

THE KING'S SCHOOL ELY

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2021



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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, 55 Ludgate Hill, London, EC4M 7JW

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

Bidwell's 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 Board indicated by #, Vice-Chair by ^, Vice-Chair (elect) by ~ & Chair of Committee indicated by +)

	Board of Governors	Finance & General Purposes	Nominations & Governance	Education	Remuneration	Pension Working Group	Audit Working Group
David Day	X#	X	X+	X	X	X+	
Clive Bairsto	X^	X					
Amanda East	X~	X		X	X		X
Gavin Acheson	X	X					
Mark Bonney	X		X				
Philip Cantwell	X		X	X+			
Anthea Kenna	X			X			
Fenella Martin-Redman	X	X					X
Chris Meddle	X			X			
Mark Myers	X	X+			X+	X	X+
Isobel Newport-Mangell	X	X					
Joseph Peake	X			X	X		
Mike Proctor	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 (including the Dean of Ely who is normally an ex-officio Governor). The Ely Diocesan Education Board appoints one representative Governor. All other Governors are co-opted.

On 24 September 2020: Clive Bairsto was re-elected as a Vice-Chair of the Board until December 2021 when he is due to retire from the Board in accordance with Clause 7.5 of Memorandum and Articles; and Philip Cantwell was re-elected as a Governor for a three-year term from October 2020 to October 2023.

On 18 March 2021: Amanda East was elected to be Vice-Chair of the Board for a three-year term from December 2021 to December 2024.

On 25 June 2021: Michael Proctor was re-elected as a Governor for a further three-year term from June 2021 to June 2024; Joe Peak was re-elected as a Governor for a further three-year term from October 2021 to October 2024; a Remuneration Committee was established formed of The Chair of Governors (ex officio) and the Chair of the Finance and General Purposes as elected from time to time plus at least one but no more than two Governor members of the Board. Amanda East (Governor) and Joe Peake (Governor) were both elected to membership of the Remuneration Committee for a three-year term from June 2021 to June 2024.

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 2) 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. While a number of these regular activities were curtailed this year due to COVID, during 2020-21 these activities included:

- Enabling a daily choral tradition during term time at Ely Cathedral as well as special services, festivals and concerts, through the financial support and provision of education to Ely Cathedral Boys' and Girls' Choirs.
- 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, and to arts events for the community.
- as a founder member of the Cambridgeshire Education Trust (CET) in partnership with Cambridgeshire County Council, providing a platform and support for a wide range of staff training and partnership activities for children of primary and secondary age within and around Cambridgeshire;
- donating proceeds from musical productions to support other charities
- community action projects run by our own staff and students, including local care and primary education providers;
- organisation of and contributions to academic events for children from across the region;
- providing support to our staff to be governors at local schools and involvement in other charities
- providing for the public, free of charge, tours of the Old Palace and other ancient buildings
- providing laptops to a local primary school to aid home learning during COVID lockdown.
- during COVID, offering use of facilities to HM Government and NHS.

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.

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 (and revised in March 2021) which sets out the principles and recommended practice for good governance within the sector. The Nomination and Governance Committee has reviewed the Charity's current governance arrangements against the principles within the code. The Trustees continue to seek to employ best practice to deliver the highest standards of governance for the Charity. In 2020 the Committee structure was revised. In 2021 the Committee has developed further the documentation of best practice in the Charity's governance.

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 diversity, 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 Education Committee 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 and the Education Committee and is Chairman of the Nominations and Governance Committee.

The School has a 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 supports 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, 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

There is an active Old Eleans' association which supports the School. The Friends of the King's School Ely (FoKSE), an independent body operating under its own constitution, provides 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

In ongoing extraordinary circumstances, King's Ely continues to strive towards providing the best possible environment to enable our students to thrive whilst studying, forming friendships and developing lifelong skills. During 2020-21 and following Government guidelines COVID-19 forced significant restrictions in school during the Michaelmas Term followed by a further lockdown closure of the School in January and restricted staged reopening in the spring. Despite this, the education of students continued both in school (where allowed and for keyworker children) and online, to a very high standard. Several boarding students were cared for in School through the School holidays at Christmas and Easter.

Moving to online learning during lockdown gave the opportunity to offer a partial reimbursement of fees to parents which was offered as a rebate on Summer Term fees. The generosity of parents resulted in over £110,000 of this rebate being donated back to a hardship fund for bursaries and to help us to continue our capital investment programme.

Estate Strategies to achieve the school's aims

During 2020-21 and in line with the school's ethos to invest, maintain 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 classroom facilities, sport, boarding and infrastructure.

In KES (King's Ely Senior) the Cherry Hill classrooms have undergone a full refurbishment, at KEJ (King's Ely Junior) 3 classrooms have increased in size by removing dividing walls creating more spacious rooms as well as a complete refurbishment of the IT suite and at KEA (King's Ely Acremont) the tired, damp garage classroom is now a bright airy teaching space, all ensuring our learning environments are fit for the 21st century, plans to continue this into 2022 are in progress.

Major structural rebuild of three of our large boundary walls have been completed ensuring they are safe for many years to come. The Monastic Barn dining facility has had a new walk-in freezer and the large oak tables damaged by 18 months of extreme sanitising, due to COVID, have been sanded and re-sealed finishing the dining hall refurbishment which we started in 2019. Two new classrooms to support the increasing numbers at KEJ have been created in Bishop Woodford House.

The quality of boarding houses continues to be a priority, the second-floor bedroom refurbishment in Hereward Hall has been completed including some replacement of the old ill-fitting cruttall windows and plans to tackle the first floor have started. The Hill House Annex has undergone a full refurbishment bringing the space up to the same ambitious standards of the main house, a new kitchen has been added to Priory along with a new security gate and CCTV camera.

Sports provision has been improved with the long over-due complete refurbishment of the schools main Astro turf, this work included a new shock pad, new carpet, new fencing, dugouts, and goals as well as some future proofing in preparation for a second Astro. In addition, all 7 courts have been re-painted and re-lined, basketball hoops have been added to two courts ensuring we get the most out of the spaces and give further opportunities for outdoor activities for our boarding community. New LTA (Lawn Tennis Association)

quality lighting has been added to courts 3,4 and 5 and plans to light courts 1 and 2 have been given planning consent.

Security of the large campus has been improved with the complete replacement of the CCTV cameras, and with the addition of four new cameras, 28 in total.

Health, Safety and Welfare improvements continue to ensure our students wellbeing is our priority. The aging fire system at KEJ has been completely replaced and upgraded, in the day house the installation of automatic door openers linked to the fire system has improved supervision and circulation and in addition to the normal testing and servicing of all safety equipment, additional COVID prevention measures were reinforced and enhanced during the year.

Achievements and Performance

King's Ely has enjoyed another highly successful academic year. The School principally provided education in Ely to boys and girls from the ages of 2-18 in King's Ely Nursery, King's Ely Acremont, King's Ely Junior, King's Ely Senior and King's Ely International. While COVID restrictions limited our usual provision of holiday courses and sports training events, as noted above educational opportunities were made available to local children wherever possible. This year average attendance totalled 993 (2020: 997) and consisted of:

	Total Boarding 2021	Total Day 2021	Total Pupils 2021	Total Boarding 2020	Total Day 2020	Total Pupils 2020
King's Ely Senior	112	399	511	114	364	478
King's Ely Junior	38	304	342	38	313	351
King's Ely Acremont	-	71	71	-	68	68
King's Ely Nursery	-	40	40	-	60	60
King's Ely International	<u>28</u>	<u>1</u>	<u>29</u>	<u>40</u>	<u>-</u>	<u>40</u>
Total	<u>178</u>	<u>815</u>	<u>993</u>	<u>192</u>	<u>805</u>	<u>997</u>

Heads of Section in KEA, KEJ and KES, have continued to lead teachers and pupils to higher aspirations and measurably improved outcomes. While the continuing exceptional circumstances surrounding external examinations this year mean that direct comparison with previous years is difficult, we were nevertheless confident in the Teacher Assessed Grades awarded.

40% of 2020 A Level grades were A*. 69 % were A*/A grades; 89% A *-B grade. Overall pass rate was 100%. Value added scores continued to improve. Most importantly, all students seeking university placements for 2021 were successful in securing places at a university of their choice, over 90% to their first choice institution.

GCSE outcomes were also strong. 19 % of passes were Grade 9; 39 % were Grade 9-8, 65 % at Grade 9-7; 94% at Grades 9-4.

The one year International GCSE programme results held strong with an average grade of 6.5, a remarkable achievement for them given the challenges of studying far from home or school in a pandemic.

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. 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.

Future developments

King's will continue to build on our success and popularity in the local market and internationally by maintaining effective marketing and continuous improvement to the education we provide. Continuing careful cost control and robust debtor chasing, together with organic change to create greater efficiency where possible, is consolidating the business model, building up capacity for future investment and means-tested bursary awards while maintaining restraint in fee rises and demonstrating value for money. In 2021/22, while monitoring carefully the continuing effects of COVID and its economic impact on the school and the sector, we will continue to plan for future investment.

The School aims to continue its sports investment programme including plans for a second astroturf. Refurbishment of the current nursery building and at Acremont is being planned as well as recommissioning the former Diocesan Offices and Retreat Centre at Bishop Woodford House to provide classroom, administration, welfare and medical facilities in the light of growing School numbers.

In the coming years we will continue to focus on creating and ensuring a diverse pupil and staff community and in line with our underpinning ethos of holistic education 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, aiming for further improvement in standards of performance in sport, music and drama and continuing to ensure safe participation in adventurous undertakings.

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 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 website, and advice is freely available from the School. In the year to 31 July 2021, the value of allowances, bursaries, choral awards and discounts made to pupils was £2,028,969 (2019-20: £1,781,121). The significant differential is mainly owing to the reduced fees charged last year in the summer 2020 term owing to COVID and the Governors' intentions to provide more financial support towards means-tested Bursary awards within the next few years.

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 concurrently, 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 incoming funds for the year of £247,149 as compared with £1,839,654 in the previous year. There was an overall net increase in funds of £879,251 compared with £1,800,804 in the previous year. Fee income in the year was £18,202,091 an increase of £1,247,714 over the previous year, reflecting the boarding/day mix of pupils and changes in fee levels resulting from the Coronavirus pandemic. Expenditure on projects has totalled £618,470 of which £400,857 has been capitalised, including the continued upgrading of ICT, boarding and day facilities, and the estate to meet health and safety requirements.

The School also received grants under the Coronavirus Job Retention Scheme of £617,545 (2020: £939,989) and the Retail, Hospitality and Leisure Grant Fund of £- (2020: £20,000) together with Business Interruption Payments of £24,165 (2020: £-) in respect of the Coronavirus Business Interruption Loan advanced in the year.

The School changed its financial year end to 31 July 2020 last year, consequently the comparative figures in the accounts cover an eleven-month period. Income from School Fees was recognised in full as the Summer Term finished on 3 July 2020 along with all non-salary teaching expenditure for the school year 2019/20. Other expenditure, including all payroll costs, were only for the period to July 2020 resulting in a one-off increase in the surplus of £1.58m last year.

In addition, on 2 September 2019 the school completed the sale of a freehold property with a net book value of £237,376 for net sale proceeds of £972,784 resulting in a profit on sale of £735,408.

Performance of subsidiary company

During the year King's School Ely Enterprises Limited accrued £7,823 (2020: £1,260) 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 increase in 2021-22 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 £135,119 excluding Government Coronavirus grants, with restricted income donations of £- (2020: £865). Donations received included £134,148 from parents kindly donating Coronavirus fee rebates back to the School. For this year the performance of current fundraising, on costs of £1,346 was a ratio of 1% against the £135,119 of voluntary income raised.

Reserves Policy

The School's total reserves stood at £12.2m at the year-end, including £695k of unspent restricted income and £11.56m unrestricted income including the pension fund deficit of £137k and other designated funds (for Bursary awards) of £69k.

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.

Going Concern

The School once again had to revise its cashflow projections to take account of the Coronavirus-related campus closure from January 2021. Governors have considered the School's cash position, sources of income, funds available to the School and planned expenditure, and modelled several scenarios and stress tests including the impact of Coronavirus on operations together with assumptions around recovery thereafter. These scenarios consider reduced pupil numbers, delayed fee payment, reduced fees and potential bad debts as well as impact on costs from the measures taken so far. Sensitivity around these assumptions has also been considered in their forecasting. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Additionally, despite the wider uncertainty in the economy, the strength of the School's balance sheet is such that the Governors consider there is no material uncertainty over the School's financial viability.

Having regard to the above, the Governors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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 £3,762,978, 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 decreased by 22.6% over the year, which is well above 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.

Statement of Streamlined Energy and Carbon Reporting (SECR)

The table below reflects the equivalent tonnes of CO₂ emitted from our consumption of natural gas (eg heating), electricity and diesel (with a very limited amount of petrol) used in our fleet of vehicles. The figures have been converted from kWh/Litres into equivalent tonnes of CO₂ emitted using the 2020 UK Government published conversion factors and in accordance with the Environmental Reporting Guidelines, including streamlined energy and carbon reporting guidance (updated March 2019).

Energy consumption used to calculate equivalent CO ₂ (eCO ₂) emissions from activity	Total Consumption	Tonnes of CO ₂ e
Emissions from consumption of Natural Gas (Scope 1)	4,963,158 kWh	913 (tonnes CO ₂ e)
Emissions from consumption of Electricity (Scope 2)	1,128,729 kWh	263 (tonnes CO ₂ e)
Emissions from use of Fuel for Vehicles (Scope 1)	22,488 L	57 (tonnes CO ₂ e)
	Total	1,233 (tonnes CO₂e)
Intensity ratio: Gross tonnes CO ₂ e / number of pupils	993 Pupils	1.2 tonnes CO ₂ e/pupil

The total eCO₂ figure has been used to provide an "Intensity Ratio" of x tonnes eCO₂ per pupil as a methodology to have a consistent metric for comparative purposes in future years.

As it is our first year to report these figures, reporting the previous year for comparison purposes is not a requirement. It should be noted the figures above include a period of COVID lockdown as well as residential properties so will not be able to be used as a full year normal baseline.

With regards to activity to reduce our Carbon Footprint, there has been significant investment over the past two years in replacing the majority of our lighting throughout the site to LED lighting, not only reducing energy consumption but also reducing the energy (and cost) of maintenance of the thousands of light fittings. Our electricity emissions account for 21.3% of our eCO₂.

We have also improved a number of control systems for heating as the vast majority of our carbon emission are from natural gas (74% of total emissions). Further investment in this area is required to reduce the energy consumed, either through improved control mechanisms, insulation or more efficient heating systems and insulation where feasible in our estate of mainly listed, medieval buildings. The context of our consumption should also take into consideration we are a boarding school so need heating and hot water to service c250 individuals 24 hours a day during term time.

Our use of diesel in our fleet of vehicles has increased in line with our increased provision of minibus routes (now nine routes conveying 680 passengers over the ten journeys each week). In the wider context, in providing this service we are reducing significantly the number of parental car journeys to and from school but increasing our overall carbon footprint. Our vehicle emissions account for 4.6% of our overall emissions.

Our electricity is certified by the suppliers as been 100% generated from renewable sources, ie "Green" however, the published conversion factors do not provide any methodology to take this into account.

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. In addition, this year we have continued to see the impact of COVID-19 on King's Ely. This has required the Governors and SLT to continue to ensure that the School community has been protected, not only by physical measures but also to ensure the School finances remain secure. Examples of potential risk identified and addressed by a risk assessment, including the COVID-19 Risk Assessment, are unforeseen and/or substantial reduction in pupil numbers for any reason, most particularly affordability; and breakdown or cyber attacks 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.

Section 172 Statement

The Board of Governors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the charitable objects of the Company. In making this assessment the Governors have considered the following:

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

The long-term sustainability of the operating model is considered by the Governors as set out in the going concern section of the Annual Report. Specifically, the Governors consider both short- and longer-term financial projections and the key risks that could negatively impact the sustainability of King's Ely. The Governors review management information, budgets, forecasts, cashflow projections and progress against the financial plan on a regular basis. Risk management is embedded at all levels across the Company. The most significant risks are discussed at the appropriate Governors' Committee meeting and each Board meeting.

b) The interests of the Company's employees

In relation to employee engagement, the Governors receive regular reports from the Principal and the senior school management on the perspectives of staff. Senior and Line Managers kept in contact with staff who had

been furloughed. With regards to Board Diversity, there are five women and nine men. King's Ely has complied with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The 2020 report is available on the King's Ely website.

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

The immediate beneficiaries of the School are its pupils and parents. In relation to key stakeholder engagement, the Governors actively promote regular activities and are committed to ensuring that the School's mission and values are reflected in its approach to buying goods and services. The School is transparent with information and is keen to build mutually beneficial relationships. Communication with parents is by weekly newsletter, periodic update letters from the Principal, virtual (Covid) or in person year group parental coffee mornings and individual contacts with tutors and pastoral/teaching staff. The individual and collective "Pupil Voice" is encouraged and listened to, whether via Forums/Committees, questionnaires, or tutor groups. A "you said, we did" culture exists to communicate and record any changes within the pupil community back to the pupil body.

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

The Company has completed the Energy Savings Opportunity Scheme (ESOS) reporting requirements and is now reporting under the Streamlined Energy and Carbon Reporting (SECR) see page 15.

The School's considerable contribution to the local community is set out at page 6. Such activities included partnership work and support to local state funded schools, voluntary service and community action projects, and offering use of facilities to NHS services.

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

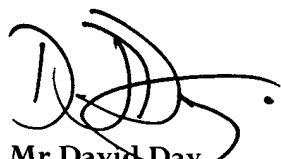
King's Ely's Procurement Process and the King's Ely Bribery Policy have been approved by the Board of Governors. The Board of Governors seeks to promote best practice in the procurement processes that demonstrate fairness and integrity, compliance with relevant laws and regulations, and confidentiality. To this end the School applies the highest standards of business conduct, including adherence to all applicable laws and regulations relating to fraud, bribery and corruption wherever it operates (including the UK Fraud Act 2006 and Bribery Act 2010 which applies to the School's operations both in the UK and globally). The School's Whistleblowing Policy supports staff in delivering this approach.

f) The need to act fairly as between members of the company.

The Board of Governors has a conflicts of interest policy contained in their working rules. All Governors and Company Officers make an annual declaration of business interests and the Governors and Company Officers declare if there is any conflict of interest relating to any item on the agenda at each meeting.

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 10 December 2021, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Mr David Day
Chairman of the Board of Governors



Mr Mark Myers
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 ('the charitable company') and its subsidiary ('the group') for the year ended 31 July 2021 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 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.

Independent Auditor's Report to the Members of The King's School, Ely**Opinion (Continued)****Auditor's responsibilities for the audit of the financial statements**

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition and classification of school fees and other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance & General Purpose Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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

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

Use of our report

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

Andrew Thomas, Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor, London

Consolidated Statement of Financial Activities

Incorporating an Income and Expenditure account for the year ended 31 July 2021 (11 month period ended 31 July 2020)

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>31 July</u> <u>2021</u>	<u>Total</u> <u>31 July</u> <u>2020</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Income					
Charitable activities					
Fees receivable	2	18,202,901	-	18,202,901	17,055,187
Ancillary trading income	4	561,702	50,307	612,009	475,813
Donations, grants and legacies	4	776,829	-	776,829	974,208
Other trading activities					
Non ancillary trading income	3	20,131	-	20,131	8,213
Other income	4	9,005	-	9,005	748,144
Investments					
Investment income	5	26,604	2,200	28,804	81,901
Total income		<u>19,597,172</u>	<u>52,507</u>	<u>19,649,679</u>	<u>19,343,466</u>
Expenditure on:					
Raising funds					
Non-ancillary trading	6	12,308	-	12,308	6,953
Financing costs	6	245,482	-	245,482	218,547
Investment management costs	6	9,795	-	9,795	13,270
Fundraising & development	6	<u>1,346</u>	<u>-</u>	<u>1,346</u>	<u>1,254</u>
Total deductible costs		268,931	-	268,931	240,024
Charitable activities					
Education	6	<u>19,134,008</u>	<u>(409)</u>	<u>19,133,599</u>	<u>17,263,788</u>
Total expenditure	6	<u>19,402,939</u>	<u>(409)</u>	<u>19,402,530</u>	<u>17,503,812</u>
Net (Expenditure)/Income before investment (losses)/gains		194,233	52,916	247,149	1,839,654
Gains/(losses)/on investments	9	621,926	10,176	632,102	(38,850)
Transfers between funds	16	48,504	(48,504)	-	-
Net (Expenditure)/Income for the year		<u>864,663</u>	<u>14,588</u>	<u>879,251</u>	<u>1,800,804</u>

The notes on pages 26 to 45 form part of these financial statements.

Consolidated Statement of Financial Activities

For the year ended 31st July 2021 (continued)

Reconciliation of Funds

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2021</u> £	<u>Total</u> <u>2020</u> £
Net (Expenditure)/Income for the year	864,663	14,588	879,251	1,800,804
Funds balances brought forwards at 1 August 2020	<u>10,694,955</u>	<u>680,192</u>	<u>11,375,147</u>	<u>9,574,343</u>
Fund balances carried forward at 31 July 2021	<u>11,559,618</u>	<u>694,780</u>	<u>12,254,398</u>	<u>11,375,147</u>

All activities are classed as continuing.

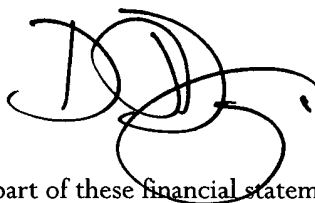
The notes on pages 26 to 45 form part of these financial statements.

Balance Sheet as at 31 July 2021

	Note	<u>2021</u>	Group <u>2020</u>	School <u>2021</u>	<u>2020</u>
		£	£	£	£
Fixed assets					
Tangible assets	8	15,117,738	15,744,032	15,117,738	15,744,032
Investments	9	4,339,106	3,692,067	4,339,206	3,692,167
Debtors: amounts due after more than one year	11	<u>21,632</u>	<u>60,632</u>	<u>21,632</u>	<u>60,632</u>
Total fixed assets		<u>19,478,476</u>	<u>19,496,731</u>	<u>19,478,576</u>	<u>19,496,831</u>
Current assets					
Stocks	10	14,007	14,056	14,007	14,056
Debtors: amounts due within one year	11	319,852	715,295	353,659	730,850
Cash at bank and in hand		<u>4,166,328</u>	<u>2,424,243</u>	<u>4,130,201</u>	<u>2,407,256</u>
Total current assets		<u>4,500,187</u>	<u>3,153,594</u>	<u>4,497,867</u>	<u>3,152,162</u>
Creditors: payable within one year	12	<u>(5,095,759)</u>	<u>(5,176,169)</u>	<u>(5,093,539)</u>	<u>(5,174,837)</u>
Net current liabilities		<u>(595,572)</u>	<u>(2,022,575)</u>	<u>(595,672)</u>	<u>(2,022,675)</u>
Total assets less current liabilities		18,882,904	17,474,156	18,882,904	17,474,156
Long term liabilities					
Creditors: payable after one year	13	<u>(6,628,506)</u>	<u>(6,099,009)</u>	<u>(6,628,506)</u>	<u>(6,099,009)</u>
Net assets	14	<u>12,254,398</u>	<u>11,375,147</u>	<u>12,254,398</u>	<u>11,375,147</u>
Represented by:					
Restricted: Income funds	15	694,780	680,192	694,780	680,192
Unrestricted Funds	16	11,422,241	10,521,482	11,422,241	10,521,482
Pension Reserve	16	<u>137,377</u>	<u>173,473</u>	<u>137,377</u>	<u>173,473</u>
Total charity funds		<u>12,254,398</u>	<u>11,375,147</u>	<u>12,254,398</u>	<u>11,375,147</u>

Net income / (Expenditure) for the year for the parent charity was £247,149 (2020: £1,839,654)

These financial statements were approved by the Board of Governors (as Trustees) on 10 December 2021 and signed on its behalf by **Mr David Day**:



The notes on pages 26 to 45 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 July 2021

	Note	<u>2021</u>	<u>2020</u>
		£	£
Net cash inflow/(outflow) from operating activities	19	1,615,853	(1,850,709)
Cash flows from investment activities:			
Purchase of tangible fixed assets	8	(400,857)	(942,064)
Withdrawals from securities within investment portfolio	9	3,604,433	1,499,962
Movement in investment cash		56,179	150,238
Additions to securities within investment portfolio	9	(3,675,552)	(1,702,702)
Proceeds from sale of tangible fixed assets		11,098	1,048,365
Dividends and interest		28,804	81,901
Bank and loan interest paid		(245,482)	(218,547)
Net cash used in investing activities		(621,377)	(82,847)
Cash Flows from financing activities			
Cash inflows from new borrowings		1,000,000	-
Repayment of bank loans		(252,391)	(141,961)
		<u>747,609</u>	<u>(141,961)</u>
Change in cash and cash equivalents in the reporting year		1,742,085	(2,075,517)
Cash and cash equivalents at 1 August 2020		<u>2,424,243</u>	<u>4,499,760</u>
Cash and cash equivalents at 31 July 2021		<u>4,166,328</u>	<u>2,424,243</u>

The notes on pages 26 to 45 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. At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long-term impact on the School, in common with other businesses, is unknown. The Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as employment of staff. The charity currently holds adequate cash balances, supplemented, if needed by an overdraft facility and since the year end has repaid the Coronavirus Business Interruption Loan advanced during the year. Demand for school places remains strong with enrolments for 2021-2022 at a similar level to 2020-2021 albeit with a slight change in the mix of international and UK pupils. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, the Governors believe the Schools' financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a 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.

Accounting policies (continued)

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 July 2021 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 year 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 July 2021 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 year in which the service is provided. Charges for services provided by the King's School Ely Enterprises Limited are accounted for in the year in which the service is provided.

Investment income

Investment income is accounted for when receivable.

Accounting policies (continued)

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.

Grants received

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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 July 2021. 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 23.6% 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.

Accounting policies (continued)**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 reducing balance 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>2021</u>	<u>2020</u>
The School's fee income comprised:	£	£
Gross fees	20,376,560	19,046,206
less: scholarships	(231,995)	(196,810)
less: bursaries and allowances	(1,796,974)	(1,584,311)
less: commission	(146,072)	(211,565)
	<u>18,201,519</u>	<u>17,053,520</u>
Add back: scholarships and bursaries paid for by Restricted Funds	<u>1,382</u>	<u>1,667</u>
	<u>18,202,901</u>	<u>17,055,187</u>
Grants, awards and prizes from Restricted Funds comprised:		
Scholarships and bursaries	919	1,204
Prizes	<u>463</u>	<u>463</u>
	<u>1,382</u>	<u>1,667</u>

The above educational awards were made to: 300 individuals (2020: 327). Scholarships 152 (2020: 139). Bursaries and allowances 192 (2020: 214).

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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Turnover	20,131	8,213	18,811,017	18,272,884
Cost of sales: KSE Enterprises Ltd	(4,957)	(578)		
Rental charge from School	<u>(5,075)</u>	<u>(5,000)</u>	<u>5,075</u>	<u>5,000</u>
Gross profit: KSE Enterprises Ltd	10,099	2,635	18,816,092	18,277,884
Administration: KSE Enterprises Ltd	(2,276)	(1,375)		
Voluntary Income	-	-	135,119	14,219
Grants received	-	-	641,710	959,989
Investment income receivable	<u>-</u>	<u>-</u>	<u>28,804</u>	<u>81,901</u>
Net income for the year	7,823	1,260	19,621,725	19,333,993
Gift aid donation to The School	<u>(7,823)</u>	<u>(1,260)</u>	<u>7,823</u>	<u>1,260</u>
Gross incoming resources: School			19,629,548	19,335,253
Costs of charitable activities			(19,103,698)	(17,247,075)
Governance costs of the School			(33,219)	(29,977)
Costs of generating funds: School			<u>(245,482)</u>	<u>(218,547)</u>
Net incoming/(outgoing) resources		<u>-</u>	<u>247,149</u>	<u>1,839,654</u>
Total assets of subsidiary	37,612	18,797		
Total liabilities of subsidiary	<u>(37,512)</u>	<u>(18,697)</u>		
Total net assets of subsidiary	<u>100</u>	<u>100</u>		

4. Other income

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Other educational charitable activities		
Registration fees	56,136	40,865
School uniform and trips	326,252	338,945
Educational holiday lettings	5,456	11,301
Surcharge on late payment of fees	-	2,920
Rental income	31,071	22,870
Commission and sundry income	147,862	12,677
Erasmus Grant	50,307	51,235
Charge to KSE Enterprises Ltd for use of facilities	<u>(5,075)</u>	<u>(5,000)</u>
Group total	<u>612,009</u>	<u>475,813</u>
Donations	<u>135,199</u>	<u>14,219</u>
Grants received		
(includes amounts payable under the Coronavirus Job Retention Scheme and Business Interruption Payments)	<u>641,710</u>	<u>959,989</u>
Gains on sale of tangible fixed assets	<u>9,005</u>	<u>748,144</u>

5. Investment income

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Income from investments	24,506	66,185
Bank interest receivable for the School	<u>4,298</u>	<u>15,716</u>
Total Group	<u>28,804</u>	<u>81,901</u>

6. Resources expended

	<u>Staff costs</u>	<u>Other</u>	<u>Depreciation</u>	<u>Total</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Costs of generating funds					
Financing costs for the School	-	245,482	-	245,482	218,547
Financing costs for the subsidiary	-	56	-	56	43
Trading costs for the subsidiary	-	<u>12,252</u>	-	<u>12,252</u>	<u>6,910</u>
Total for the Group	-	<u>257,790</u>	-	<u>257,790</u>	<u>225,500</u>
Fundraising & Development	-	<u>1,346</u>	-	<u>1,346</u>	<u>1,254</u>
Investment Management Fee	-	<u>9,795</u>	-	<u>9,795</u>	<u>13,270</u>
Educational activities					
Teaching	9,171,470	658,590	101,990	9,932,050	9,008,630
Welfare	1,331,780	531,433	27,446	1,890,659	1,616,598
Premises	1,605,119	1,793,739	759,455	4,158,313	3,713,818
Support costs of schooling	<u>1,689,281</u>	<u>1,327,538</u>	<u>136,167</u>	<u>3,152,986</u>	<u>2,905,550</u>
School's operating costs	<u>13,797,650</u>	<u>4,311,300</u>	<u>1,025,058</u>	<u>19,134,008</u>	<u>17,244,596</u>
Grants, awards and prizes	-	<u>(409)</u>	-	<u>(409)</u>	<u>19,192</u>
Total for the Group	<u>13,797,650</u>	<u>4,310,891</u>	<u>1,025,058</u>	<u>19,133,599</u>	<u>17,263,788</u>
Total	<u>13,797,650</u>	<u>4,579,822</u>	<u>1,025,058</u>	<u>19,402,530</u>	<u>17,503,812</u>

Financing costs above include bank interest of £24,165 covered by Government Business Interruption Payments

Resources expended (continued)

Included within the support costs above are Governance costs of:

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
External audit and Accountancy services 2020-21 School:	31,440	28,980
Audit fee and Accountancy service Subsidiary:	2,220	1,332
Governors' expenses for the School:	1,779	997
Professional Fees School:	-	-
Professional Fees Subsidiary:	-	-
Total School	<u>33,219</u>	<u>29,977</u>
Total Group	<u>35,439</u>	<u>31,309</u>

7. Employee information

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Total staff costs comprises:		
Wages and salaries	10,877,332	9,864,805
Social security costs	1,012,693	898,794
Other pension costs	<u>1,907,625</u>	<u>1,725,743</u>
Subtotal	13,797,650	12,489,342
Employee benefits in kind paid	<u>48,029</u>	<u>51,003</u>
Total Staff Costs	<u>13,845,679</u>	<u>12,540,345</u>
 Remuneration of the senior leadership team	 <u>1,303,035</u>	 <u>1,269,949</u>

The average number of employees in the year was:

	<u>2021</u>	<u>2020</u>
Teaching and support	268	253
Welfare	77	75
Premises	43	40
Support staff	<u>84</u>	<u>87</u>
Total for the School and Group	<u>472</u>	<u>455</u>

The number of employees employed by the subsidiary was nil (2020: 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 £1,779 (2020: £997) incurred in performing their duties were reimbursed to nine (2020: four) Governors.

During the year redundancy payments of £1,614 and payments under settlement agreements of £16,420 were made (2020: £nil).

Employee information (Continued)

The number of higher paid employees was:

	<u>2021</u>	<u>2020</u>
	<u>No.</u>	<u>No.</u>
Taxable emoluments band:		
£ 60,000 - £ 69,999	2	3
£ 70,000 - £ 79,999	3	3
£ 80,000 - £ 89,999	2	-
£130,000 - £139,999	-	1
£150,000 - £159,999	1	-

Total remuneration paid to key management personnel 2021: £1,303,035 (2020: £1,269,949)

Total pension contributions paid on behalf of key personnel 2021: £220,106 (2020: £213,568)

	<u>2021</u>	<u>2020</u>
	<u>No.</u>	<u>No.</u>
The number with retirement benefits accruing in:		
- Money purchase schemes was	205	206
for which the contributions amounted to	£537,621	£493,992
- Defined benefit scheme was	151	139
for which the contributions amounted to	£1,372,709	£1,246,540

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	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 August 2020	12,352,274	7,925,717	8,690,353	28,968,344
Additions	-	-	400,857	400,857
Disposals	-	-	(170,019)	(170,019)
At 31 July 2021	<u>12,352,274</u>	<u>7,925,717</u>	<u>8,921,191</u>	<u>29,199,182</u>
Accumulated depreciation				
At 1 August 2020	5,144,502	2,297,880	5,781,930	13,224,312
Charge for the year	245,045	148,440	631,573	1,025,058
On disposals	-	-	(167,926)	(167,926)
At 31 July 2021	<u>5,389,547</u>	<u>2,446,320</u>	<u>6,245,577</u>	<u>14,081,444</u>
Net book value				
At 31 July 2021	<u>6,962,727</u>	<u>5,479,397</u>	<u>2,675,614</u>	<u>15,117,738</u>
At 31 July 2020	<u>7,207,772</u>	<u>5,627,837</u>	<u>2,908,423</u>	<u>15,744,032</u>

Included in fixed assets above are assets purchased on finance lease costing £453,955 (2020: £453,955), with a net book value of £260,113 (2020: £350,904) after charging depreciation of £90,791 (2020: £77,156).

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 August 2020	3,619,994	72,070	3,692,064
Additions at cost	3,675,552	-	3,675,552
Disposals at carrying value	(3,604,433)	-	(3,604,433)
Net decrease in cash	(56,179)	-	(56,179)
Net gains/(losses)	<u>621,926</u>	<u>10,176</u>	<u>632,102</u>
Valuation at 31 July 2021	<u>4,256,860</u>	<u>82,246</u>	<u>4,339,106</u>
Historical cost at 31 July 2021	<u>3,913,516</u>	<u>11,963</u>	<u>3,925,479</u>

Asset distribution of the investments included in the above is:

	Equities	Multi- Asset Funds	Commodities	Property	Bonds	Cash/other	Total
	%	%	%	%	%	%	%
UK	2.6	-	3.6	3.8	1.7	21.5	33.2
Global	60.8	-	-	-	6.0	-	66.8
Total	63.4	-	3.6	3.8	7.7	21.5	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>2021</u> £	<u>2020</u> £
Teaching resources	4,134	4,185
Catering and domestic provisions	9,813	9,811
Grounds materials	<u>60</u>	<u>60</u>
	<u>14,007</u>	<u>14,056</u>

11. Debtors

	<u>Group</u>	<u>School</u>	<u>Group</u>	<u>School</u>
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Amounts falling due within one year:				
School fees	98,033	98,033	81,519	81,519
Amounts due from Subsidiary	-	35,292	-	17,365
Trade debtors	1,485	-	1,810	-
Rent foregone on Capitular Properties	39,000	39,000	39,000	39,000
Prepayments and accrued income	<u>181,334</u>	<u>181,334</u>	<u>592,966</u>	<u>592,966</u>
	<u>319,852</u>	<u>353,659</u>	<u>715,295</u>	<u>730,850</u>
Amount falling due after one year:				
Rent foregone on Capitular Properties	<u>21,632</u>	<u>21,632</u>	<u>60,632</u>	<u>60,632</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>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank loans	509,959	509,959	252,008	252,008
Obligations under finance leases	84,517	84,517	80,978	80,978
Trade creditors	433,435	433,435	594,405	594,405
Other taxation and social security	258,164	258,164	236,619	236,619
Payments received on account of future fees	497,632	497,632	351,387	351,387
Pension contributions payable	234,990	234,990	228,615	228,615
Acceptance deposits	2,297,946	2,297,946	2,396,954	2,396,954
Other creditors and accruals	361,041	358,821	367,106	365,770
Advance fees	<u>418,075</u>	<u>418,075</u>	<u>668,101</u>	<u>668,101</u>
	<u>5,095,759</u>	<u>5,093,539</u>	<u>5,176,173</u>	<u>5,174,837</u>

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

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Bank loans	5,812,494	5,322,837
Obligations under finance leases	179,622	264,139
Advance fees	499,013	338,560
Pensions scheme deficit	<u>137,377</u>	<u>173,473</u>
	<u>6,628,506</u>	<u>6,099,009</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.

In September 2020 the School borrowed £1m under the Government Coronavirus Business Interruption Loan Scheme. For the first twelve months after drawdown, any interest and fees are covered by a Government Business Interruption Payment, thereafter interest is charged at 3.25% above bank base rate. The amount of the Business Interruption Payment for the period to 31 July 2021 was £24,165. The loan is repayable over 3 years commencing 12 months from drawdown at £83,333 per quarter (£33,333 per annum). The loan was repaid in full in September 2021.

	<u>Group</u>	<u>Group</u>
	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Bank Loans Capital		
Due after five years	3,945,765	4,240,568
Due within two to five years	1,268,422	822,841
Due within one to two years	<u>598,307</u>	<u>259,428</u>
	5,812,494	5,322,837
Due within one year	<u>509,959</u>	<u>252,008</u>
	<u>6,322,453</u>	<u>5,574,845</u>
 Obligations under finance leases		
	<u>£</u>	<u>£</u>
Due within two to five years	91,566	179,622
Due within one to two years	<u>88,056</u>	<u>84,517</u>
	179,622	264,139
Due within one year	<u>84,517</u>	<u>80,978</u>
	<u>264,139</u>	<u>345,117</u>

Fees in advance under contract

	2021 £	2020 £
Due after five years	133,370	-
Due within two to five years	118,809	78,497
Due within one to two years	<u>165,896</u>	<u>260,063</u>
	418,705	338,560
Due within one year	<u>499,013</u>	<u>668,101</u>
	<u>917,088</u>	<u>1,006,661</u>
The movements during the year were:		
Balance at 1 August 2020	1,006,661	1,390,295
New deposits	669,621	383,142
Amount of discount given	<u>14,632</u>	<u>18,583</u>
	1,690,914	1,792,020
Refunds	(40,893)	(106,961)
Amounts utilised in school fees to the School	<u>(732,933)</u>	<u>(678,398)</u>
Balance at 31 July 2021	<u>917,088</u>	<u>1,006,661</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 July 2021:	Tangible fixed assets	Investments	Net current assets/ (liabilities)	Net long term assets/ (liabilities)	Fund balances
	£	£	£	£	£
Restricted funds	-	82,246	612,534	-	694,780
Unrestricted funds	<u>15,117,738</u>	<u>4,256,960</u>	<u>(1,208,106)</u>	<u>(6,606,974)</u>	<u>11,559,618</u>
School	15,117,738	4,339,206	(595,572)	(6,606,974)	12,254,398
Subsidiary's reserves	-	(100)	100	-	-
Group	<u>15,117,738</u>	<u>4,339,106</u>	<u>(595,472)</u>	<u>(6,606,974)</u>	<u>12,254,398</u>

As at 31 July 2020:	Tangible fixed assets	Investments	Net current assets/ (liabilities)	Net long term assets/ (liabilities)	Fund balances
	£	£	£	£	£
Restricted funds	-	72,071	608,121	-	680,192
Unrestricted funds	<u>15,744,032</u>	<u>3,620,096</u>	<u>(2,630,696)</u>	<u>(6,038,477)</u>	<u>10,694,955</u>
School	15,744,032	3,692,167	(2,022,575)	(6,038,477)	11,375,147
Subsidiary's reserves	-	(100)	100	-	-
Group	<u>15,744,032</u>	<u>3,692,067</u>	<u>(2,022,475)</u>	<u>(6,038,477)</u>	<u>11,375,147</u>

15. Movement in restricted funds

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

	<u>1 August</u> <u>2020</u>	<u>Income</u>	<u>Gains</u>	<u>Transfers</u>	<u>Expenditure</u>	<u>31 July</u> <u>2021</u>
	£	£	£		£	£
Restricted donations	384,414	-	-	2,542	-	386,956
Scholarships and bursaries	199,235	1,228	5,680	(39,492)	(919)	165,732
Erasmus	37,278	50,307	-	-	1,791	89,376
Clara Taylor	20,877	-	-	-	-	20,877
School prizes	<u>38,388</u>	<u>972</u>	<u>4,496</u>	<u>(11,554)</u>	<u>(463)</u>	<u>31,839</u>
	<u>680,192</u>	<u>52,507</u>	<u>10,176</u>	<u>(48,504)</u>	<u>409</u>	<u>694,780</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</u> <u>2019</u>	<u>Income</u>	<u>Gains</u>	<u>Transfers</u>	<u>Expenditure</u>	<u>31 July</u> <u>2020</u>
	£	£	£		£	£
Restricted donations	385,142	365		(1,093)	-	384,414
Scholarships and bursaries	198,172	1,395	872	-	(1,204)	199,235
Erasmus	-	51,235	-	-	(13,957)	37,278
Clara Taylor	24,445	-	-	-	(3,568)	20,877
School prizes	<u>37,453</u>	<u>708</u>	<u>690</u>	<u>-</u>	<u>(463)</u>	<u>38,388</u>
	<u>645,212</u>	<u>53,703</u>	<u>1,562</u>	<u>(1,093)</u>	<u>(19,192)</u>	<u>680,192</u>

16. Movement in unrestricted funds

Unrestricted funds comprise the following:

	<u>1 August 2020</u>	<u>Income</u>	<u>Gains</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>31 July 2021</u>
	£	£	£	£	£	£
Fees in advance	1,006,661	684,253	-	(773,826)	-	917,088
Fee donations	-	134,811	-	(66,102)	-	68,709
General fund	<u>9,688,294</u>	<u>18,757,977</u>	<u>621,926</u>	<u>(18,550,703)</u>	<u>56,327</u>	<u>10,573,821</u>
Total school	10,694,955	19,577,041	621,926	(19,390,631)	56,327	11,559,618
Non-charitable	-	20,131	-	(12,308)	(7,823)	-
Total group	<u>10,694,955</u>	<u>19,597,172</u>	<u>621,926</u>	<u>(19,402,939)</u>	<u>48,504</u>	<u>11,559,618</u>

During the year parents were invited to donate back to the School fee rebates given because of the Coronavirus pandemic. It was agreed that these could be used either to support hardship bursaries for those affected by the pandemic, for sports facilities enhancement or general investment in school facilities. Donations totalling £22,480 were used to fund sport facilities and £31,714 were put to general school investment. The remaining donations of £80,617 were for hardship bursaries of which, £68,709 remained unspent at the year end.

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

	<u>1 September 2019</u>	<u>Income</u>	<u>Gains</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>31 July 2020</u>
	£	£	£	£	£	£
Fees in advance	1,390,295	401,725	-	(785,359)	-	1,006,661
General fund	<u>7,538,836</u>	<u>18,879,825</u>	<u>(40,412)</u>	<u>(16,692,308)</u>	<u>2,353</u>	<u>9,688,294</u>
Total school	8,929,131	19,281,550	(40,412)	(17,477,667)	2,353	10,694,955
Non-charitable	-	8,213	-	(6,953)	(1,260)	-
Total group	<u>8,929,131</u>	<u>19,289,763</u>	<u>(40,412)</u>	<u>(17,484,620)</u>	<u>1,093</u>	<u>10,694,955</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 £1,372,709 (2020: £1,246,540) and at the year-end £165,340 (2020: £160,115) 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 by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

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

	2021 £000s	2020 £000s	2019 £000s
Present value of provision	137	173	203

Reconciliation of Opening and Closing Provisions	2021 £000s	2020 £000s
Provision at start of year	173	203
Unwinding of the discount factor (interest expense)	1	2
Deficit contribution paid	(37)	(34)
Remeasurements - impact of any change in assumptions	-	2
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of year	137	173

Income and Expenditure Impact	2021 £000s	2020 £000s
Interest expense	1	2
Remeasurements – impact of any change in assumptions	-	2

Assumptions	31 July 2021 % per annum	31 July 2020 % per annum	31 August 2018 % per annum
Rate of discount	0.57	0.60	0.97

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 July 2021, the School and Group had total commitments under non-cancellable operating leases as follows:

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	<u>Land and</u>	<u>Other</u>	<u>Land and</u>	<u>Other</u>
	<u>buildings</u>	<u>equipment</u>	<u>buildings</u>	<u>Equipment</u>
	<u>£</u>		<u>£</u>	
Falling due within one year	161,282	169,653	53,282	138,632
Falling due one to two years	61,282	167,679	53,282	130,677
Falling due two to five years	175,846	188,199	151,878	203,288
Falling due after than five years	<u>2,426,910</u>	<u>42,797</u>	<u>2,229,718</u>	<u>-</u>
Total	<u>2,825,320</u>	<u>568,328</u>	<u>2,488,160</u>	<u>472,597</u>

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

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Land and buildings	153,282	59,089
Equipment	<u>155,511</u>	<u>67,438</u>
Total	<u>308,793</u>	<u>126,527</u>

At 31 July 2021, the School and Group had contracted capital expenditure of £307,046 (2020: £nil).

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

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Net income	247,149	1,839,654
Elimination of non-operating cash flows		
- Rent foregone by landlord	39,000	39,000
- Investment income	(28,804)	(81,901)
- Finance costs	245,482	218,547
Defined pension scheme adjustment	(36,096)	(29,527)
Depreciation charge	1,025,058	925,169
Profit on sale of assets	(9,005)	(748,144)
Decrease/(increase) in debtors	395,394	167,511
Increase/(decrease) in creditors (excluding FIA)	(172,752)	(3,797,384)
(Decrease)/increase in F.I.A creditors	<u>(89,573)</u>	<u>(383,634)</u>
Net cash inflow/(outflow) from operating activities	<u>1,615,853</u>	<u>(1,850,709)</u>

20. Analysis of Loans to cash flow

	<u>1 August</u> <u>2020</u>	<u>Cash flow</u>	<u>31 July 2021</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cash at bank and in hand	<u>2,424,243</u>	<u>1,742,085</u>	<u>4,166,328</u>
Debt due after one year	(5,322,837)	(489,657)	(5,812,494)
Debt due within one year	<u>(252,008)</u>	<u>(257,951)</u>	<u>(509,959)</u>
Total debt	(5,574,845)	(747,608)	(6,322,453)
Net debt	<u>(3,150,602)</u>	<u>994,477</u>	<u>(2,156,125)</u>

21. Reconciliation of net cash flow to movement in Loans

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Increase/(decrease) in cash in the year	1,742,085	(2,075,517)
Loan repayment in the year	<u>(747,608)</u>	<u>141,961</u>
Change in net debt	994,477	(1,933,556)
Net funds at 1 August 2020	<u>(3,150,602)</u>	<u>(1,217,046)</u>
Net debt at 31 July 2021	<u>(2,156,125)</u>	<u>(3,150,602)</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 £161,166 (2020: £136,160) towards the cost of educating the Cathedral Choristers. The School supported Choristers and ex Choristers with £304,541 (2020: £245,634) of bursary assistance towards school fees.

The School paid to the Chapter £39,102 (2020: £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.

Chris Meddle, a newly appointed Governor, has declared his son and his son's partner were both employed by the School as a Teacher of Sport and a Teacher of Art respectively before he started as a Governor. Their contracts and remuneration are in line with the standards for the roles undertaken.

At 31 July 2021 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 July 2021 was £8,455 (2020: £8,605), which is not included in the School's financial statements.

The School charged £5,075 (2020: £5,000) to Enterprises for the provision of facilities and administrative services. The balance owed to the School as at 31 July 2021 was £35,292 (2020 £17,365).

Consolidated Statement of Financial Activities

Incorporating an Income and Expenditure account for the period ended 31 July 2020

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2020</u> £
Income				
Charitable activities				
Fees receivable	2	17,055,187	-	17,055,187
Ancillary trading income	4	424,578	51,235	475,813
Donations and Legacies		973,343	865	974,208
Other trading activities				
Non ancillary trading income	3	8,213	-	8,213
Other income	4	748,144	-	748,144
Investments				
Investment income	5	80,298	1,603	81,901
Total income		<u>19,289,763</u>	<u>53,703</u>	<u>19,343,466</u>
Expenditure on:				
Raising funds				
Non-ancillary trading	6	6,953	-	6,953
Financing costs	6	218,547	-	218,547
Investment management costs	6	13,270	-	13,270
Fundraising & development	6	<u>1,254</u>	<u>-</u>	<u>1,254</u>
Total deductible costs		240,024	-	240,024
Charitable activities				
Education	6	<u>17,244,596</u>	<u>19,192</u>	<u>17,263,788</u>
Total expenditure	6	<u>17,484,620</u>	<u>19,192</u>	<u>17,503,812</u>
Net Income before investment gains		1,805,143	34,511	1,839,654
Gains on investments	9	(40,412)	1,562	(38,850)
Transfers between funds	16	<u>1,093</u>	<u>(1,093)</u>	<u>-</u>
Net movement in funds for the year		<u>1,765,824</u>	<u>34,980</u>	<u>1,800,804</u>