

COMPANY NUMBER: 03394895

CHARITY NUMBER: 1115875

**KING EDWARD'S SCHOOL, BATH
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**



**KING EDWARD'S SCHOOL, BATH
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**KING EDWARD'S SCHOOL, BATH
LEGAL AND ADMINISTRATIVE INFORMATION**

FOR THE YEAR ENDED 31 AUGUST 2019

COMPANY NUMBER	03394895
CHARITY NUMBER	1115875
REGISTERED OFFICE	King Edward's School North Road Bath BA2 6HU
GOVERNORS	Mrs W. Thomson Mr A.J. Morsley Mr I.A. Bleakley* (appointed 26 June 2019) Mr T. Boyce Mrs V. Chalmers Mr P.G. Cobb Mrs C.A. Colston Mr S. Coombe Mr J. Isherwood Prof S.C. Lillicrap Mr D.J. Medlock (resigned 26 June 2019) Prof A. Millar Mr D. Moar* (resigned 21 November 2019) Prof B. Morley Mr P. Roper Mr R.P. Stevens Mr O.A. Von Arx* (appointed 26 June 2019) * Parent of pupil(s) at the School
HEAD	Mr M.J. Boden*
BURSAR / COMPANY SECRETARY	Mr J.M.C. Webster
BANKER	National Westminster Bank plc 15 High Street Bath BA1 5AH
AUDITOR	Crowe U.K. LLP Carrick House Lypiatt Road Cheltenham GL50 2QJ
SOLICITOR	Veale Wasbrough Vizards LLP Narrow Quay Bristol BS1 4QA
INVESTMENT MANAGER	Charles Stanley & Co. Limited 26 Queen Square Bath BA1 2HX

**KING EDWARD'S SCHOOL, BATH
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Governors present their annual report for the year ended 31 August 2019 under the Charities Act 2011, together with the Strategic Report and the audited financial statements for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP 2005 and the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The School was founded by Royal Charter in 1552, and following its restructuring at 31 August 2006 as a charitable company, as described below, is registered with the Charity Commission under charity number 1115875 with which its permanent and expendable endowments of school lands belonging to King Edward's School Bath Trust, number 1115875, are linked for accounting purposes by a Uniting Direction from the Commission at the time. The Governors, executive officers and principal addresses of the Charity are as listed on page 1. Particulars of the Charity's professional advisers are given on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charities Governance Code

As the School is a not for profit organisation which aims to follow charity sector best practice, the Board members are familiarising themselves with the updated version of the Charity Governance Code (the "Code") published in July 2017. The School's governance framework does align with many aspects of the Code. An in-depth review of the Code and consequential changes to the School's governance and standards will be carried out in 2019, with a view to the School becoming fully compliant with the Code.

Governing Document

The Charitable Company (Limited by Guarantee registered number 03394895) is governed by its Memorandum and Articles of Association. The Company was appointed as sole trustee of King Edward's School Bath Trust under the above-mentioned Scheme by the Charity Commission upon transfer of the assets and undertaking of the old School to the Company at 31 August 2006.

Governing Body

The Board of Governors and Charity Trustees are as listed on page 1.

Trustee Recruitment and Training

The Charity's Governors are appointed on the basis of nominations received from existing Governors as the Board seeks to recruit suitable personnel with regard to their personal competence, specialist skills and local availability. New Governors are inducted into the workings of the Charity and its schools, including Board policy and procedures, by the Chairman and Clerk to the Governors, and are encouraged to attend trustee training seminars organised by AGBIS or similar national bodies.

Organisational Management

The Governors, as the Directors of the Company, are legally responsible for the overall management and control of the Senior, Junior and Pre Prep schools of King Edward's School, Bath, and meet at least three times a year. The work of developing and implementing most of their policies is carried out by the executive through a series of delegated Governors' Committees. During 2018/19 these consisted of Education, Performance & Human Resources, Finance & General Purpose, Estates & Premises, Fundraising & Development and Health & Safety Committees which met on 14 occasions during the year, generally leading up to, and reporting to, a meeting of the full Governing Board. The Chairman of Governors and the Chairs of the Committees liaise to co-ordinate the delegated work of the Committees.

The day to day running of the schools is delegated to the Headmaster supported by the Bursar, Heads of the Junior and Pre Prep Schools and the Senior Management Team. The Headmaster, the Bursar, the Second Master and other invited staff attend meetings of the above Committees.

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

A formal Scheme of Governance, Management & Delegation prescribes the relative roles and responsibilities of Governors and executive management.

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Group Structure and Relationships

The Charity has a wholly owned non-charitable subsidiary, Tolcram Limited (company number 02360944), which was dormant throughout the year ending 31 August 2019.

The School actively supports the promotion of the highest standards in the Independent Schools sector, through its membership of HMC, AGBIS and the ISBA, and through networking with other major schools. We also co-operate with many local community organisations and charities in our on-going endeavours to widen public access to the schooling we can provide, to optimise the use of our cultural and sporting facilities and to foster in our pupils an awareness of the social context of the all-round education they receive at the School.

The School also benefits from the generosity of a thriving network of past and current parents' fund-raising committees along with the Old Edwardians' Association whose close support we greatly appreciate and gladly acknowledge.

Related party transactions are disclosed in note 20 to these financial statements.

Employment policy

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

STRATEGIC REPORT

Risk Management

The Board of Governors is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Chairman and the Chairs of the Governors' Committees, assisted by the Headmaster and Bursar. Risks are identified, assessed, and controls established, as part of the work of the individual Committees. A formal review of the charity's risk management processes is undertaken each year and the main or key risks identified:

Educational:

- Academic standards declining as reflected by external examination results; mitigated by:
 - Recruitment and retention of good quality teaching staff;
 - Systematic performance review and development of teaching staff.

Pastoral:

- Adverse pastoral matter arising; mitigated by:
 - Robust structures and systems in place to identify and manage behaviour issues and possible underlying causes;
 - Robust structures in place to manage and support well-being, including an awareness of and close supervision of those identified as, or who identify themselves as, vulnerable members of the community;
 - Staff training on specific issues (eg. self-harm, suicide or bereavement).

Health and Safety:

- Failure to ensure safe, secure and suitable premises and accommodation; mitigated by:
 - Organisational structures and resources to sustain regular repairs & maintenance;
 - refurbishment and renewals to improve and meet new standards of safety, education, environment, technology and legislation, as required.

Legal and/or regulatory:

- Failure to comply with statutory, legal or educational requirements; mitigated by:
 - Systematic production and review of policies and procedures carried out at all levels by management and staff trained and supported as required;
 - Organisation and management structures to ensure monitoring and implementation of policies and procedures.

Financial:

- Significant and sustained decline in pupil numbers; mitigated by:
 - High quality academic, pastoral and extra-curricular provision in all three sections of the School;
 - The Pre Prep and Junior Schools as major feeders for Junior and Senior Schools;

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- Effective marketing and recruitment processes;
- Competitive fees;
- Substantial Bursary and Scholarship programme to support families in difficulty as well as broadening the range of pupils;
- Ongoing development and renewal of premises, facilities and resources.
- Inadequate financial resources to support educational and developments brought about by external factors (e.g. Teachers' Pension Contributions, scrapping of business rates relief, VAT) ; mitigated by:
 - Strategic and annual detailed financial planning and budgeting to provide adequate annual budgets for expenditure, and target levels of cash surplus to sustain capital developments and expenditure.

The key controls used by the School include:

- Formal agendas and minutes for all Committee and Board activity;
- Terms of reference for Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can provide only reasonable, but not absolute, assurance that major risks have been adequately managed.

In light of the current climate in relation to the COVID-19 pandemic the Governors have reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows. The Governors have a reasonable expectation that the School's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements.

Public Benefit

In the furtherance of these aims The King Edward's School, Bath Trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Objects for which the Charity is established are to advance the education of boys and girls by the provision of a day and/or boarding school in or near Bath and by ancillary or incidental educational activities for the benefit of the community.

The Aims of King Edward's School, Bath

- To provide a distinctive and stimulating environment for talented children from a variety of backgrounds, in which each individual is encouraged to strive for excellence and to acquire a lifelong passion for learning, discovery and adventure;
- To encourage each pupil to fulfil his or her own personal academic, sporting, creative and cultural potential;
- To cultivate in each pupil alongside intellectual development a strong sense of the moral and spiritual, the difference between right and wrong, and an awareness of their rights and responsibilities;
- To promote and develop in each pupil the qualities of honesty, integrity, duty, loyalty, courtesy, tolerance and compassion;
- To offer a strong, caring and supportive pastoral framework, working closely with parents to ensure that pupils are safe and happy and that all members of the school community feel respected and valued;
- To create an environment in which all members of the school community enjoy equality of opportunity;

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- To provide opportunities both for leadership and teamwork, thereby nurturing pupils as confident, articulate, self-disciplined and socially responsible citizens and independent thinkers who respect the dignity of others;
- To prepare pupils fully for the challenges and opportunities of a rapidly changing world in the 21st Century and to lay the foundations for King Edward's School, Bath, pupils to lead honourable, worthwhile and fulfilled lives in the wider community;
- To foster a sense of community across the Pre-Prep, Junior and Senior sections of the School.

Objectives Achieved for the Year

1. Continuing the record of academic achievement as reflected in external examination results and the successful transition of the majority of pupils between the Pre Prep, Junior and Senior Schools (including from Year 11 into the Sixth Form).
2. Maintaining pupil numbers in all three sectors of the school in the face of continuing general economic and political uncertainties.
3. Conducting a school-wide master planning exercise aimed at ensuring sustainable development of premises, resources and facilities over the next 15 years.
4. Extending Junior and Senior School cross-phase links and opportunities: facilities and premises in the medium to longer-term.
5. Widening access of Teddy's Lodge for pre and post-school activities at the Pre-Prep School.

Strategies to Achieve the Year's Objectives

1. Fully implementing the formal Professional Review & Development Programme in support of the well-qualified specialist subject teachers and overall academic and pastoral support structures and processes across all three Schools.
2. Continuing to provide all-round academic, extra and co-curricular programmes, activities, events, trips, tours and facilities to attract able and talented pupils from all backgrounds to the school; keeping fee increases to a minimum and therefore fees at realistic and affordable levels; and providing financial assistance to less well-off families through the bursaries & scholarships programme.
3. Putting in place long-term financial and premises development strategies and plans for the next 15 years and developing a more formal fund-raising structure within the School community to diversify sources of funding beyond fee income.
4. Extending the training and qualification of Forest School staff to ensure its longer-term viability.

Principal Activities of the Year

The Charity provides education in Bath for boys and girls from the ages of 3–18 in its three schools, the Senior, Junior and Pre Prep Schools. This year, the overall pupil numbers were 1,103 (2017/18: 1,072). Recruitment for the current and next academic year is continuing extremely well in both the Senior and Junior Schools and remaining stable in the Pre Prep.

Grant-making Policy

In 2018/19 there was a further increase in the value of bursaries, scholarships, allowances and other awards made to the Schools' pupils totalling £1,538,567, from the previous year's level of £1,392,949 reflecting the continuing aims to add to and develop 'means-tested' bursaries and academic scholarships where financially possible. The 'means-tested' bursaries and scholarships in 2018/19 were ahead of 2017/18 totalling £1,040,425 or 7.0% of gross fee income (7.2% in 2017/18) and assisted 151 pupils (148 in 2017/18) representing 18% of Senior School pupils.

The School continues to aim at developing higher levels of means-tested bursary awards in line with the Governors' policy to relieve hardship cases where the pupil's education and future prospects would otherwise be at risk, and to ensure as wide access as possible to individuals of high educational potential who would be prevented from benefiting from a King Edward's education for reasons of financial or economic circumstance.

The actual Bursary awards process is based on HMC and ISC approved models, whereby all applicants have to submit fully-documented information relating to income, family commitments, expenditure, assets, and existing major liabilities to provide a full and accurate picture of the family's overall financial circumstances. This includes an element of self-assessment of the extent of need for support, and award decisions are then made based on this information as well as the academic selection criteria

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Other KES Community Links and Activities

King Edward's School has been proud to play a part in the life of the city of Bath for nearly 500 years. The School is keen to contribute to the local community and to continue to look at ways in which it can expand its contribution. Within the realm of education (beyond providing schooling for over 1,000 children and being a major local employer, with over 250 staff) and at no cost to the pupils/schools involved the School:

- Provides regular (either weekly or fortnightly) English and/or Maths Year 6 extension teaching in two local maintained primary schools. This involves teachers travelling to the schools and co-ordinating with the class teachers there. One of the PE/Games teachers also offers regular coaching (primarily netball) at another Bath and North East Somerset (BANES) maintained primary school, and in the past it has also been offered on a recharged basis (specifically swimming coaching when the sports premium was available) to another school. This regular 'outreach' programme is something that is expanding, timetable and resources permitting.
- Offers annual sports skills days to a range of BANES primary schools, as well as an annual Activity Morning (open to all pupils) and an Activities Week in the summer, where pupils from 5 or 6 local maintained schools spend the week attending extension lessons at King Edward's on a rota basis
- Makes the playing fields available for the use of two local maintained primary schools
- Accommodates around 40-50 pupils from two local maintained secondary schools within the Combined Cadet Force. In one case, this is a long standing partnership, and in the other also involves KES organising the transport between the schools
- Offers mock Oxbridge interview practice for pupils at a couple of local maintained secondary schools
- Undertakes all the accounting for the Bath-Sino Educational Partnership

Between 10 and 15 BANES schools benefit directly each year from the above links and partnerships.

King Edward's also plays a significant wider role in the life of the city and the local community:

- We offer our facilities and resources for free or at a heavily subsidised cost to:
 - Bath Abbey Parish Council
 - Mid-Somerset Festival
 - Bath Mums
 - Bath Cricket Club and Bathampton Cricket Club
 - Bath Rugby
 - Old Edwardians' Rugby Club (despite its title, this is an open club)
 - Bath Philharmonia
 - Bath Opera
 - Gilbert & Sullivan Society
 - Parent & Toddler groups and organisations which put on children's activities (using 'Teddy's Lodge' at our Pre-Prep School in Weston as a hub; this is also provided free of charge as a venue for the local children's inoculation programme)

Volunteers

The KES Parents' Committees, Old Edwardians Association and other parents and individuals have helped throughout the year with School fundraising and cultural activities and the Board would like to take this opportunity to say how much it appreciates their continuing and valuable support for our work. In addition, many individual parents and friends of the School support other educational activities, trips and events throughout the year and their voluntary contributions are very much appreciated.

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the Schools

Overall the School achieved another very credible academic performance.

Senior School academic achievement as reflected in external examination results

The academic results this year included:

- A-level results were excellent with 30.4% of all entries achieving an A* grade; 61.6% were A or A*; 83.3% were A* to B grades
- At GCSE 46.7% of results were A* /9-8 grades and 70.2% A8-a/9-7

Nationally, KES was ranked 59th in the Telegraph's league table of independent schools, based on A*/A results (61st in 2018, 44th in 2017, 52nd in 2016), the 8th best performing co-educational day school in the country and the fourth best outside the London area. In what may be a first, KES was the highest ranked independent school of any kind in the south-west. Once again, 90% of our Year 13 leavers going to university this year secured a place at their top choice of university.

Higher education

The School has very effective Higher Education advisory and Careers guidance programmes in support of pupils seeking their ideal choices for higher education and future careers. In 2019, 136 applications (including past alumni following GAP years etc) resulted in 124 secured places with only 5 unsuccessful and 7 withdrawn applications. Of those who secured a place, 86% achieved their main choice of university or college, including 10 Oxbridge places and 6 places to read Medicine and 1 to read Veterinary Sciences.

Senior School extra-curricular and curriculum-linked activities and main highlights of 2018-19

KES continues to provide a robust, varied and year-round program of activities in 2018/19 covering the school day, after school, weekend and holidays. With over 100 clubs and societies from Aloud (Gender Equality Club) to Warhammer, the students can engage themselves in a plethora of opportunities. Some highlights from the year are:

Established clubs have continued to thrive and been joined by new clubs: Kumihimo and Mandarin Club. Jiu Jitsu's popularity combined with pupil progression has led to extra sessions being put on in the week, and a session in the Junior school. Combined with the plethora of clubs that run every year, there really is something for everyone. The Land Rover 4x4 Challenge saw a group of 6th form pupils progress through the qualifying rounds to make the national finals, where they became joint National Champions. The year also saw the reestablishment of the KES Open Golf tournament which included pupils, parents, staff and Old Edwardians.

The DofE award has gone from strength to strength over the past few years and at all three levels, the award is a popular choice with our pupils. For 2019 -2020 we have signed up 91 year 9 pupils at Bronze level, 43 year 10 pupils beginning the Silver Award and 24 Year 12 pupils for the Gold Award. For the first time we are introducing canoeing as the mode of transport for the Silver Expedition and the teams will be canoeing down the River Wye. Gold participants will complete a 4 day walking expedition in the Lake District following a practice in the Brecon Beacons.

The Senior production was 'The Caucasian Chalk Circle' which again saw large numbers of pupils involved in all aspects of the production and nights of excellent performances. The junior production in the summer term again saw large numbers of pupils in Y7-9 involved in 3 nights of vibrant and energetic performances of The Lion, The Witch and The Wardrobe. With an innovative and stunning set, this production was a highlight of the year for the three full house crowds.

CCF continues to be very active, delivering a full programme of activities on site and several off-site exercises for our Cadet contingent, comprised of pupils from KES, Beechen Cliff and those members of Hayesfield that have chosen to continue with KES despite the development of a Navy section at Hayesfield.

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The Music department in the Senior School worked to Year 2 of the Triennial plan, delivering over 50 different performance opportunities to our pupils, as individuals or as part of smaller & larger ensembles.

Sport continues to successfully perform at a competitive level, whilst ensuring very high participation rates across all the major team sports and supporting individual sportsmen and sportswomen to represent the school in areas such as Biathlon, Cross Country, Athletics and Swimming.

Academic trips remain an important part of the school life, with trips to help deliver the course (for example the Geography and Biology A-Level fieldtrips), extension experiences (such as the Art and Photography trip to St Ives), and revision conferences. This year saw two new trips: A trip to Greece at October half term for the Classicists in Y10-Y13 and a trip to Berlin at the end of the Autumn term for History, Politics & German students.

The penultimate week of the academic school year saw 18 activities week trips in the senior school (plus 4 in the Junior School) depart to various areas of the UK and Europe, involving almost all of our pupils from Year 4-10. A longer expedition to Ladakh to Trek in the foothills of the Himalayas also departed before the end of term.

Drama

The School's reputation for outstanding drama continued to excel last year and this was particularly aided by the move to The Rose building, with two purpose built studios and a LAMDA classroom. This building allows pupils to flourish even more in their activities and they have thrived during their rehearsals. The Upper School show directed by the acting Head of Drama, Mrs Robyn Trust was Brecht's classic *The Caucasian Chalk Circle*, this was another beautiful production designed by Rebecca Walker and James Sellick. This was followed with the fabulous success of our colourful production of *The Lion, The Witch and the Wardrobe* this classic tale was stunningly brought to life and the puppet of Aslan was out of this world! We continued to offer the expanding Duologues competition, as well as the ever-popular LAMDA lessons, to ensure all students who wish to perform can do so. Our intern programme once again proved its value in the development of former sixth former Lucy Thomas who proved a great asset to the department. We now have plans to take on a further LAMDA teacher and direct a new Year 9 production that will allow more pupils further dramatic opportunities.

Music

It has been an extremely exciting year for KES Music with several new performance initiatives. This was the second year of our new Triennial Extra-Curricular programme with new opportunities for our singers in particular. As usual, we maintained our inspiring programme of exciting ensembles and choirs, professional partnerships, workshops, adventurous Music curriculums and exhilarating performances that engage musical pupils, working at all levels, with a unique mix of musical opportunities. This success certainly adds to the school's attraction, breadth of provision, success and hopefully, financial security for the future.

The engagement in instrumental Music Lessons has held steady since last year with over 400 instrumental and vocal lessons now taking place every week across the Junior and Senior schools. This roughly equates to a little under half the pupils across the three schools! These pupils are being taught by our highly professional team of Specialist Music Staff and their expertise and enthusiasm has allowed us to build on our results and reputation of presenting well-prepared pupils for ABRSM, Trinity, and London College of Music exams, as well as the 7 soloists concerts put on through the year in the Senior School. The school's expertise in solo performing has been further advanced through the third year of work by our piano accompanist and performance coach, Rupert Hutchings. With Rupert's specialism in posture, combined with his outstanding skill and sensitivity to not only the musical support of pupils, but also their personal confidence and preparation, the overall increase in assured performance etiquette has been very evident over the past year.

Overall, there was a slight rise in numbers to 123 KES candidates who took ABRSM exams in 2018-19. The percentage of pupils achieving Distinctions or Merit Certificates for their performances has dropped from a record 72% to 64%. Whilst there has been a rise in the number of merits, there has been a drop in distinctions. We also held our fourth set of LCM Music Theatre and Drum exams at KES with outstanding results! 1 Merits – 14 Distinctions. This was also the first year in which we hosted Trinity Board Exams in

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the Summer of 2019. Our first set of results were excellent with 3 passes, 11 merits and 10 distinctions. An excellent start to this new diversity in exam provision for our pupils.

Our partnership with the city's professional orchestra, Bath Philharmonia, is now in its sixth year and to say that our Side-by-Side Project has reached full maturity would be an understatement. Our 'Night at the Movies' Gala Performance was thrilling and to witness our young orchestral musicians tackling such epic, iconic and challenging scores as John William's E.T. Adventures on Earth with such confidence and skill, has surpassed expectations. Whilst the orchestral Gala Concert is the grand finale of the project, the majority of musical opportunities and focused training with Bath Philharmonia take place throughout the year: a day of orchestral workshops; five solo performance masterclasses with talented section leaders (Upper and Lower Strings, Woodwind, Percussion and Brass); the KES Senior Orchestra leader, Sam Blacker's mentoring by leader Sophie Langdon; and the opportunity to watch Bath Philharmonia's rehearsals and attend their concerts (with such musical superstars as Jess Gillam and Isata Kanneh-Mason this year!) at concessionary rates.

This ground-breaking project is the other half to our expanded partnership with Bath Abbey which also continues to thrive with the School performing in the Abbey three times a year as well as taking part in workshops and other events. The Assistant Director of Music at the Abbey, Shean Bowers, works once a week with singers from the Junior (Tudor Rose Choir) and Senior school's (KES 24) and this invaluable choral training on top of our own Music staff's expertise, has seen a rapid rise in the quality and breadth of vocal music at the school.

Our extra-curricular weekly programme has continued to expand, engaging all our KES musicians whilst stretching the very top end pupils in some very exciting performance opportunities. A slight rise to 222 pupils actively participating in 20 Senior School ensembles every week, means that there remains around 30% of pupils who are actively engaged in our provision every week. A respectable figure, but one that the department aims to improve further, particularly in singing.

Our Senior School performance programme has now undergone some careful restructuring and this year saw the implementation of Year 2 of a new Triennial Music Performance Programme. KES has now reached a point where we are staging over 50 performance opportunities in the Senior School a year. This high figure includes not only concerts for ensembles such as the new Choral Concert, KES Unite Concert, Spring Colours, Autumn Colours and Lower School Concerts, but also the provision of regular opportunities for soloists to perform to the wider public at such atmospheric events as the Holburne Museum Concert, the Autumn Colours Concert, Spring Colours Concert, workshops and our termly lunchtime concert series and our fourth Lower School Concert. All the ensembles have continued to thrive with a few like the KES 24, Senior Choir, MEN, the Senior Orchestra and KES Soul taking on more performance opportunities both inside and outside school. The Senior Singers and MEN performed alongside other musical organisations such as Bath's CitySound Voices and the Gallery Singer as well as playing to residents in two care homes. Autumn 2018 saw the re-emergence of the Battle of the Bands to provide a performance platform for our popular musicians.

An exciting new performance partnership has been formed with the Royal United Hospital and the Summer Term saw the Baroque Group performing to the patients, visitors and staff of our city's hospital in the main foyer and one of the internal gardens. Money was raised during the performance by the Forever Friends trust to raise funds for a new piano in the RUH's proposed new cancer care ward. Spring 2020 sees the Saxophone Ensemble and the KES String Quartet follow in the Baroque Group's footsteps.

This year has also seen the continuation of our composing partnership with New Music South West. We were for a fifth year, proud to host an A Level Music Composition workshop with them on the top floor of the Wessex Building for both our own pupils and those from other schools, but unfortunately the event was cancelled on the day due to snow.

Overall, it has been a hugely successful and varied year for our KES musicians. It brings into focus just what a thriving department Music is and how blessed we are with talented, ambitious and committed staff. It should be remembered that many of our pupils have achieved huge success in projects outside the school too!

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International Links

Three Chinese students from Suzhou joined the Sixth Form in 2018/19 adding to the existing three students and the School continues to support the Bath-Suzhou Schools Educational Partnership with further pupil-exchange visits taking place during the year.

Charity Fundraising

Last year, the School primarily supported World Wildlife Fund (£2,726), Off the Record (£2,603) and Women's Aid (£258).

Community Service

Around 35 sixth form students do Community Service on Thursday afternoons at a range of institutions; the RUH, Bridgemoor Care Home, the Peggy Dodd Alzheimers Centre, the Margaret Coates Unit for autistic children and four local primary schools – Bathwick St Mary's, Widcombe Infants, Bathampton, Combe Down as well as our own Junior School.

Sport

The U19 netball squad progressed through to regional schools in the national school's competition U19's retained their county trophy, with U14's and U16's qualifying for the county finals. There was a Masterclass with Serena Guthrie (England Netball World Cup Captain) for many age groups in the school. Two netballers were in the National Performance Programme (U17 & U19)

In hockey, the U13 Girls and U14 Girls were both Tier 2 County runners up and both qualified for the Regional Finals. The U14 Girls finished as runners up at the Regional Finals. The U16 Girls were Tier 3 County Champions and qualified for the Regional finals. The U18 Girls were Indoor County Champions and qualified for the Regional Finals of the National Indoor Cup. U13 Boys were Tier 2 County runners up and qualified for the Regional Finals. U16 Boys reached last 16 of the Tier 1 National Cup. U18 Boys were Indoor County runners up and qualified for the Regional Finals of the National Indoor Cup

- 40 pupils selected for England Hockey Academy Centres
- 5 pupils selected for England Hockey Performance Centres

In Rugby, within the current staff, two are both Academy Coaches at Bath Rugby. One player represented England U18s and signed a professional contract for Bath RFC. There were 3 boys in Player Development Group & 10 Developmental Player programme for Bath RFC. The U13s were unbeaten at National Rosslyn Park 7s tournament.

Other areas in summary:

- Partnership with Bath Cricket Club and Team Bath Super league continues.
- Current staff, Greg Barrett and Jason Bye, are both Academy Coaches at Bath Rugby, and Gregg Brown acts as Director of Cricket at Bath Cricket Club. Liam King, Performance Centre coach for England hockey.
- Annual Sports Dinner took place at Cumberwell Park Golf Club with over 120 staff, parents and pupils attending. Guy Mercer, ex-Bath RFC player/captain gave the key note speech.
- There is now a Hard ball and soft ball programme – non gender based programme.
- 1st Xi won the Banes T20 cup.
- 14 boys and girls playing representative county cricket.
- 1 girl tennis player is part of the Tennis Academy at Bath University.
- 1 pupil (girl) represented Wales & WAGs in rowing.
- 1 pupil (boy) represented Avon (U16) in English Schools Golf championship.
- 9 pupils competed in the Area round of the schools XC.
- 2 pupils competed for the county in the Regional round.
- 7 athletes represented BANES and 2 Avon at the South-West schools championships in Athletics with both competing in the English Schools finals in the 1500m and 1500m Steeplechase.
- 12 biathletes qualified for the National Schools at Leeds in November 2018 and 18 for Crystal Palace in March 2019.

**KING EDWARD'S SCHOOL, BATH
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- 1 pupil (boy) U19 Laser run world championships Dublin, GBR team 3rd.
- 2 pupils (girls) took part in NSEA – Regional Show-Jumping.

Other notable events during the year

- Ten Tors Challenge saw 2 teams entered and at the Annual Sports Dinner, we had an inspirational Guest Speaker OE, Guy Mercer.
- Lower School Play was well received with a contemporary presentation of the classic The Lion, The Witch and The Wardrobe.
- KES Soul performed at Bath's Party in the City
- Tim Laney running the 315 km 'Dragon's Back' race (over 5 days) in support of KES charities.
- Two successful OE reunions (2009/1999/1989 and 40s/50s/60s and 70s Brigade).
- KES hosting Fundraising Event during Refugee Week, linked to the launch of Catherine Bruton's latest novel.
- The younger age groups showed the way in Rugby Sevens, with the U12s winning the Port Regis Tournament and the U13s winning the Clayesmore tournament (having finished 3rd at Port Regis).
- Max Ojomoh celebrated signing a professional contract with Bath by being named in the England U18 squad.
- The U13 boys have progressed to the Hockey regional finals, having finished runners-up in their county tier competition. In all block hockey fixtures (almost 100), KES teams have won or drawn 72% of their matches.
- Our U19 netballers performed superbly at the regional finals, finishing 3rd in their group and so narrowly missing out on the chance to qualify for the national finals.
- It was a delight to welcome one of England's finest netballers (indeed, one of the best players in the world currently), Serena Guthrie, to school to give a series of coaching masterclasses to girls from Year 5 upwards.
- We had 4 pupils representing Avon at the South West Schools' Cross Country championship, with 3 going on to compete at English Schools level.
- Our Model United Nations team had their best ever result at the recent Kingswood Conference, coming home with 4 individual commendations, 5 highly commended awards and three gavels for 'best delegates'. The team also won the overall 'best delegation' award, a superb achievement.
- KES pupils again did a fantastic job organising the 11th BANES Youth Climate Conference. Led brilliantly once more by Tom Wilson (Year 13, so his last event), the team put together a very engaging programme of workshops and speakers, including the renowned environmentalist, Jonathon Porritt.
- Two KES teams performed impressively in the regional round of the Land Rover 4x4 Challenge. 'Modulus' won a prize for research and development, whilst 'Fractal 4x4' won the award for best engineered vehicle, as well as the regional competition overall. This meant progression to the national final, which took place over two exciting days at the National Motor Museum. 'Fractal 4x4', consisting of Alex Christopherson, Morgan Jones, Xavier Raynes and Fin Williams, won awards for 'best engineered car' and 'best presentation folder' and, following close scrutiny from Land Rover engineers and a series of presentations covering aspects such as design, financing and team ethos, a nailbiting conclusion revealed the KES team as joint overall winners of the national final. This means that they will represent the UK next year at the World Finals.
- Sowing the seeds for such grand engagement down the line, KES also had two teams in the regional tournament for the First Lego (Robotics) League. The 'Robot Rebels' made it through to the final knockout rounds of the robot game and were awarded the runners-up 'Core Values' award for teamwork. 'KESDroid' also won a runners-up Project prize for their work on 'Gamification for long-term motivation for astronauts' (!). They achieved the highest score of any team in the quarter final of the robot game and were arguably on track for overall victory before a dying battery caused their robot to malfunction and cruelly thwarted them in the semi-final!
- Musical highlights this term include an inaugural Spring Colours concert, another superb Holburne Soloists' concert and our now annual KES Soul charity concert, as well as percussion and brass

**KING EDWARD'S SCHOOL, BATH
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

masterclasses as part of our partnership with Bath Philharmonia. Recent Mid Somerset Festival successes included the Senior Orchestra winning the Berryman Orchestral Cup with a wonderfully professional performance and KES Wind being awarded the Lamb Orchestral Trophy.

Junior School

The pursuit of academic excellence along with high standards and expectations lies at the heart of everything we do here at King Edward's Junior School. We endeavour to develop in our children, broad and open minds with a balanced and rounded view of the world through a holistic, modern, expansive and varied curriculum. This is achieved in many ways – our enriched teaching and learning environment, both in and out of the classroom, has enabled us to extend the educational provision and this, along with specialist, dedicated and passionate members of staff help promote excellence and to raise our standards still further. Our finely tuned pastoral system based on mutual respect, kindness, support and positive encouragement helps the children to become better citizens. Their wellbeing and emotional health is a priority for us to fulfil our school aims and values. This, complimented with the numerous trips, visits, visitors and other opportunities offered, makes the Junior School a happy, healthy, vibrant and rewarding place in which to learn, progress and be inspired. The School also takes a real pride in engaging with and supporting our community and fundraising for numerous chosen school charities.

Curriculum work is enhanced by special projects, events and activities:

- Enrichment Week helps by providing time for creative thinking and exploration in academic subjects often through cross-curricular themes and projects
- Work on the 'Learning Pit' helps children to welcome challenge in learning, to develop a growth mindset and in building resilience.
- Home work is linked more closely to pupil progress in lessons and teaches children to identify their own learning, their strengths and weaknesses and their areas to develop. This helps to develop self-motivation, organisational skills and a Growth Mindset about learning.
- Character Education continues to instil key virtues, attitudes and behaviours through assemblies and work in class groups.
Values: 'CARERS': Charity, Appreciation, Responsibility, Ethics(Integrity), Resilience and Self-Awareness
Attitudes: Focus, Resilience, Integrity, Drive, Adaptability, Optimism, Discernment, Courage, Self-Awareness.
Behaviours: Empathy, Reflection, Growth Mindset, Responsibility, Curiosity, Self-Control, Service, Charity, Cooperation, Interdependence
- Teacher planning throughout the curriculum balances acquisition of knowledge with development of skills, positive attitudes and emotional literacy. SEND and EAL learners are carefully planned for and given appropriate and additional support as and when necessary, from our dedicated Learning Support Team.
- Harnessing ICT to help pupils, to inspire their artwork and create short animation films and presentations to illustrate curriculum topics
- Visiting art galleries and sculpture parks, working with visiting artists and joining in the various art clubs and weekend workshops.
- Maths has been in focus, with the introduction of the mastery approach, which emphasises deep learning and application through concrete learning, discussion and problem-solving. Year 4, 5 and 6 took part in maths challenges, while Year 6 enjoyed a day of mathematical enquiry and problem-solving skills.
- English thrives with a celebration of Book Week, Year 4 enacting a Shakespeare play in 20 minutes and Year 6 writing and illustrating picture books to read to infant children in local primary schools.
- Different religions and ideas are explored through reflection, empathy and imagination. This was enhanced by Diwali and Sikh workshops and visits to a Hindu Temple, a Mosque, St. Michael's Church for Harvest and Easter Services as well as the Christmas Carol Concert at Bathwick St. Mary.
- Pupils have many opportunities to examine historical artefacts and primary sources, with visits covering many eras: the Roman Baths, Georgian Bath, and a Medieval Walk round Bath; studying the history of the monarchy and re-enacting the Battle of Lansdown; Year 6 debated whether it was right for Britain to go to war in 1939 and researched their own historical questions about World War 2.

**KING EDWARD'S SCHOOL, BATH
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FOR THE YEAR ENDED 31 AUGUST 2019**

- Work in Humanities emphasises critical and higher order thinking, building thinking skills while giving children a broad knowledge of the World and its history.
- Geographers examined the natural and human world with visits to Egford Brook, around the local area and to Dinan, to study a contrasting European town. A rainforest topic in Year 3 focuses on looking after our planet which links with our international charity.
- Science is similarly a practical 'hands-on' course with visits to Westonbirt Arboretum, Bristol Zoo, Cotswold Wildlife Park, and 'Explore@Bristol', along with a visit from the dentist! We also worked with Bath TAPS to deliver workshops to local primary children.
- In Music, children in all year groups get to play and compose together: Year 3 play stringed instruments; Year 4 play either wind and/ or brass instruments in their class bands; Year 5 play ukulele, samba drums and gamelan; Year 6 perfect their skills on the steel pans. All year groups are given the opportunity to perform for the whole school and parents, through various concerts and events. The three school choirs sing both internally in concerts and services, and externally at the Christmas Market, Dorothy House and Kingfisher Lodge.
- Year 6 performed Toy Story at the end of Creative Week.
- The school Activity Trail and play areas are enhancing outdoor learning and play across the curriculum.
- School sport focuses on skill development, fun and being inclusive, providing the children with numerous challenges to overcome and to solve. The 'coaching' philosophy is clearly evident. The children are given numerous opportunities to challenge their skills and teamwork through fixtures, galas, tournaments and competitions at various levels including national. There was a ski trip which provided additional challenges for children and members of staff.

Pre-Prep School Report

2018/19 at the Pre-Prep was a year where we focused on the development of the outdoors. 'Teddy's Garden' was officially opened a wonderful space where the children can pond dip and garden. We also saw the installation of an all weather pitch which is used on a daily basis for sport activities. New playground equipment for the Nursery and the main playground created a real 'wow' factor for the children. A new sail providing shade for the Nursery was also installed.

'Movement for Learning' was introduced as a daily activity for Reception children and an intervention programme for Years 1 and 2. The programme supplements the P.E curriculum by providing a series of activities that develop gross motor skills.

Provision for our 'Gifted and Talented' children was reviewed and developed. We joined 'NACE', agreed a clear definition of G&T, central list of children and ensured their needs are addressed in our daily plans. We welcomed a NACE consultant in to school to provide practical ideas on how to challenge our most able pupils.

Fees and Financial Assistance

The Governors' policy of keeping fee increases as affordable as possible, whilst maintaining the School's essential quality of education, premises and facilities resulted in a modest fee increase of 3.50% (2018 – 3.00%). The fees for the year 2018/19, before the deduction of any means-tested bursaries, scholarships and other concessions were:

- Nursery: £2,790 per term
- Pre Prep School: £3,385 per term
- Junior School: £3,750 per term
- Senior School: £4,745 per term (Sixth Form £4,825)

Fund Raising Standards Information

All fundraising activities for the School are carried out by highly professional School staff with assistance from the parents and pupils with the running of specific fundraising events. The School does not use external professional fundraisers or have any commercial participators. All fundraising activities are managed by the Headmaster, with oversight by the members of the Governing Body.

No complaints relating to fundraising activities have been received by the School during the financial period. However, the School has in place procedures that would be followed in the event of a complaint being received. The School's complaints policy and procedure is on the website.

**KING EDWARD'S SCHOOL, BATH
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The School's standards of operation and management of fundraising activities are based on those of the Institute of Fundraising and of CASE (Council for the Advancement and Support of Education), of which the School is a member and follows CASE's best practice, recommendations and guidance on fundraising in education. The School is also a member of IDPE (Independent Development Professionals in Education). In particular, the School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or property.

Fundraising Performance

A KES Annual Bursary Fund has continued to raise funds towards the overall Bursary programme and to advertise a Legacy Campaign as an ongoing fund-raising activity with a focus on the Bursary Fund, and the Blake Odgers Society supports and recognises legators. The School is also extremely appreciative of the contribution made by the Hockey Festival Fund to assisting bursary-holders with the essential costs of curriculum-related field or sports trips.

Investment Performance

The Charity's investments are held by Charles Stanley and unrealised losses on investments totalled £50,778 (2018 - unrealised gain £27,819). The value of the total investment portfolio increased to £1,283,824 at the year-end (2018 - £1,288,798). Dividend income increased slightly to £46,463 (2018 - £37,837) and interest received was £18,878 (2018 - £18,233).

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School's Total Incoming Resources for the year were £15,211,881 (2018 - £14,982,791) and the surplus for the year before investment gains was £868,732 (2018 - £851,815). Net Debt at 31 August 2019 was £1,475,261 (2018 - £,903,261). Full details are set out in the audited financial statements on pages 20 to 36.

Gross school fees increased by 7.62% during 2018/19 with pupil numbers overall slightly increasing. Overall results were very encouraging especially during continuing generally difficult economic conditions.

Reserves Policy

The School's policy is to continue to invest in premises and equipment to support the business and educational requirements of the School, while ensuring adequate financing of the School's day to day operational needs and the maintenance of adequate reserves to meet any contingencies as they arise. Therefore, retained surpluses are not held as free reserves, but are normally utilised for improvements to the School's facilities. This policy is supported by external financing as and when necessary, allocated to specific capital projects.

Free reserves, as defined by the Charity Commission, are the undesignated general funds of the Charity excluding the funds invested in tangible fixed assets. If this adjustment was made to the school's unrestricted reserves, the free reserves would be a negative figure of £3,421,516 (2018 - £2,084,397) which is typical of many independent schools. This is due to the need for continuing capital expenditure out of retained reserves. The borrowings to finance the building programmes are at a level which the Governors are confident can be serviced, based on conservative projections of income and expenditure and the related cash flows. Total reserves at the year end were £17,589,030 (2018 - £16,753,153).

Investment Policy and Objectives

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

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

To meet these objectives the School's investments as a whole are managed on a portfolio basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. The Board considers that in the year to 31 August 2019 the investment objectives were met.

**KING EDWARD'S SCHOOL, BATH
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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.

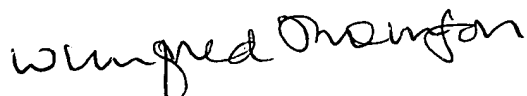
The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply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

So far as the Governors are aware, there is no relevant audit information of which the charity's auditors are unaware. The Governors have taken all the steps that we ought to have taken as Governors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Crowe U.K. LLP as auditor to the School will be put to the annual general meeting.

The Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of King Edward's School, Bath, on 10 June 2020 including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



**Mrs W Thomson
Chair of Governors**

**KING EDWARD'S SCHOOL, BATH
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2019

Independent Auditor's Report to the Members of King Edward's School, Bath

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

**KING EDWARD'S SCHOOL, BATH
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2019

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 charitable company and its 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 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 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**KING EDWARD'S SCHOOL, BATH
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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

Guy Biggin (Senior Statutory Auditor)
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

11 June 2020

KING EDWARD'S SCHOOL, BATH
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total Funds 2019 £	Total Funds 2018 £
Income from:						
Charitable Activities						
School fees	2	13,501,155	-	-	13,501,155	13,339,665
Other educational income	3	673,256	-	-	673,256	558,328
Other trading activities						
Other ancillary trading income	3	724,153	-	-	724,153	766,230
Non-ancillary trading income	3	63,560	-	-	63,560	56,543
Investments						
Investment income	4	18,878	46,463	-	65,341	56,070
Voluntary sources						
Donations		-	184,416	-	184,416	205,955
Total incoming resources		14,981,002	230,879	-	15,211,881	14,982,791
Expenditure on:						
Raising funds						
Fundraising costs	5	223,413	-	-	223,413	188,871
Financing costs	5	45,863	-	-	45,863	45,053
Total deductible costs		269,276	-	-	269,276	233,924
Charitable activities						
Education and grantmaking	5	14,011,030	62,843	-	14,073,873	13,897,052
Total expenditure	5	14,280,306	62,843	-	14,343,149	14,130,976
Net income from operations		700,696	168,036	-	868,732	851,815
(Loss)/gains on investments	9	-	(50,778)	-	(50,778)	27,819
Transfers between funds	16, 17	72,473	(72,473)	-	-	-
Net income for the year		773,169	44,785	-	817,954	879,634
Total funds at 1 September 2018		14,346,627	352,219	2,054,307	16,753,153	15,873,519
TOTAL FUNDS AT 31 AUGUST 2019	18	15,119,796	397,004	2,054,307	17,571,107	16,753,153

The notes on pages 22 to 35 form part of these financial statements.

KING EDWARD'S SCHOOL, BATH
BALANCE SHEET
AS AT 31 AUGUST 2019

COMPANY NUMBER: 03394895

		2019	2018
	Notes	£	£
FIXED ASSETS			
Tangible fixed assets	8	20,606,470	18,485,331
Investments	9	<u>1,283,824</u>	<u>1,288,798</u>
		21,890,294	19,774,129
CURRENT ASSETS			
Stock	10	4,715	4,825
Debtors	11	739,176	915,009
Cash at bank and in hand		<u>132,053</u>	<u>881,268</u>
		875,944	1,801,102
CREDITORS: amounts falling due within one year	12	<u>(3,486,053)</u>	<u>(2,972,842)</u>
NET CURRENT LIABILITIES		<u>(2,610,109)</u>	<u>(1,171,740)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,280,185	18,602,389
CREDITORS: amounts falling due after more than one year	13	<u>(1,709,078)</u>	<u>(1,849,236)</u>
NET ASSETS		<u>17,571,107</u>	<u>16,753,153</u>
FUNDS			
Endowment funds	15	2,054,307	2,054,307
Restricted funds	16	397,004	352,219
Unrestricted funds	17	<u>15,119,796</u>	<u>14,346,627</u>
TOTAL FUNDS		<u>17,571,107</u>	<u>16,753,153</u>

The financial statements were approved and authorised for issue by the Board of Governors and were signed on their behalf on 10 June 2020.

Wendy Thomson

Mrs W Thomson
Chair of Governors

The notes on pages 22 to 35 form part of these financial statements.

**KING EDWARD'S SCHOOL, BATH
CASHFLOW STATEMENT**

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	2018 £
NET CASH INFLOW FROM OPERATIONS			
Net cash provided by operating activities	(i)	<u>2,290,849</u>	<u>1,915,606</u>
Cash flows from investing activities:			
Payment for tangible fixed assets		(2,839,646)	(1,058,016)
Proceeds from sale of tangible fixed assets		3,123	8,790
Additions to investments portfolio		(46,385)	(70,000)
Withdrawal from investments portfolio		-	72,009
Investment income		65,341	56,070
Investment management fee		581	953
Net cash used in investing activities		<u>(2,816,986)</u>	<u>(990,194)</u>
Cash flows used by financing activities:			
Bank loan interest paid and finance costs		(45,863)	(45,053)
Bank loan repayments		(177,215)	(177,215)
Net cash used by financing activities		<u>(223,078)</u>	<u>(222,268)</u>
Change in cash and cash equivalents in the reporting period		(749,215)	703,144
Cash and cash equivalents at the beginning of the period		<u>881,268</u>	<u>178,124</u>
Cash and cash equivalents at the end of the reporting period		<u><u>132,053</u></u>	<u><u>881,268</u></u>

(i) RECONCILIATION OF NET INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net incoming resources	868,732	851,814
Elimination of non-operating cash flows:		
- Investment income	(65,341)	(56,070)
- Finance costs	45,863	45,053
Depreciation charge	709,616	685,548
Decrease/(increase) in stocks	110	(141)
Decrease/(increase) in debtors	175,833	(228,451)
Increase in creditors	550,268	620,111
Loss/(profit) on sale of fixed assets	5,768	(2,258)
Net cash inflow from operations	<u>2,290,849</u>	<u>1,915,606</u>

(ii) ANALYSIS OF CHANGES IN NET DEBT

	1 September 2018 £	Movement in the year £	31 August 2019 £
Net cash	881,268	(749,215)	132,053
Bank Loan due with one year	(177,215)	(90)	(177,305)
Bank Loan due after more than one year	<u>(1,607,315)</u>	<u>177,306</u>	<u>(1,430,009)</u>
Net Debt	<u><u>(903,262)</u></u>	<u><u>(571,999)</u></u>	<u><u>(1,475,261)</u></u>

The notes on pages 22 to 35 form part of these financial statements.

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. CHARITY INFORMATION

King Edward's School, Bath is a charitable company limited by guarantee incorporated in England and Wales (charity number 1115875, company number 03394895) and is a Public Benefit Entity operating from its registered office North Road, Bath, BA2 6HU. The liability of members in the event of winding up is limited to an amount not exceeding £1 per member.

ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis of accounting, as modified by the revaluation of listed investments, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Statement of Recommended Practice (SORP 2015) and the accounting policies set out below.

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.

The School depends on its existing bank facilities to meet its day to day working capital requirements. Current forecasts indicate that the School expects to be able to operate within these facilities for the whole of the foreseeable future. These facilities are renewed annually and are not guaranteed for the period covered by the going concern review. The Governors are not aware, however, of any circumstances that may adversely affect the renewal of these facilities.

In light of the current climate in relation to the COVID-19 pandemic the Trustees have undertaken planning and forecasting and continue to closely monitor the developing situation. Despite the current circumstances the Trustees believe that the School's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

The subsidiary undertaking Tolcram Limited has not been consolidated on the grounds that the activities are not material to the group as the subsidiary undertaking is dormant.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Governors are required to make judgements, estimates, and assumptions about the carrying value 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 ongoing 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 affected current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

a) School fees and similar income

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. Amounts received in advance for education not yet utilised to settle school fees are recorded as deferred income and allocated against current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

All other income is included in the Statements of Financial Activities when the school is legally entitled to the income and the amount can be quantified with reasonable accuracy.

b) Donations

All monetary donations and gifts are included in full in the Statement of Financial Activities when entitlement arises, the amount can be reliably quantified and economic benefit to the School is considered probable. When donors specify that donations, including donations towards the purchase of fixed assets, are for particular restricted purposes, the income is included in incoming resources of restricted funds.

c) Investment income

Dividend income is accounted for at the date on which the School has entitlement to the dividends. Interest on bank balances is accounted for in the period in which the interest is earned.

d) Resources expended

Resources expended are accrued as soon as a liability is considered probable, discounted to present value for long term liabilities. Expenditure which can be directly attributed to specific activities has been included in appropriate cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion attributable to each activity.

- Expenditure on raising funds – include all fund raising and financing support costs;
- Charitable activities – expenses are charged to the Statement of Financial Activities on an accruals basis. Expenditure is allocated to functional headings either on a direct cost basis or apportioned according to time spent;
- Governance costs – includes those costs associated with constitutional and statutory requirements such as audit fees, legal costs and Governors' expenses.

e) Redundancy costs

Redundancy payments occur when absolutely necessary and are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

f) Tangible fixed assets

Tangible fixed assets, including freehold property, are stated at original cost plus subsequent costs of additions, less depreciation. Tangible fixed assets costing less than £500 are not capitalised.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on current market prices, of each asset evenly over its expected useful economic life, as follows:

Freehold properties	Straight line over 50 years
Fixtures and fittings	Straight line over 10 years
School equipment	Straight line over 3-5 years
Motor vehicles	Straight line over 5 years

g) Investments

The investments held by the school are stated at market value as at the Balance Sheet date. Gains and losses on disposal are disclosed as realised gains or losses, being the difference between sales proceeds and the market value at the last accounting date. Changes in the valuation of investments during the year are shown as unrealised gains and losses.

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

h) Debtors

Short term debtors are initially measured at transaction price, less any impairment.

i) Cash

Cash is represented by cash in hand and deposits with financial institutions.

j) Creditors

Short term creditors are initially measured at the transaction price.

k) Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

l) Funds

Funds held by the Charity are:

- Restricted funds – these can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by donors or by the purpose of the appeal.
- Unrestricted general funds - these can be used in accordance with the Charitable objects at the discretion of the Governors.
- Designated funds – these are unrestricted funds which have been designated for specific purposes by the Governors, in particular where School funds have been used to match contributions from donors.

m) Taxation

The School is a registered Charity and as such is entitled to certain tax exemptions on all its income and gains, properly applied in furtherance of the Charity's primary objectives.

The School is not registered for VAT.

n) Operating leases

Rentals payable 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.

o) Pensions

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the School. In accordance with FRS 102 S28.11, therefore, the scheme is accounted for as a defined contribution scheme.

The School also contributes to personal pension schemes for non-teaching staff.

The School's contributions to the schemes are charged in the financial statements as they accrue.

p) Recognition of liabilities

Liabilities are recognised once there is a legal or constructive obligation that commits the School to the obligation.

q) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. FEES RECEIVABLE

Income represents gross School fees invoiced, less discounts and allowances:

	2019	2018
	£	£
Gross school fees	15,039,722	13,975,471
Less: Total bursaries, grants and allowances	<u>(1,538,567)</u>	<u>(1,392,949)</u>
	13,501,155	12,582,522
Add back: Scholarships and discounts paid for by Restricted Funds	<u>-</u>	<u>757,143</u>
	<u>13,501,155</u>	<u>13,339,665</u>

3. OTHER INCOME

	2019	2018
	£	£
Other educational income:		
After school clubs and school trips	334,954	251,823
Music and learning support lessons	<u>338,302</u>	<u>306,505</u>
	<u>673,256</u>	<u>558,328</u>

	2019	2018
	£	£
Other ancillary trading income:		
Lunch charges	566,600	537,030
Food and cafe sales	32,902	34,475
Fee protection scheme	34,303	124,528
Bus and coach service income	<u>90,348</u>	<u>70,197</u>
	<u>724,153</u>	<u>766,230</u>

	2019	2018
	£	£
Non-ancillary trading income:		
Rent received	33,121	32,543
Other incoming resources	<u>30,439</u>	<u>24,000</u>
	<u>63,560</u>	<u>56,543</u>

4. INVESTMENT INCOME

	2019	2018
	£	£
Dividends received	46,463	37,837
Interest received	<u>18,878</u>	<u>18,233</u>
	<u>65,341</u>	<u>56,070</u>

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs	Other	Depreciation	Total 2019	Total 2018
	£	£	£	£	£
Costs of generating funds					
Fundraising costs	200,202	23,211	-	223,413	188,871
Financing costs	-	<u>45,863</u>	-	<u>45,863</u>	<u>45,053</u>
Total cost of generating funds	<u>200,202</u>	<u>69,074</u>	-	<u>269,276</u>	<u>233,924</u>
Charitable activities					
Teaching	8,033,238	717,176	-	8,750,414	8,263,599
Welfare	656,894	366,609	-	1,023,503	961,504
Premises	285,595	1,053,556	709,616	2,048,767	2,058,307
Support	870,890	1,356,107	-	2,226,997	1,839,640
Scholarships and discounts from restricted funds	-	-	-	-	757,143
Governance costs	-	<u>24,192</u>	-	<u>24,192</u>	<u>16,859</u>
Total charitable expenditure	<u>9,846,617</u>	<u>3,517,640</u>	<u>709,616</u>	<u>14,073,873</u>	<u>13,897,052</u>
Total resources expended	<u>10,046,819</u>	<u>3,586,714</u>	<u>709,616</u>	<u>14,343,149</u>	<u>14,130,976</u>

6. STAFF COSTS

The average headcount of employees, excluding Governors and visiting staff, but including part-time staff, employed by the School during the year was as follows:

	2019	2018
	Number	Number
Teaching staff (including academic support)	200	196
Administration and support	31	30
Premises	14	13
Welfare	<u>44</u>	<u>44</u>
	<u>289</u>	<u>283</u>

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Wages and salaries	8,159,873	7,741,147
Social security costs	790,845	747,294
Pension costs	1,070,538	1,009,159
Apprenticeship levy	<u>25,563</u>	<u>23,380</u>
	<u>10,046,819</u>	<u>9,520,980</u>

Aggregate remuneration and benefits of the 9 (2018 - 8) key management personnel totalled £965,946 (2018 - £867,688). This relates to the Headmaster, Heads of Junior and Pre-Prep Schools, Bursar, Second Master, Deputy Heads of Pastoral and Academic and Development Director.

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. STAFF COSTS (continued)

The numbers of employees who earned more than £60,000 per annum were:

	2019 Number	2018 Number
£60,000 - £70,000	4	3
£70,000 - £80,000	1	1
£80,000 - £90,000	2	2
£90,000 - £100,000	1	1
£140,000 - £150,000	<u>1</u>	<u>1</u>

During the year pension contributions amounting to £116,881 (2018 - £114,433) were made for the higher paid employees to the Teachers' Superannuation scheme and the money purchase pension scheme.

During the year, the Governors received no remuneration and no retirement benefits were accruing. Governors expenses reimbursed amounted to £345 (2018 - £nil) for 1 Governor (2018 - nil). Related Party Transactions are declared in note 20.

During the year there was one termination payment of £18,000 (2018 - £nil). No amount was outstanding at the year end (2018 - £nil).

7. AUDITOR'S REMUNERATION

	2019 £	2018 £
Auditor's remuneration: - audit services	14,100	13,600
Auditor's remuneration: - other services	<u>2,450</u>	<u>1,750</u>

8. TANGIBLE FIXED ASSETS

	Freehold Properties £	School Equipment £	Fixtures and Fittings £	Motor Vehicles £	Asset Under Construction £	Total £
Cost						
At 1 September 2018	20,512,234	1,006,686	1,247,737	264,113	838,279	23,869,049
Additions	110,141	213,184	756,089	65,254	1,694,978	2,839,646
Disposals	-	(156,590)	(326,443)	(30,487)	-	(513,520)
Transfers	1,140,751	-	16,617	-	(1,157,368)	-
At 31 August 2019	<u>21,763,126</u>	<u>1,063,280</u>	<u>1,694,000</u>	<u>298,880</u>	<u>1,375,889</u>	<u>26,195,175</u>
Depreciation						
At 1 September 2018	3,870,646	642,446	726,131	144,495	-	5,383,718
Charge for the year	384,567	177,583	96,053	51,413	-	709,616
On disposals	-	(156,590)	(317,552)	(30,487)	-	(504,629)
At 31 August 2019	<u>4,255,213</u>	<u>663,439</u>	<u>504,632</u>	<u>165,421</u>	<u>-</u>	<u>5,588,705</u>
Net Book Value						
At 31 August 2019	<u>17,507,913</u>	<u>399,841</u>	<u>1,189,368</u>	<u>133,459</u>	<u>1,375,889</u>	<u>20,606,470</u>
At 31 August 2018	<u>16,641,588</u>	<u>364,240</u>	<u>521,606</u>	<u>119,618</u>	<u>838,279</u>	<u>18,485,331</u>

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

9. INVESTMENTS

a) Investment Portfolio

	2019	2018
	£	£
<i>At 1 September 2018</i>	1,288,798	1,263,941
New money invested	-	70,000
Reinvested income	46,385	-
Amounts extracted	-	(72,009)
Investment management fees	(581)	(953)
(Decrease)/increase in value of investments	<u>(50,778)</u>	<u>27,819</u>
At 31 August 2019	<u>1,283,824</u>	<u>1,288,798</u>

The investments are managed by professional investment managers and represent monies invested directly on a recognised UK stock exchange. At the end of the year £71,097 (2018 - £35,600) was held as uninvested cash.

b) Investment in subsidiaries

The School has a dormant subsidiary company, Tolcram Limited. The shares in this Company are held by the directors on behalf of the School and no cost of investment is recognised in these financial statements.

10. STOCKS

	2019	2018
	£	£
Kitchen stores, clothes and prospectuses	<u>4,715</u>	<u>4,825</u>

11. DEBTORS

	2019	2018
	£	£
Fee debtors	411,410	544,601
Prepayments and accrued income	227,766	264,608
Other debtors	<u>100,000</u>	<u>105,800</u>
	<u>739,176</u>	<u>915,009</u>

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. CREDITORS: amounts falling due within one year

	2019	2018
	£	£
Bank loan	177,305	177,215
Trade creditors	1,235,031	816,023
Taxes and social security	202,229	208,766
Fees received in advance	855,448	972,298
Refundable deposits	337,800	342,880
Accruals and deferred income	336,268	19,018
Other creditors	<u>341,972</u>	<u>436,642</u>
	<u>3,486,053</u>	<u>2,972,842</u>

Refundable deposits are received when pupils are first entered for admission, and are held until the pupil has completed their education at which point the fees are refunded. All pupils could leave within the next twelve months and therefore deposits are considered as falling due within one year.

The bank loan is secured by a legal charge over the freehold property known as King Edward's School. The loan is repayable in instalments by December 2028 and bears a variable interest rate of 1% above the Bank of England base rate.

The ratio of the bank loans to the book value of the property was 8% (2018 - 10%).

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

	2019	2018
	£	£
Bank loan	1,430,009	1,607,314
Fees received in advance	<u>279,069</u>	<u>241,922</u>
	<u>1,709,078</u>	<u>1,849,236</u>

The bank loan is repayable by instalments:

	2019	2018
	£	£
Due after five years	720,789	898,454
Due within two to five years	531,915	531,645
Due within one to two years	<u>177,305</u>	<u>177,215</u>
	1,430,009	1,607,314
Due within one year	<u>177,305</u>	<u>177,215</u>
	<u>1,607,314</u>	<u>1,784,529</u>

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

14. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Financial assets measured at amortised cost (a)	651,446	1,539,522
Financial assets measured at fair value (b)	1,283,824	1,288,798
Financial liabilities measured at amortised cost (c)	<u>4,845,926</u>	<u>4,270,433</u>

- (a) Financial assets include cash, trade and fee debtors, staff loans, other debtors, accrued income and amounts due from subsidiaries.
- (b) Financial assets held at fair value include assets held as investments.
- (c) Financial liabilities include deposits, fees in advance, trade creditors, bank loans and other creditors.

15. ENDOWED FUNDS

	At 1 September 2018 £	Incoming Resources £	Resources Expended £	Transfers and unrealised gain on investments £	At 31 August 2019 £
Endowed Fund- Permanent	1,845,977	-	-	-	1,845,977
Endowed Fund - Expendable	<u>208,330</u>	-	-	-	<u>208,330</u>
	<u>2,054,307</u>	-	-	-	<u>2,054,307</u>

The Endowed fund is "King Edward's School Bath Trust" and represents the value of the assets held in the unincorporated charity number 1115875-1.

Prior year:

	At 1 September 2017 £	Incoming Resources £	Resources Expended £	Transfers and unrealised gain on investments £	At 31 August 2018 £
Endowed Fund- Permanent	1,845,977	-	-	-	1,845,977
Endowed Fund - Expendable	<u>208,330</u>	-	-	-	<u>208,330</u>
	<u>2,054,307</u>	-	-	-	<u>2,054,307</u>

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. RESTRICTED FUNDS

	At 1 September 2018 £	Incoming Resources £	Resources Expended £	Transfers and unrealised gain on investments £	At 31 August 2019 £
Prize fund	140,091	469	(5,413)	-	135,147
Bursary fund	93,957	92,499	-	(50,778)	135,678
The Parents' Committee	35,424	42,665	(32,449)	-	45,640
Hockey Festival	14,113	3,400	(2,081)	-	15,432
Mailer fund	10,710	67,255	-	(72,049)	5,916
Other funds	57,924	24,591	(22,900)	(424)	59,191
	<u>352,219</u>	<u>230,879</u>	<u>(62,843)</u>	<u>(123,251)</u>	<u>397,004</u>

Movements in other restricted funds during the year were:

Prize fund

This fund is the accumulation of bequests made over the years for specific designated prize awards each year. Funds are invested by Charles Stanley. The dividends and interest received are used to pay for the prizes annually.

Bursary fund

This fund is the accumulation of consolidated bursary funds, donations, legacies and old KES Charitable Trust funds. Investment income is used to fund the annual bursaries.

The Parents' Committee

This is made up of several small donations from the Parents' Committee. Monies are received and then spent on the specific restriction.

Hockey Festival

The hockey festival is an annual event, donations are received from entrants to the festival; these are spent on the running of the event. If a surplus is made, it will be spent on future hockey festival events.

Mailer fund

This is made up of donations to provide support towards the cost of the 6th Form Centre capital project.

Other funds

This is made up of several small restricted funds, such as the Gym Equipment Fund. Monies are received and then spent on the specific restriction.

Transfer between funds

This relates to contributions towards school expenditure for specific items. In the year to 31 August 2019 these included the Junior School refurbishment of the outdoor play equipment, the Prep School conservation and pond project and costs towards the Drama Project.

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. RESTRICTED FUNDS (continued)

Movements in other restricted funds during the prior year were:

	At 1 September 2017 £	Incoming Resources £	Resources Expended £	Transfers and unrealised gain on investments £	At 31 August 2018 £
Prize fund	148,691	110	(8,710)	-	140,091
Bursary fund	757,143	66,638	(757,643)	27,819	93,957
The Parents' Committee	28,199	32,955	(17,230)	(8,500)	35,424
Hockey Festival	12,462	3,016	(1,365)	-	14,113
Mailer fund	-	114,998	-	(104,288)	10,710
Other funds	61,611	26,075	(21,644)	(8,118)	57,924
	<u>1,008,106</u>	<u>243,792</u>	<u>(806,592)</u>	<u>(93,087)</u>	<u>352,219</u>

17. UNRESTRICTED FUNDS

	At 1 September 2018 £	Incoming Resources £	Resources Expended £	Transfers and unrealised gain on investments £	At 31 August 2019 £
General	14,212,081	14,981,002	(14,280,306)	72,473	14,985,250
Designated Bursary Fund	134,546	-	-	-	134,546
	<u>14,346,627</u>	<u>14,981,002</u>	<u>(14,280,306)</u>	<u>72,473</u>	<u>15,119,796</u>

The Designated Bursary Fund was a specific legacy received in 2013/14.

Prior year:

	At 1 September 2017 £	Incoming Resources £	Resources Expended £	Transfers and unrealised gain on investments £	At 31 August 2018 £
General	12,676,560	14,738,999	(13,324,384)	120,906	14,212,081
Designated Bursary Fund	134,546	-	-	-	134,546
	<u>12,811,106</u>	<u>14,738,999</u>	<u>(13,324,384)</u>	<u>120,906</u>	<u>14,346,627</u>

KING EDWARD'S SCHOOL, BATH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. ALLOCATION OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2019 are held as follows:

	Unrestricted Funds	Restricted Funds	Endowed Land	Total Funds 2019
	£	£	£	£
Tangible fixed assets	18,552,163	-	2,054,307	20,606,470
Investments	1,283,824	-	-	1,283,824
Net current liabilities	(3,007,113)	397,004	-	(2,610,109)
Long term liabilities	<u>(1,709,078)</u>	<u>-</u>	<u>-</u>	<u>(1,709,078)</u>
	<u>15,119,796</u>	<u>397,004</u>	<u>2,054,307</u>	<u>17,571,107</u>

Fund balances at 31 August 2018 were held as follows:

	Unrestricted Funds	Restricted Funds	Endowed Land	Total Funds 2018
	£	£	£	£
Tangible fixed assets	16,431,024	-	2,054,307	18,485,331
Investments	1,288,798	-	-	1,288,798
Net current liabilities	(1,523,959)	352,219	-	(1,171,740)
Long term liabilities	<u>(1,849,236)</u>	<u>-</u>	<u>-</u>	<u>(1,849,236)</u>
	<u>14,346,627</u>	<u>352,219</u>	<u>2,054,307</u>	<u>16,753,153</u>

19. PENSION COSTS

The School operates two pension schemes. A defined contribution pension scheme is operated for non-teaching staff, the assets of which are held separately from those of the School in an independently administered fund. The pension cost charge in respect of the fund of £238,776 (2018 - £237,245) represents contributions payable by the School to the fund. There were outstanding contributions at the year end of £16,765 (2018 - £17,905).

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 £1,446,741 (2018 - £881,648) and at the year-end £nil (2018 - £113,883) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

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

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19. PENSION COSTS (continued)

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 TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

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

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

20. RELATED PARTY TRANSACTIONS

Certain Governors have children at the School but these are all on normal terms and they are unable to use their position as Governors to their advantage.

Included within other debtors is £100,000 (2018 - £100,000) relating to a loan to Mr M J Boden, the Headmaster. Interest on the loan is charged at 2% above the Bank of England base rate and is paid monthly. Interest received by the School during the year amounted to £2,750 (2018 - £2,479).

During the financial year the School had transactions totalling £8,236 with three companies where a Governor is also listed as a Director of that entity.

21. COMPANY STATUS

King Edward's School, Bath is a company limited by guarantee, not having share capital. The liability of the members in the event of winding up is limited to an amount not exceeding £1 per member.

22. CAPITAL COMMITMENTS

At 31 August 2019 the School had capital commitments totalling £517,525 (2018 - £286,417).

23. OPERATING LEASE COMMITMENTS

Other	2019	2018
	£	£
Not later than one year	23,934	23,934
Later than one year and not later than five	19,945	43,879
	<u>43,879</u>	<u>67,813</u>

Lease payments recognised as an expense in the year amounted to £23,934 (2018 - £2,162).

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24. COMPARATIVE SOFA

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total Funds 2018 £
Income from:				
Charitable Activities				
School fees	13,339,665	-	-	13,339,665
Other educational income	558,328	-	-	558,328
Other trading activities				
Other ancillary trading income	766,230	-	-	766,230
Non-ancillary trading income	56,543	-	-	56,543
Investments				
Investment income	18,233	37,837	-	56,070
Voluntary sources				
Donations	<u>-</u>	<u>205,955</u>	<u>-</u>	<u>205,955</u>
Total incoming resources	<u>14,738,999</u>	<u>243,792</u>	<u>-</u>	<u>14,982,791</u>
Expenditure on:				
Raising funds				
Fundraising costs	188,871	-	-	188,871
Financing costs	<u>45,053</u>	<u>-</u>	<u>-</u>	<u>45,053</u>
Total deductible costs	<u>233,924</u>	<u>-</u>	<u>-</u>	<u>233,924</u>
Charitable activities				
Education and grantmaking	<u>13,090,460</u>	<u>806,592</u>	<u>-</u>	<u>13,897,052</u>
Total expenditure	<u>13,324,384</u>	<u>806,592</u>	<u>-</u>	<u>14,130,976</u>
Net income from operations	1,414,615	(562,800)	-	851,815
Gains on investments	-	27,819	-	27,819
Transfers between funds	<u>120,906</u>	<u>(120,906)</u>	<u>-</u>	<u>-</u>
Net income for the year	<u>1,535,521</u>	<u>(655,887)</u>	<u>-</u>	<u>879,634</u>
Total funds at 1 September 2017	<u>12,811,106</u>	<u>1,008,106</u>	<u>2,054,307</u>	<u>15,873,519</u>
TOTAL FUNDS AT 31 AUGUST 2018	<u>14,346,627</u>	<u>352,219</u>	<u>2,054,307</u>	<u>16,753,153</u>