Cazenove Capital Management Limited, 12 Moorgate, London EC2R 6DA

CCLA Investment Management Limited, Senator House, 85 Queen Victoria St, London EC4V 4ET

Buildings Consultants

Cheffins, 25 Market Pl, Ely CB7 4NP

Bidwells LLP, Trumpington Road, Cambridge, CB2 2LD

Trustees 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 financial year and up to the date of approving the financial statements were as follows:

Membership of Boards, Committees and Working Parties (Chair of Committee indicated by +, Vice-Chair, where appropriate by ^)

	Board of Governors	Finance & General Purposes	Strategy, Development & Risk	Nominations	Education	Estate	Principal Succession	Pension Working Group
Jeff Hayes	X+	X	X+	X+	X	X	X+	X+
David Day	X	X+			X	X		
Clive Bairsto	X^	X					X	
Graham Chase	X	X				X+		
Mark Myers	X	X	X					X
Isobel Newport-Mangell	X							
Amanda East	X		X		X		X	
Mark Bonney	X			X				
Mike Proctor	X			X				
Anthea Kenna	X				X			
Jim Paice	X		X					
Philip Cantwell	X			X			X	
Joseph Peake	X						X	
Gavin Acheson	X					X		

The Co-opted Governors are appointed by the Board of Governors for the time being. The 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. All other Governors are co-opted.

On 8 April 2019: Graham Chase resigned from the Board of Governors of King's Ely as a Governor, Director, Trustee and Member.

On 4 December 2018: Clive Bairsto was re-elected to the Board of Governors of King's Ely and Vice-Chairman; Gavin Acheson was appointed a member of the Estate Committee of the Board of Governors.

On 5 March 2018: the Finance and General Purposes Committee established a Pension Working Party.

On 16 March 2019: Isobel Newport-Mangell was re-elected to the Board of Governors of King's Ely as the Representative of the Ely Education Diocesan Board.

On 19 June 2019: Mark Myers was re-elected to the Board of Governors of King's Ely; David Day was re-appointed Chairman of the Finance and General Purposes Committee of the Board of Governors; Philip Cantwell was re-appointed Chairman of the Education Committee of the Board of Governors.

Governors' 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 financial statements of the Trust. The Trust has charitable status for taxation purposes.

The information on Governors, officers and advisers on pages 3 and 4 forms part of this Governors' Annual Report.

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 King's Ely, children of all ages and both sexes, both day (from age 1) 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, King's 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 cherish the heritage and history of our City and our School and to live the truths for which they stand;
- to foster creativity and independence of mind and to incite a love of learning and a life-long zest for Education.

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. However, governors are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011, believing that society in general is the ultimate beneficiary of a King's Ely education and that 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 this connection, Governors have monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee charging.

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 2018-2019 these activities included:

- providing, free of charge or at heavily subsidised rates, access to our facilities for sports, arts, academic and social events for children both locally and nationally;
- in partnership with Cambridgeshire County Council, founding the Cambridgeshire Education Trust, (CET) designed to provide a sustainable platform and support for a wide range of partnership activities for children of primary and secondary age within the Cambridgeshire and beyond its borders;
- donating proceeds from musical productions to support other charities
- 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;
- hosting of a project which provides access to the performing arts for disadvantaged children;
- organisation of and contributions to academic events for children from across the region;
- providing for the public, free of charge, tours of the Old Palace and other ancient buildings
- raising over £38,000 for designated charities.

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 innovative, relevant and imaginative and thereby represents best practice. Well over half of our employees are actively involved in community and charity work outside school ranging from chairmanship of national charities to running guide troops and raising thousands of pounds for charities. Active liaison with local organisations and the community at large enables us to maintain dynamic and relevant activities for the public benefit. The Vice Principal Academic is actively involved in governance of a local state school. The school is engaged in a partnership with state schools on the east coast of Norfolk.

Enabling activities

To enable the school to fulfil its aims we seek to:

- manage school funds efficiently in order to ensure an appropriate and stimulating environment in which to live and learn; provide financial support to enable children whose parents are unable to afford the full fees to benefit from an education at King's Ely;

- provide clear and effective management capable of taking timely decisions and allocating resources appropriately and provide the necessary administrative and logistic framework to address the needs of members of staff and pupils alike. The aims and objectives set for the School's subsidiary are to facilitate the achievement of the School's aims and objectives as above.

Governance and Management

Board of Governors

The constitution of the Governing Body and particulars of the Governors who served during the year are given on page 4. The Governors are aware of the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The School is reviewing its current governance arrangements against the principles within the code and will address any issues raised where required in 2020.

Recruitment and Training of Governors

New governors are appointed at a Board meeting on the recommendation of the Nomination and Governance committee chaired by the Chairman of the Board of Governors. Nominations and suggestions are invited from across the School community and beyond. The Nominations and Governance 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 the Senior Leadership Team. 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 Principal, the COO, and the Heads of the three 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 Finance and General Purposes Committee (F&GP), who meet in advance of the full Board meetings and at other times as required. The Strategy, Development and Risk Committee, the Education Committee and the Estates Committee normally meet three times during the year and the Nominations and Governance Committee normally meets twice a year. 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 F&GP Committee, the Education Committee and the Estates Committee and is Chairman of the Strategy and Risk Committee and the Nominations and Governance Committee.

The School has further adopted its unified organisation structure, The Principal is Chief Executive. The School has three elements: King's Ely Acremont (KEA), including the Nursery (KEAN), King's Ely Junior (KEJ), and King's Ely Senior (KES). The Principal of the King's School Ely is Chief Executive of all three sections. KES, KEA and KEJ each have a Head of Section under the direct oversight of the Principal. The Chief Operating Officer, who is responsible for all non-academic staff and functions needed to support the School's educational objects, reports directly to the Principal. The day-to-day running of the School is co-ordinated by the School Leadership Team and the affairs of each School managed by a committee chaired by the respective Head of Section and attended by the Principal, Chief Operating Officer and Business Manager. The Principal (and from September 2019 the Principal Emeritus) support the school's plans to establish satellite schools overseas.

Group Structure

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

Under embryonic plans to expand the King's Ely brand and ethos overseas, and wholly owned Trading Subsidiary King's Ely Octagon Schools Ltd (KEOS) was incorporated in the United Kingdom on 23 August 2016. The company is not yet trading.

Employment policy

King's Ely supports actively the attainment of the highest standards of education through rigorous and continuous evaluation of quality and performance, the application of best practice and a shared desire to improve standards. We co-operate with local charities and educational bodies in our continuing endeavours to widen public access to the schooling we provide, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive at King's Ely.

The King's School Ely is an equal opportunities employer. Full and fair consideration is given to all job applications from disabled persons and due consideration is given to their training and employment needs. 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.

Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Regular meetings are held throughout the organisation in which all subjects, teaching and non-teaching, are discussed with the staff at all levels. Employees are made aware of the financial and economic performance of the School. Recruitment related child safeguarding aspects are rigorously adhered to and all employees receive Child Protection and Safeguarding training. Pay is set by the Governors' Finance and General Purposes Committee. Individual staff may appeal for additional remuneration.

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, ex-members of staff and those with close associations with the School enabling them all to continue to be part of our activities.

Remuneration

Remuneration is recommended by the F&GP Committee before discussion and setting by the Board, with the objective of providing a remuneration package to attract, retain and motivate our excellent staff. The Board has also affirmed its commitment that the School be a National Living Wage employer, having set the minimum wage paid to any member of staff just above the National Living Wage. Any pay increase is awarded uniformly across the school to all staff, including key management personnel, after the Board has considered any comparisons available within the sector (for example by taking part in sector wide benchmarking surveys), affordability and the need to remain competitive. Some staff have been additionally rewarded for exceptional performance and/or achieved internal progression at the discretion of the Principal. The appropriateness and relevance of any changes to remuneration is reviewed annually by the Senior Leadership Team and Governors, including reference to comparisons with other independent schools. Delivery of the School's charitable vision and Objects is primarily dependent on our key management personnel and staff related costs are the largest single element of our charitable expenditure.

Governors' indemnities

As permitted by the Articles of Association, the Governors have the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The School also purchased and maintained throughout the financial year Governors' and officers' liability insurance in respect of itself and its Governors.

Statement of Governors' Accounting and Reporting Responsibilities

The Governors (who are also directors of The King's School Ely for the purposes of company law) are responsible for preparing the Governors' Annual Report, incorporating a directors' report and strategic report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

- select the most 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Insofar as each of the Directors, as members of the Governing Body, at the date of approval of this report is aware, there is no relevant audit information of which the School's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the School's auditor is aware of that information.

Strategic Report

Strategies to achieve the School's aims

As in previous years King's Ely has continued to strive towards providing the best possible environment which will enable our students to thrive and grow, whilst studying creating friendships and developing life skills that they will take with them into the next chapter of their lives.

During 2018-19 and in line with the School's ethos to invest and enhance the beautiful and historical buildings and facilities that we enjoy every day as part of our heritage, the focus for continual improvement has been directed in the School's infrastructure. Several heating and hot water boilers have been replaced including Etheldreda, School House and Torfrida/Withburga, roof repairs continue as have window repairs/replacements on some of our historical houses, ensuring that our buildings remain water tight as well as aesthetically pleasing and safe. The program of building surveys continues directing the school to invest its money where it is needed and ensuring our buildings are maintained for the foreseeable future.

We have continued with the lab refurbishment program completing the refurbishment of two physics labs and also replacing some of the tired single glazed wooden framed windows within the science block, not only improving the look but also ensuring good insulation and solar protection. An additional classroom has been created in Old Hereward from two underused offices as well as a full refurbishment to the top floor classrooms currently used for our international students.

The boy's day houses have been significantly improved, completely refurbishing the toilet facilities in each house, removing the old obsolete shower rooms and creating social spaces with the addition of more locker spaces. At KEJ lockers have been added to the Yr7/8 block ensuring that every student has a space for their possessions.

Sports provision has been improved at Brand and Campus fields with new cricket squares, dugouts, fencing and signage as well as new site screens and boundary ropes, and the sports hall has received a makeover.

Investment in IT for teaching and learning continues, with projects during the year completed to replace all classroom Smart Boards and Projectors (reducing energy consumption too) on a five-year lease basis and to replace the School's Wi-Fi system in its entirety to improve reliability and increase performance.

The quality of boarding houses also continues to be a priority: external repairs have been completed on School House which included roof repairs, window repairs and replacement and decoration, Queens Hall also benefited from internal and external redecoration as well as minor works inside.

On September 18th 2018 a vehicle crashed into Hill House causing significant damage to the building and requiring significant time to repair. The school took this opportunity to completely renovate this beautiful 18th Century boarding house which houses 30 girls. The works not only included full bathroom, bedroom and kitchen refurbishments but structural works to sagging floors, re-plastering, new lighting and IT as well as flooring, decoration and new furniture throughout.

At KEAN the provision for our very youngest students has improved with a reconfiguration of the house and improvements to a number of areas including a new pond area and better lighting.

Security of the large campus has been improved with the installation of a new server dedicated to CCTV and improvements continue with additional LED external lighting and additional coded entry doors. Two new parking areas have been created providing much needed spaces for staff and visitors.

Health, safety and welfare improvements continue to ensure our students wellbeing is our first priority and in-depth audits of specific areas have taken place and action points raised have been dealt with, as well as the completion of five yearly full legionella risk assessment of the whole site.

Achievements and Performance

King's Ely has enjoyed a highly successful academic year. The School principally provided education in Ely to boys and girls from the ages of 1-18 in King's Ely Nursery, King's Ely Acremont, King's Ely Junior, King's Ely Senior and King's Ely International. In addition, during the holiday times courses were run for overseas students and sports training events for local children.

This year average attendance totalled 1,048 (2018: 1,050) and consisted of:

	Total Boarding 2019	Total Day 2019	Total Pupils 2019	Total Boarding 2018	Total Day 2018	Total Pupils 2018
King's Ely Senior	107	374	481	104	361	465
King's Ely Junior	35	312	347	31	310	341
King's Ely Acremont	-	85	85	-	81	81
King's Ely Nursery	-	84	84	-	102	102
King's Ely International	<u>42</u>	<u>9</u>	<u>51</u>	<u>57</u>	<u>4</u>	<u>61</u>
Total	<u>184</u>	<u>864</u>	<u>1,048</u>	<u>192</u>	<u>858</u>	<u>1,050</u>

Heads of Section in KEA, KEJ and KES, have worked together to inspire our team of teachers to lead our pupils to higher aspirations and measurably improved outcomes.

Over 14 % of 2019 A Level grades were A*. 35 % were A*/A grades; 58% A *-B grade. Overall pass rate was over 99%. Value added scores were improved on 2018.

We saw a rise in GCSE outcomes in 2019. 15.8 % of passes were Grade 9 (4.7 % nationally); 34.7 % were Grade 9-8, 56.2 % at Grade 9-7; 75.2 % being Grade 9-6; 86.8 % at Grades 9-5 with 95.4 % at Grades 9-4.

The one year International GCSE programme results held strong with 48 % of Grades at 9-7; 82% at Grades 9-6, with 96.3 % at Grades 9-5.

Each section of the School has reported its progress in academic attainment, sport, outdoor education, competitions of all kinds and the arts, in various publications including weekly newsletters from the Heads of each section of the school. We continue to hold the coveted International Schools Award and we are an accredited eTwinning School, receiving Quality Label awards in all four of our eTwinning projects. Our United in Diversity Erasmus project was recognised as an example of best practice and we are currently involved in 3 new Erasmus projects. We continue as a National Holocaust Partner School

and a growing number of our students achieve success in a number of regional and national competitions across a wide range of disciplines.

Governors' commitment to maintaining the School's excellence has been reinforced by the capital programme. Expenditure on capital projects this year amounted to £1.4 million.

Future developments

With investment in the Admissions and Media/Marketing department, careful cost control, robust debtor chasing, restructuring our bank loans and general savings in a number of areas, the past four years of negative surplus territory are behind us. Over the coming three years we will further refine our marketing practices, developing our use of social media and ensuring that our new website is kept up-to-date and vibrant, reflecting the reality of the School. Architects have been engaged to design a new provision for our youngest pupils more appropriate to their needs and more accessible to the wider facilities available to KEA/N. Over the coming years we will continue to focus on the Learning Habits Framework. In line with our underpinning ethos of holistic education we continue to develop our students as educated and well-rounded people rather than those who are merely academically trained. In order to develop their resilience and problem-solving skills, we are continuing to encourage increased levels of participation in co-curricular activities for those less inclined to embrace the wider experience of King's Ely, aiming for further improvement in standards of performance in sport, music and drama and continuing to ensure safe participation in adventurous undertakings.

Plans towards the establishment of our first KEOS in Dubai continue with a revised projected opening in September 2022. A reimbursement of £327k paid to facilitate the progress of the Dubai project preliminary work since 2017 pending a deal being finalised has not yet been received. This expense has been accounted for in this year's accounts with any future payment for this work treated as income from the project.

Remissions policy

The policy is reviewed annually by the Board of Governors during the School's budgeting process. The Governors are committed to broadening access to the School and they authorise a percentage of the gross fee income (less staff discounts) to be allocated for allowances, bursaries, choral awards, discounts, exhibitions and scholarships. Such awards are at the discretion of the Principal and confirmed by Governors. Full details of the Remissions Policy are published on the School's web-site, and advice is freely available from the School. In the year to 31 August 2019, the value of allowances, bursaries, choral awards and discounts made to pupils was £1,984,840 (2017-18: £1,913,361)

Governors offer means-tested financial support 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.

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 benefiting 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, eligible members of the

Foreign and Commonwealth Office 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 tuition fees of between 5% and 10% are awarded to talented pupils to promote the continuation of excellence. 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.

Financial Review and Results for the Year

The results for the financial year are set out in the consolidated Statement of Financial Activities on page 19. There were net outgoing funds for the year of £515,541 as compared with £319,320 incoming funds in the previous year. There was an overall net decrease in funds of £552,376 as compared with £387,071 increase in the previous year. Fee income in the year was £18,314,774 an increase of £790,592 over the previous year, reflecting the boarding/day mix of pupils and changes in fee levels. Expenditure on projects has totalled £1,401,411 which has been capitalised, including the continued upgrading of ICT, boarding and day facilities, and the estate to meet health and safety requirements.

Performance of subsidiary company

During the year King's School Ely Enterprises Limited accrued £71,800 (2018: £30,274) for a gift aid payment to the School, thereby transferring all its taxable profits to the School. The activity in the subsidiary company is expected to reduce in 2019-20 from this year's level of activity.

Taxation

The School is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the School's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Fundraising performance

The majority of the school's income is from School fees and other associated income. The School has not engaged with third parties to raise funds and any direct approach to members of the public for funding has been limited to parents of pupils and alumni. No complaints were received in relation to our fundraising activities. The School's major capital campaign to fund the development of sports facilities, including a covered swimming pool, double sports hall and second all-weather playing surface has been put on hold.

Grants and donations totalled £13.8k with restricted income donations of £1.1k. For this year the performance of current fundraising, on costs of £30k, was a ratio of 201% against the £14.9k of voluntary Income raised.

Reserves Policy

The School's total reserves stood at £9.57m at the year-end, including £645k of unspent restricted income and £8.9m unrestricted income including the pension fund deficit of £203k.

The School's policy, which is reviewed annually by Governors, is to protect and build reserves 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. The target is to hold three months

operating reserves within Cash and investments. Due to the policy of reinvestment into fixed assets and the running of the school, there are no free reserves at the year end.

Investment Policy and Objectives

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 Schroder & Co Limited, Cazenove Capital Management. Notes 9 to the financial statements 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.

Since July 2006 the Charity's unrestricted investments have been managed by Schroder & Co Limited, Cazenove Capital Management Limited 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 £2,907,608, are held in a series of Collective Investment vehicles with appropriate investment targets. The investment objective is to deliver a real return plus 3% net of fees. The value of the investment has increased by 0.9% over the year, which is below the investment target but reflects the volatile nature of the current market state.

Capitalisation Policy

The School's policy is to capitalise any tangible assets (individual or grouped) or infrastructure/estate enhancements projects in excess of £5,000.

Risk Management

The Board of Governors is responsible for the management of the risks faced by the School. The management of risk is a routine part of all school activities and appropriate procedures are in place to mitigate those risks so far as is reasonably possible.

The major risks to which the School are exposed, as identified by the Governors, are monitored through a regular review of the Risk Register which records details of the identified risk, assessment and mitigating actions. These are coordinated at regular meetings of the Board of Governors and its Committees, School Leadership Team, and the School's Health and Safety Committee, at which the Board of Governors, all parts of the School and principal departments are represented. The Governors have delegated to the Principal and Senior Leadership Team all aspects of risk management, including the day to day operation of the approved Risk Management Protocol, the identification, assessment and control of risk; and the provision of adequate information to the Board of Governors to enable it to make sound risk decisions. The school has a full-time Health and Safety Coordinator.

The key risks identified include Governance and Management (including compliance and insurance), legal and regulatory (including education, employment and child protection), financial management and fiscal, communications (including public relations), operational (including health and safety) and political. Examples of potential risk identified and addressed by a risk assessment are unforeseen and/or substantial reduction in pupil numbers for any reason, most particularly affordability; and breakdown of ICT systems in their support of key functions, such as data storage, financial management and Human Resources.

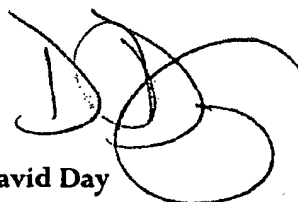
The key controls used by the School include: formal agendas for all Committee and Board activity; detailed terms of reference for all Committees; comprehensive strategic planning, budgeting and management accounting; formal written policies; clear authorisation and approval levels, and vetting procedures as required by law for the protection of the vulnerable. All staff are given induction training in health and safety and safeguarding. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. Compliance in all areas of child protection, education, business, health and safety, employment, and charity law continues to be a high priority.

Independent Auditors

Crowe U.K. LLP are the appointed auditors for the School. This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors on 5th December 2019, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Mr Jeffrey Hayes
Chairman of the Board of Governors



Mr David Day
Chairman of Finance & General Purposes

Independent Auditor's Report to the Members of The King's School, Ely

Opinion

We have audited the financial statements of the King's School, Ely for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2019 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Members of The King's School, Ely**Opinion (Continued)****Other information**

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent Auditor's Report to the Members of The King's School, Ely**Opinion (Continued)****Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

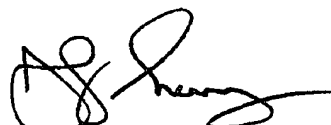
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Andrew Thomas, Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor, London

27 January 2020

Consolidated Statement of Financial ActivitiesIncorporating an Income and Expenditure account for the year ended 31st August 2019

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2019</u> £	<u>Total</u> <u>2018</u> £
Income					
Charitable activities					
Fees receivable	2	18,314,774	-	18,314,774	17,524,182
Ancillary trading income	4	699,445	27,922	727,367	838,979
Donations and legacies		13,822	1,095	14,917	17,772
Other trading activities					
Non ancillary trading income	3	88,824	-	88,824	45,798
Other income	4	887	-	887	1,122
Investments					
Investment income	5	93,781	2,115	95,896	81,332
Total income		<u>19,211,533</u>	<u>31,132</u>	<u>19,242,665</u>	<u>18,509,185</u>
Expenditure on:					
Raising funds					
Non-ancillary trading	6	17,024	-	17,024	15,524
Financing costs	6	145,271	-	145,271	189,172
Investment management costs	6	13,013	-	13,013	14,080
Fundraising & development	6	<u>3,641</u>	<u>-</u>	<u>3,641</u>	<u>32,207</u>
Total deductible costs		178,949	-	178,949	250,983
Charitable activities					
Education	6	<u>19,458,330</u>	<u>120,927</u>	<u>19,579,257</u>	<u>17,938,882</u>
Total expenditure	6	<u>19,637,279</u>	<u>120,927</u>	<u>19,758,206</u>	<u>18,189,865</u>
Net (Expenditure)/Income before investment (losses)/gains		(425,746)	(89,795)	(515,541)	319,320
Gains/(losses)/on investments	9	(41,464)	4,629	(36,835)	67,751
Transfers between funds	16	1,452	(1,452)	-	-
Net (Expenditure)/Income for the year		<u>(465,758)</u>	<u>(86,618)</u>	<u>(552,376)</u>	<u>387,071</u>

The notes on pages 23 to 42 form part of these financial statements.

Consolidated Statement of Financial Activities

For the year ended 31st August 2019 (continued)

Reconciliation of Funds

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Net (Expenditure)/Income for the year	(465,758)	(86,618)	(552,376)	387,071
Funds balances brought forwards at 1 September 2018	<u>9,394,889</u>	<u>731,830</u>	<u>10,126,719</u>	<u>9,739,648</u>
Fund balances carried forward at 31st August 2019	<u>8,929,131</u>	<u>645,212</u>	<u>9,574,343</u>	<u>10,126,719</u>

All activities are classed as continuing.

The notes on pages 23 to 42 form part of these financial statements.

Balance Sheet as at 31st August 2019

	Note	2019	Group 2018	School 2019	School 2018
		£	£	£	£
Fixed assets					
Tangible assets	8	16,027,358	15,614,407	16,027,358	15,614,407
Investments	9	3,678,412	3,643,008	3,678,512	3,643,108
Debtors: amounts due after more than one year	11	99,632	138,632	99,632	138,632
Total fixed assets		<u>19,805,402</u>	<u>19,396,047</u>	<u>19,805,502</u>	<u>19,396,147</u>
Current assets					
Stocks	10	15,731	15,126	15,731	15,126
Debtors: amounts due within one year	11	884,481	1,077,701	987,806	1,118,378
Cash at bank and in hand		4,499,760	4,500,436	4,395,027	4,458,599
Total current assets		<u>5,399,972</u>	<u>5,593,263</u>	<u>5,398,564</u>	<u>5,592,103</u>
Creditors: payable within one year	12	<u>(9,018,746)</u>	<u>(8,168,048)</u>	<u>(9,017,438)</u>	<u>(8,166,988)</u>
Net current liabilities		<u>(3,618,774)</u>	<u>(2,574,785)</u>	<u>(3,618,874)</u>	<u>(2,574,885)</u>
Total assets less current liabilities		16,186,628	16,821,262	16,186,628	16,821,262
Long term liabilities					
Creditors: payable after one year	13	<u>(6,612,285)</u>	<u>(6,694,543)</u>	<u>(6,612,285)</u>	<u>(6,694,543)</u>
Net assets	14	<u>9,574,343</u>	<u>10,126,719</u>	<u>9,574,343</u>	<u>10,126,719</u>
Represented by:					
Restricted: Income funds	15	645,212	731,830	645,212	731,830
Unrestricted Funds	16	8,726,131	9,141,889	8,726,131	9,141,889
Pension Reserve	16	203,000	253,000	203,000	253,000
Total charity funds		<u>9,574,343</u>	<u>10,126,719</u>	<u>9,574,343</u>	<u>10,126,719</u>

Net income / (Expenditure) for the year for the parent charity was £(515,541) (2018: £ 319,320)

These financial statements were approved by the Board of Governors (as Trustees) on 5th December 2019 and signed on its behalf by **Mr Jeffrey Hayes**:



The notes on pages 23 to 42 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31st August 2019

	Note	2019	2018
		£	£
Net cash inflow from operating activities	19	1,757,396	2,514,728
Cash flows from investment activities:			
Purchase of tangible fixed assets	8	(1,401,411)	(613,932)
Withdrawals from securities within investment portfolio	9	307,548	808,411
Movement in investment cash		(12,520)	239,590
Additions to securities within investment portfolio	9	(367,268)	(1,511,001)
Proceeds from sale of tangible fixed assets		2,780	1,122
Dividends and interest		95,896	81,332
Bank and loan interest paid		(145,271)	(189,172)
Net cash used in investing activities		(1,520,246)	(1,183,650)
Cash Flows from financing activities			
Repayment of bank loans		237,826	263,892
Net cash from financing activities		676	1,067,186
Cash and cash equivalents in the beginning of period		4,500,436	3,433,250
Cash and cash equivalents in the end of period		4,499,760	4,500,436

The notes on pages 23 to 42 form part of these financial statements.

1. Accounting policies

Charitable Status

The Charity is a company limited by guarantee (company registration number 2440509) and is a registered charity in England and Wales (802427). The address of the registered office is Barton Road, Ely, Cambridgeshire, CB7 4DB.

Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the 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).

The individual entity accounts of the King's School, Ely has taken advantage of the disclosure exemption under FRS 102 to separately disclosure categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

The King's School, Ely constitutes a public benefit entity as defined by FRS 102. As highlighted in the Governors Report, having assessed the charity's financial position, its plans for the foreseeable future, the risks to which it is exposed and the detailed cash projections the governors are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in the note below, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Basis of consolidation

The financial statements consolidate those of the School and its wholly owned non-charitable subsidiary trading company: The King's School Ely Enterprises Limited. In accordance with section 408 of Companies Act 2006, no separate Statement of Financial Activities has been presented for the School alone. The Consolidated Statement of Financial Activities (SOFA), the Consolidated Balance Sheet and the consolidated cash flow statement include the results of the School and its subsidiary undertaking made

up to 31 August 2019 and consolidated on a line by line basis. Intra-group transactions and profits are eliminated fully on consolidation. Uniform accounting policies have been adopted across the Group.

Income

All income is recognised in the consolidated Statement of Financial Activities when the conditions for receipt have been met and receipt is probable. 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:

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.

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 consolidated 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.

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. The Governors have reviewed the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the School, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2019 have been included within current liabilities. The prior year Pupil fee deposits balance has been similarly represented.

Other trading activities

Charges for non-educational services and use of premises and rentals are accounted for in the period in which the service is provided. Charges for services provided by the King's School Ely Enterprises Limited are accounted for in the period in which the service is provided.

Investment income

Investment income is accounted for when receivable.

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 School 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.

Accounting policies (continued)**Expenditure**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. 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.

Raising funds comprise the cost of sales of the trading subsidiary, King's School Enterprises 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.

Charitable activities includes all expenditure directly related to the objects of the School, and is accounted for on an accruals basis.

Governance costs comprise the costs of running the School, including strategic planning for its future development, also external audit, and 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 School 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 School. Such funds may be held in order to finance both working capital and capital investment.

Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation which is provided in equal annual instalments over the estimated useful lives of the assets. Properties are maintained throughout the year and an impairment review is carried out on an annual basis. Cost includes the original purchase price of the assets and the costs attributable to bringing the asset into its working condition for its intended use.

No depreciation is charged on freehold land or assets in the course of construction.

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows unless the period of any lease is shorter:

Land	-	nil
Freehold property	-	2% on cost
Long leasehold property	-	2% - 10% on cost
Equipment:		
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	-	33% on cost

Investments

Listed investments are stated at the market closing price on 31 August 2019. Gains and losses are taken to the consolidated Statement of Financial Activities and are in accordance with the Governors' investment policy explained in the Annual Report. Investments in subsidiary undertakings are stated at cost. Impairment reviews are performed where there has been an indication of impairment.

Stocks

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

Pension costs

The School 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 School also contributed to a defined contribution money purchase scheme for non-teaching staff at 16.48% of annual pay. Contributions to both schemes are recognised in the consolidated Statement of Financial Activities. In addition, the School participates in the Pensions Trust Growth Plan scheme for non-teaching staff. Further details of pension costs are set out in note 17.

Operating lease agreements

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

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 consolidated 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. Monetary assets and liabilities held on the balance sheet are translated at that date and any resulting gain or loss transferred to the consolidated Statement of Financial Activities.

Financial instruments

The King's School, Ely 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors, and accrued income. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other accruals.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

2. Fees receivable

	<u>2019</u>	<u>2018</u>
The School's fee income comprised:	£	£
Gross fees	20,513,683	19,692,290
less: scholarships	(163,093)	(121,816)
less: bursaries and allowances	(1,821,747)	(1,786,387)
less: commission	<u>(215,713)</u>	<u>(261,526)</u>
	18,313,130	17,522,561
Add back: scholarships and bursaries paid for by Restricted Funds	<u>1,644</u>	<u>1,621</u>
	<u>18,314,774</u>	<u>17,524,182</u>
Grants, awards and prizes from Restricted Funds comprised:		
Scholarships and bursaries	1,181	1,158
Prizes	<u>463</u>	<u>463</u>
	<u>1,644</u>	<u>1,621</u>

The above educational awards were made to: 322 individuals (2018: 288). Scholarships 126 (2018: 88). Bursaries and allowances 240 (2018: 256).

3. Trading activities of subsidiary

The School Company Registration Number 2440509, has a wholly owned trading subsidiary which is incorporated in England and Wales, Company Registration Number 3561879, and Registered Office: The King's School Ely, Barton Road, CB7 4DB. 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 financial statements, 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 financial statements will be filed with the Registrar of Companies.

	Subsidiary		School	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	£	£	£	£
Turnover	88,824	45,798	18,966,228	18,329,009
Cost of sales: KSE Enterprises Ltd	(10,660)	(9,428)		
Rental charge from School	<u>(5,000)</u>	<u>(5,000)</u>	<u>5,000</u>	<u>5,000</u>
Gross profit: KSE Enterprises Ltd	73,164	31,370	18,971,228	18,334,009
Administration: KSE Enterprises Ltd	(1,364)	(1,096)		
Voluntary Income	-	-	14,917	17,772
Investment income receivable	-	-	<u>95,896</u>	<u>81,332</u>
Net income for the year	71,800	30,274	19,082,041	18,433,113
Gift aid donation to The School	<u>(71,800)</u>	<u>(30,274)</u>	<u>71,800</u>	<u>30,274</u>
Gross incoming resources: School			19,153,841	18,463,387
Costs of charitable activities			(19,046,953)	(17,296,101)
Governance costs of the School			(40,233)	(28,794)
Costs of generating funds: School			<u>(135,038)</u>	<u>(189,172)</u>
Net incoming/(outgoing) resources		-	<u>(68,383)</u>	<u>319,320</u>
Total assets of subsidiary	114,169	55,473		
Total liabilities of subsidiary	<u>(114,069)</u>	<u>(55,373)</u>		
Total net assets of subsidiary	<u>100</u>	<u>100</u>		

4. Other income

	<u>2019</u>	<u>2018</u>
	£	£
Other educational charitable activities		
Registration fees	46,307	61,644
School uniform and trips	381,931	359,273
Educational holiday lettings	201,320	252,011
Surcharge on late payment of fees	1,913	2,304
Rental income	29,604	37,026
Commission and sundry income	43,370	103,208
Erasmus Grant	27,922	28,513
Charge to KSE Enterprises Ltd for use of facilities	<u>(5,000)</u>	<u>(5,000)</u>
Group total	<u>727,367</u>	<u>838,979</u>
 Donations	 <u>14,917</u>	 <u>17,772</u>
Gains on sale of tangible fixed assets	<u>887</u>	<u>1,122</u>

5. Investment income

	<u>2019</u>	<u>2018</u>
	£	£
Income from investments	85,619	78,640
Bank interest receivable for the School	<u>10,277</u>	<u>2,692</u>
Total Group	<u>95,896</u>	<u>81,332</u>

6. Resources expended

	<u>Staff costs</u>	<u>Other</u>	<u>Depreciation</u>	<u>Total</u>	<u>Total</u>
	£	£	£	2019	2018
	£	£	£	£	£
Costs of generating funds					
Financing costs for the School	-	145,271	-	145,271	189,172
Financing costs for the subsidiary	-	56	-	56	23
Trading costs for the subsidiary	-	<u>16,968</u>	-	<u>16,968</u>	<u>15,501</u>
Total for the Group	-	<u>162,295</u>	-	<u>162,295</u>	<u>204,696</u>
 Fundraising & Development	-	<u>3,641</u>	-	<u>3,641</u>	<u>32,207</u>
Investment Management Fee	-	<u>13,013</u>	-	<u>13,013</u>	<u>14,080</u>
 Educational activities					
Teaching	8,623,558	974,865	74,914	9,673,337	9,005,216
Welfare	1,212,331	625,902	25,155	1,863,388	1,691,979
Premises	1,535,352	1,776,891	762,660	4,074,903	3,663,057
Support costs of schooling	<u>1,585,034</u>	<u>2,136,546</u>	<u>125,122</u>	<u>3,846,702</u>	<u>3,555,497</u>
School's operating costs	12,956,275	5,514,204	987,851	19,458,330	17,915,749
Grants, awards and prizes	-	<u>120,927</u>	-	<u>120,927</u>	<u>23,133</u>
Total for the Group	12,956,275	5,635,131	987,851	19,579,257	17,938,882
Total	12,956,275	5,814,080	987,851	19,758,206	18,189,865

Resources expended (continued)

Included within the support costs above are Governance costs of:

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
External audit and Accountancy services 2018-19 School:	31,527	21,970
Audit fee Subsidiary:	1,308	1,060
Governors' expenses for the School:	8,603	7,657
Professional Fees School:	103	413
Professional Fees Subsidiary:	-	13
Total School	<u>40,233</u>	<u>30,040</u>
Total Group	<u>41,541</u>	<u>31,113</u>

7. Employee information

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Total staff costs comprises:		
Wages and salaries	10,649,555	10,059,579
Social security costs	968,583	920,392
Other pension costs	1,338,137	1,158,066
Subtotal	12,956,275	12,138,037
Employee benefits in kind paid	43,368	52,455
Total Staff Costs	<u>12,999,643</u>	<u>12,190,492</u>
 Remuneration of the senior leadership team	 <u>1,321,780</u>	 <u>1,063,392</u>

The average number of employees in the year was:

	<u>2019</u>	<u>2018</u>
Teaching and support	239	226
Welfare	70	74
Premises	41	55
Support staff	91	83
Total for the School and Group	<u>441</u>	<u>438</u>

The number of employees employed by the subsidiary was nil (2018: 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 £8,603 (2018: £7,657) incurred in performing their duties were reimbursed to two (2018: four) Governors.

There were no redundancies or redundancy costs in the year.

Employee information (Continued)

The number of higher paid employees was:	<u>2019</u>	<u>2018</u>
	<u>No.</u>	<u>No.</u>
Taxable emoluments band:		
£ 60,000 - £ 69,999	2	2
£ 70,000 - £ 79,999	4	2
£ 80,000 - £ 89,999	-	1
£ 90,000 - £ 99,999	1	-
£120,000 - £129,999	-	1
£170,000 - £179,999	1	1

Total remuneration paid to key management personnel 2019: £1,321,780 (2018: £1,063,392)

Total pension contributions paid on behalf of key personnel 2019: £142,383 (2018: £114,151)

	<u>2019</u>	<u>2018</u>
	<u>No.</u>	<u>No.</u>
The number with retirement benefits accruing in:		
- Money purchase schemes was	187	187
for which the contributions amounted to	£459,837	£313,361
- Defined benefit scheme was	140	131
for which the contributions amounted to	£914,380	£876,166

8. Tangible fixed assets

In March 2011 the current market value of the leased and freehold properties, excluding the freehold and refurbishment costs of the Old Palace, was £20,875,000. The net book value of assets used for the administration of the charity is insignificant.

	<u>Freehold</u>	<u>Leasehold</u>	<u>Equipment</u>	<u>School</u>
	<u>property</u>	<u>property</u>		<u>total</u>
Cost	£	£	£	£
At 1 September 2018	12,810,609	7,925,717	8,002,234	28,738,560
Additions	-	-	1,401,411	1,401,411
Disposals	-	-	(22,572)	(22,572)
At 31 August 2019	<u>12,810,609</u>	<u>7,925,717</u>	<u>9,381,073</u>	<u>30,117,399</u>
Accumulated depreciation				
At 1 September 2018	4,887,703	2,007,196	6,229,254	13,124,153
Charge for the year	254,212	151,661	581,981	987,854
On disposals	-	-	(21,966)	(21,966)
At 31 August 2019	<u>5,141,915</u>	<u>2,158,857</u>	<u>6,789,269</u>	<u>14,090,041</u>
Net book value				
At 31 August 2019	<u>7,668,694</u>	<u>5,766,860</u>	<u>2,591,804</u>	<u>16,027,358</u>
At 31 August 2018	<u>7,922,906</u>	<u>5,918,521</u>	<u>1,772,980</u>	<u>15,614,407</u>

Included in fixed assets above are assets purchased on finance lease costing £271,890 (2018: £nil), with a net book value of £245,996 (2018: £nil) after charging depreciation of £25,894 (2018: £nil).

On 2 September 2019 the school completed the sale of a freehold property with a net book value of £236,297 for net sale proceeds of £972,784.

9. Fixed Asset investments group

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>Funds</u> £
Valuation at 1 September 2018	3,577,129	65,879	3,643,008
Additions at cost	367,268	-	367,268
Disposals at carrying value	(307,548)	-	(307,548)
Net decrease in cash	12,520	-	12,520
Net gains/(losses)	<u>(41,465)</u>	<u>4,629</u>	<u>(36,836)</u>
Valuation at 31 August 2019	<u>3,607,904</u>	<u>70,508</u>	<u>3,678,412</u>
Historical costs at 31 August 2019	<u>2,885,082</u>	<u>11,963</u>	<u>2,897,045</u>

Asset distribution of the investments included in the above is:

	Equities %	Multi- Asset Funds %	Hedge Funds %	Property %	Bonds %	Cash/other %	Total %
UK	29.4	7.4	3.0	10.2	6.5	8.4	64.9
Global	29.2	-	-	-	5.9	-	35.1
Total	58.6	7.4	3.0	10.2	12.4	8.4	100.0

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.

10. Stocks

	<u>2019</u> £	<u>2018</u> £
Teaching resources	5,079	4,078
Catering and domestic provisions	10,592	10,988
Grounds materials	<u>60</u>	<u>60</u>
	<u>15,731</u>	<u>15,126</u>

11. Debtors

	<u>Group</u>	<u>School</u>	<u>Group</u>	<u>School</u>
	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Amounts falling due within one year:				
School fees	148,720	148,720	78,981	78,981
Amounts due from Subsidiary	-	112,761	-	54,313
Trade debtors	9,436	-	13,636	-
Rent foregone on Capitular Properties	39,000	39,000	39,000	39,000
Prepayments and accrued income	687,325	687,325	946,084	946,084
	<u>884,481</u>	<u>987,806</u>	<u>1,077,701</u>	<u>1,118,378</u>
Amount falling due after one year:				
Rent foregone on Capitular Properties	<u>99,632</u>	<u>99,632</u>	<u>138,632</u>	<u>138,632</u>

In 1989 an agreement was entered into between the School and the Dean and Chapter of the Ely Cathedral whereby the finance required to renovate the four capitular properties occupied for many years by the School 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, was repayable by the Dean and Chapter by it foregoing annual rent and under a term of the agreement, any part of the advance not repaid by August 2024 would be forgiven by the School. In July 2011 under a Letter of Agreement it was agreed that the School reduce Chapter's liability to repay the loan by reducing the balance by 40% in September 2011, a further 40% in September 2015 and to expunge the remaining 20% in September 2024, in consideration of any rent reviews being waived and the annual rent being agreed until 2024. The net benefit of the reduced rents to the School is shown as rent foregone on capitular properties.

12. Creditors: amounts falling due within one year

	<u>Group</u>	<u>School</u>	<u>Group</u>	<u>School</u>
	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loans	244,834	244,834	216,445	216,445
Obligations under finance leases	50,713	50,713	-	-
Trade creditors	612,248	612,248	531,374	531,374
Other taxation and social security	241,308	241,308	229,646	229,646
Payments received on account of future fees	4,617,867	4,617,867	4,412,955	4,412,955
Pension contributions payable	60,830	60,830	157,520	157,520
Acceptance deposits	2,217,234	2,217,234	1,861,624	1,861,624
Other creditors and accruals	289,320	288,012	93,337	92,277
Advance fees	<u>684,392</u>	<u>684,392</u>	<u>665,147</u>	<u>665,147</u>
	<u>9,018,746</u>	<u>9,017,438</u>	<u>8,168,048</u>	<u>8,166,988</u>

13. Creditors: amounts falling due after more than one year

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Bank loans	5,471,972	5,738,187
Obligations under finance leases	231,410	-
Advance fees	705,903	703,356
Pensions scheme deficit	<u>203,000</u>	<u>253,000</u>
	<u>6,612,285</u>	<u>6,694,543</u>

Following the Bank loan restructure in August 2017 the following agreements have been entered into:
Two agreements at £2.75m each at a fixed interest rate of 2.94% over 10 years on the basis of a 20 year repayment profile payable quarterly (£183,312 per annum per loan).

One agreement of £686,425 at a fixed interest rate of 2.66% over 10 years on the basis of a 20 year repayment profile payable quarterly (£45,832 per annum).

The loans are secured by legal charges on a number of owned properties to ensure loan security of £11,000,000.

	<u>Group</u>	<u>Group</u>
	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Bank Loans Capital		
Due after five years	4,420,951	4,712,927
Due within two to five years	799,013	780,011
Due within one to two years	<u>252,008</u>	<u>245,250</u>
	5,471,972	5,738,187
Due within one year	<u>244,834</u>	<u>216,445</u>
	<u>5,716,806</u>	<u>5,954,632</u>
 Obligations under finance leases		
	<u>£</u>	<u>£</u>
Due within two to five years	177,841	-
Due within one to two years	<u>53,569</u>	<u>-</u>
	231,410	-
Due within one year	<u>50,713</u>	<u>-</u>
	<u>282,123</u>	<u>-</u>

Fees in advance under contract

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Due after five years	-	-
Due within two to five years	276,619	167,994
Due within one to two years	<u>429,284</u>	<u>535,362</u>
	705,903	703,356
Due within one year	<u>684,392</u>	<u>665,147</u>
	<u>1,390,295</u>	<u>1,368,503</u>
The movements during the year were:		
Balance at 1 September 2018	1,368,503	1,883,063
New deposits	720,014	667,093
Amount of discount given	<u>17,010</u>	<u>22,095</u>
	2,105,527	2,572,251
Amounts utilised in school fees to the School	<u>(715,232)</u>	<u>(1,203,748)</u>
Balance at 31 August 2019	<u>1,390,295</u>	<u>1,368,503</u>

14. Net assets of the funds of School and Group

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

As at 31 August 2019:	Tangible fixed assets	Investments	Net current assets/ (liabilities)	Net long term assets/ (liabilities)	Fund balances
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Restricted funds	-	70,508	574,704	-	645,212
Unrestricted funds	<u>16,027,359</u>	<u>3,608,003</u>	<u>(4,193,478)</u>	<u>(6,512,753)</u>	<u>8,929,131</u>
School	16,027,359	3,678,511	(3,618,774)	(6,512,753)	9,574,343
Subsidiary's reserves	-	(100)	100	-	-
Group	<u>16,027,359</u>	<u>3,678,411</u>	<u>(3,618,674)</u>	<u>(6,512,753)</u>	<u>9,574,343</u>

As at 31 August 2018:	Tangible fixed assets	Investments	Net current assets/ (liabilities)	Net long term assets/ (liabilities)	Fund balances
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Restricted funds	-	65,879	665,951	-	731,830
Unrestricted funds	<u>15,614,407</u>	<u>3,577,229</u>	<u>(3,240,736)</u>	<u>(6,556,011)</u>	<u>9,394,889</u>
School	15,614,407	3,643,108	(2,574,785)	(6,556,011)	10,126,719
Subsidiary's reserves	-	(100)	100	-	-
Group	<u>15,614,407</u>	<u>3,643,008</u>	<u>(2,574,685)</u>	<u>(6,556,011)</u>	<u>10,126,719</u>

15. Movement in restricted funds

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

	<u>1 September 2018</u>	<u>Income</u>	<u>Gains</u>	<u>Expenditure</u>	<u>31 August 2019</u>
	£	£	£	£	£
Restricted donations	385,498	1,095	(1,451)	-	385,142
Scholarships and bursaries	195,588	1,180	2,584	(1,180)	198,172
Erasmus	45,696	27,922	-	(73,618)	-
Clara Taylor	70,111	-	-	(45,666)	24,445
School prizes	<u>34,937</u>	<u>934</u>	<u>2,045</u>	<u>(463)</u>	<u>37,453</u>
	<u>731,830</u>	<u>31,131</u>	<u>3,178</u>	<u>(120,927)</u>	<u>645,212</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.

The Relithan Charitable Trust bursary fund was set up in 2012 from a generous donation of £125,000 from the Relithan Charitable Trust to provide bursary assistance towards the school fees for Sixth Form pupils who live within 50 miles of Ely.

A generous donation in memory of Clara Taylor was received 2011 and 2012. The Clara Taylor Music Award is given to enable talented pupils with musical excellence the opportunity to extend their studies.

For comparison, the prior year restricted funds comprised the following:

	<u>1 September 2017</u>	<u>Income</u>	<u>Gains</u>	<u>Expenditure</u>	<u>31 August 2018</u>
	£	£	£	£	£
Restricted donations	384,047	1,451	-	-	385,498
Scholarships and bursaries	193,120	1,157	2,468	(1,157)	195,588
Erasmus	23,806	28,513	-	(6,623)	45,696
Clara Taylor	85,001	-	-	(14,890)	70,111
School prizes	<u>32,531</u>	<u>916</u>	<u>1,953</u>	<u>(463)</u>	<u>34,937</u>
	<u>718,505</u>	<u>32,037</u>	<u>4,421</u>	<u>(23,133)</u>	<u>731,830</u>

16. Movement in unrestricted funds

Unrestricted funds comprise the following:

	<u>1 September 2018</u>	<u>Income</u>	<u>Gains</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>31 August 2019</u>
	£	£	£	£	£	£
Fees in advance	1,368,503	737,024	-	(715,232)	-	1,390,295
General fund	<u>8,026,386</u>	<u>18,385,685</u>	<u>(41,464)</u>	<u>(18,905,023)</u>	<u>73,251</u>	<u>7,538,835</u>
Total school	9,394,889	19,122,709	(41,464)	(19,620,255)	73,251	8,929,130
Non-charitable	-	88,824	-	(17,024)	(71,800)	-
Total group	9,394,889	19,211,533	(41,464)	(19,637,279)	1,451	8,929,130

For comparison, the prior year unrestricted funds comprised the following:

	<u>1 September 2017</u>	<u>Income</u>	<u>Gains</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>31 August 2018</u>
	£	£	£	£	£	£
Fees in advance	1,883,063	689,188	-	(1,203,748)	-	1,368,503
General fund	<u>7,138,080</u>	<u>17,742,162</u>	<u>63,330</u>	<u>(16,947,460)</u>	<u>30,274</u>	<u>8,026,386</u>
Total school	9,021,143	18,431,350	63,330	(18,151,208)	30,274	9,394,889
Non-charitable	-	<u>45,798</u>	-	<u>(15,524)</u>	<u>(30,274)</u>	-
Total group	<u>9,021,143</u>	<u>18,477,148</u>	<u>63,330</u>	<u>(18,166,732)</u>	-	<u>9,394,889</u>

17. Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £914,380 (2018: £876,166) and at the year-end £3,405 (2018: - £115,219) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The previous actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

The next actuarial valuation was prepared as at 31 March 2016 and was published in March 2019, with any resulting changes to the employer rate expected to take effect from 1 April 2019. The corrected employer contribution rate was to be 22.8%, however following agreement between the Department of Education and HM Treasury no change will be made to the employer contribution rate until September 2019. As a consequence of this delay in implementing the change, an additional 0.8% of pay will be payable over the remainder of the period to 31 March 2023 to ensure that the level of the notional fund at the next valuation of the scheme is expected to be unaffected by the delay. Employers will therefore pay contributions at a rate of 23.6% of pensionable pay from September 2019.

This valuation also determined the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The Pensions Trust – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and

Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m.

The latest full actuarial valuation was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m

To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present Value of Provision

	2019 £000s	2018 £000s	2017 £000s
Present value of provision	203	253	287

Reconciliation of Opening and Closing Provisions	2019 £000s	2018 £000s
Provision at start of period	253	287
Unwinding of the discount factor (interest expense)	4	4
Deficit contribution paid	(35)	(34)
Remeasurements - impact of any change in assumptions	4	(4)
Remeasurements - amendments to the contribution schedule	(23)	-
Provision at end of period	203	253

Income and Expenditure Impact	31 2019 £000s	2018 £000s
Interest expense	4	4
Remeasurements – impact of any change in assumptions	4	(4)

Assumptions	31 August 2019 % per annum	31 August 2018 % per annum	31 August 2017 % per annum
Rate of discount	0.97	1.68	1.20

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

18. Financial commitments

At 31 August 2019, the School and Group had total commitments under non-cancellable operating leases as follows:

	<u>2019</u> <u>Land and</u> <u>buildings</u> <u>£</u>	<u>2019</u> <u>Other</u> <u>equipment</u>	<u>2018</u> <u>Land and</u> <u>buildings</u> <u>£</u>	<u>2018</u> <u>Other</u> <u>equipment</u>
Falling due within one year	59,089	8,300	59,089	64,303
Falling due one to two years	59,089		59,089	8,300
Falling due two to five years	253,613		155,819	-
Falling due after than five years	<u>2,067,916</u>	<u>-</u>	<u>2,316,786</u>	<u>-</u>
Total	<u>2,439,707</u>	<u>8,300</u>	<u>2,590,783</u>	<u>72,603</u>

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

	<u>2019</u> <u>£</u>	<u>2018</u> <u>£</u>
Land and buildings	59,089	59,089
Equipment	<u>64,303</u>	<u>73,247</u>
Total	<u>123,392</u>	<u>132,336</u>

At 31 August 2019, the School and Group had contracted capital expenditure of £nil (2018: £nil).

19.Reconciliation of net incoming resources to net cash inflow from operating activities

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Net income	(515,541)	319,320
Elimination of non-operating cash flows		
- Rent foregone by landlord	39,000	39,000
- Investment income	(95,896)	(81,332)
- Finance costs	145,271	189,172
Defined pension scheme adjustment	(50,000)	(34,000)
Depreciation charge	987,854	952,661
Profit on sale of assets	(606)	(1,122)
Decrease/(increase)in debtors	192,615	(644,162)
Increase/(decrease) in creditors (excluding FIA)	1,032,907	2,289,751
(Decrease)/increase in F.I.A creditors	<u>21,792</u>	<u>(514,560)</u>
Net cash inflow/(outflow) from operating activities	<u>1,757,396</u>	<u>2,514,728</u>

20. Analysis of Loans to cash flow

	<u>1 September</u>	<u>Cash flow</u>	<u>31 August</u>
	<u>2018</u>		<u>2019</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cash at bank and in hand	<u>4,500,436</u>	<u>676</u>	<u>4,499,760</u>
Debt due after one year	(5,738,187)	266,215	(5,471,972)
Debt due within one year	<u>(216,445)</u>	<u>(28,389)</u>	<u>(244,834)</u>
Total debt	(5,954,632)	237,826	5,716,806)
Net debt	<u>(1,454,196)</u>	<u>237,150</u>	<u>1,217,046</u>

21.Reconciliation of net cash flow to movement in Loans

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Increase/(decrease) in cash in the year	(676)	1,067,186
Loan repayment in the year	<u>237,826</u>	<u>263,892</u>
Change in net debt	237,150	1,331,078
Net funds at 1 September 2018	<u>(1,454,196)</u>	<u>(2,785,274)</u>
Net debt at 31 August 2019	<u>(1,217,046)</u>	<u>(1,454,196)</u>

22. Related party transactions

The School has a number of related party transactions with the Chapter of Ely Cathedral. In the year the Chapter contributed £161,772 (2018: £161,772) towards the cost of educating the Cathedral Choristers. The School supported Choristers and ex Choristers with £329,506 (2018: £297,771) of bursary assistance towards school fees.

The School paid to the Chapter £39,102 (2018: £39,102) in rents, including rent for the capitular properties. The Dean of Ely is an ex-officio member of the Board of Governors and there are two additional Chapter of Ely Representative Governors.

During the year the School held investments with Cazenove Capital Management Limited, of which Governors of King's Ely Jeffrey Hayes and David Day are both private clients.

At 31 August 2019 the School held a bank account on behalf of the Independent State School Partnership Grant, funded by the Government to run The Chemistry Network programme amongst the King's School Ely and local state schools. The balance on the account at 31 August 2019 was £- (2018: £8,605), which is not included in the School's financial statements.

The School charged £5,000 (2018: £5,000) to Enterprises for the provision of facilities and administrative services. The balance owed to the School as at 31st August 2019 was £112,761 (2018: £30,274).

23. Financial instruments note

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
Financial assets measured at amortised cost (a)	5,399,972	5,593,263
Financial assets measured at fair value (b)	3,678,411	3,643,008
Financial liabilities measured at amortised cost (c)	<u>(15,631,031)</u>	<u>(14,862,591)</u>

- a) Financial assets including cash, trade and fee debtors, staff loans, other debtors and amounts due from Subsidiary
- b) Financial assets held at fair value include assets held as investments
- c) Financial liabilities including loans, deposits, fees in advance, trade creditors, accruals and other creditors

Income received in the year from financial assets measured at amortised cost totalled £10,277 (2018: £2,892). During the year total gains in relation to financial assets held at fair value totalled £36,835 (2018: £67,751) and income received totalled £88,779 (2018: £75,722).

Consolidated Statement of Financial ActivitiesIncorporating an Income and Expenditure account for the year ended 31st August 2018

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2018</u> £
Income				
Charitable activities				
Fees receivable	2	17,524,182	-	17,524,182
Ancillary trading income	4	810,466	28,513	838,979
Donations and Legacies		16,321	1,451	17,772
Other trading activities				
Non ancillary trading income	3	45,798	-	45,798
Other income	4	1,122	-	1,122
Investments				
Investment income	5	79,259	2,073	81,332
Total income		<u>18,477,148</u>	<u>32,037</u>	<u>18,509,185</u>
Expenditure on:				
Raising funds				
Non-ancillary trading	6	15,524	-	15,524
Financing costs	6	189,172	-	189,172
Investment management costs	6	14,080	-	14,080
Fundraising & development	6	<u>32,207</u>	<u>-</u>	<u>32,207</u>
Total deductible costs		250,983	-	250,983
Charitable activities				
Education	6	<u>17,915,749</u>	<u>23,133</u>	<u>17,938,882</u>
Total expenditure	6	<u>18,166,732</u>	<u>23,133</u>	<u>18,189,865</u>
Net Income before investment gains		310,416	8,904	319,320
Gains on investments	9	<u>63,330</u>	<u>4,421</u>	<u>67,751</u>
Net movement in funds for the year		<u>373,746</u>	<u>13,325</u>	<u>387,071</u>