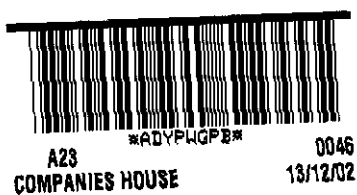


Charity Registration No. 1080641

Company Registration No. 3834841 (England and Wales)

**THE KING'S SCHOOL, GLOUCESTER**  
**GOVERNORS' REPORT AND ACCOUNTS**  
**FOR THE PERIOD ENDED 31 JULY 2002**



# THE KING'S SCHOOL, GLOUCESTER

## LEGAL AND ADMINISTRATIVE INFORMATION

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Visitor	The Lord Bishop of Gloucester
Governors	Ex-Officio Governors:
	*The Dean of Gloucester
	**The Very Reverend Nicholas Bury, M.A.
	The Canons Residentiary of Gloucester Cathedral:
	*Canon R.D.M. Grey, A.K.C.
	Canon N.C. Heavisides, M.A.
	Lay Governors:
	Mr. Humphrey Chamberlayne, B.Sc. Farmer in Gloucestershire
	Miss C. Holme, J.P., LL.B. University Administrator (retired)
	Mrs. A.L.K. Cadbury, O.B.E., J.P. Deputy Lieutenant of Gloucestershire
	*Mr. T.F.H. Heal, F.R.I.C.S.
	**Partner, Alder King, Chartered Surveyors, Gloucester
	*Mr. A. Siddall, F.C.C.A.
	Mr. J.H. Smith B.Sc Dip.Ed. Retired Headmaster, Central Technology College
	**Canon M.J. Irving Clergyman
	*Mr. P.A. Lachecki, B.Sc.
	**Marketing Director Kraft Foods Away From Home
	*Mr. J.H. Holroyd, C.B., C.V.O., M.A. Former Crown Appointments Secretary
	*Mr. C. Collier, F.C.I.B. Former Banker
	*Mr. C. Major, LL.B. Solicitor
	**Mrs. S. White, M.A. Former Arts Administrator

\* Members of the Finance and General Purposes Sub Committee.

\*\* Governors who are also parents of children currently at the school.

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# THE KING'S SCHOOL, GLOUCESTER

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Offices

The Headmaster Mr. P.R. Lacey, M.A., P.G.C.E., F.R.S.A.

The Deputy Head Mr. D.J. Evans, M.A., P.G.C.E.

Charity number 1080641

Company number 3834841

Principal address Pitt Street  
Gloucester  
GL1 2BG

Registered office Pitt Street  
Gloucester  
GL1 2BG

Auditors Pitt Godden & Taylor  
Brunel House  
George Street  
Gloucester  
GL1 1BZ

Bankers Lloyds TSB Bank plc  
Eastgate Street  
Gloucester  
GL1 1NU

Solicitors Rickerbys  
Ellenborough House  
Wellington Street  
Cheltenham  
GL50 1YD

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# THE KING'S SCHOOL, GLOUCESTER

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# THE KING'S SCHOOL, GLOUCESTER

## GOVERNORS' REPORT FOR THE PERIOD ENDED 31 JULY 2002

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The Governors present their report and accounts for the period ended 31 July 2002.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

### **Status and administration**

The King's School was established by Henry VIII by statute in 1541 following the dissolution of the monasteries.

The School is a charity (no. 1080641) and was incorporated as a limited company by guarantee (no. 3834841) on 26 August 1999.

The school had originally been constituted as a charity (no. 311745) under a scheme framed by the Board of Education under the Endowed Schools Acts, 1869, 1873 and 1874. The scheme was approved by His Majesty King George V by way of Order of Council dated 30 July 1928.

The assets and liabilities of the old charity were transferred to the new charity on 1 September 2000. The Endowed Funds were transferred to a separate charity (no. 3961979).

### **Objects of the charity**

To provide for the training and instruction of pupils in any school acquired or established, and on the basis of Church of England principles, to provide such pupils with spiritual, moral, mental and physical training.

The school was originally established as a boarding and day school for boys. Prior to September 1985, the school admitted junior girls up to the age of 11 years. With effect from September 1985, the Governors voted to admit girls throughout the entire age range of 4 to 18 years on sound educational, social and financial grounds. The decision has recently been made to phase out full boarding.

### **Policy**

The main policy adopted by the Governors to further the objects of the school is to ensure that proper resources, both human, spiritual, physical and financial, of the highest possible standard are made available and that there is a sound financial base for making this provision. The Governors are also actively developing the School's role in the wider community.

There has been no material change in this policy in the past year.

### **Investment powers**

To invest any moneys of the school not immediately required for its purposes, in or upon such investments, securities or property or whatsoever nature as may be thought fit, and to vary investment thereof in such a manner as may from time to time be determined.

# THE KING'S SCHOOL, GLOUCESTER

## GOVERNORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

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### Review of activities

The new ICT Centre and Physics Laboratory, the first major projects for several years, were most welcome additions to the school's facilities. These projects, together with the continued programme of refurbishment and re-decoration throughout the year, ensured that every area of the school has seen improvement. Unfortunately, the increased demand for weekly boarding envisaged when the accommodation was converted into single rooms did not materialise, and boarding numbers remain disappointingly low. It is probable that boarding, other than on an occasional basis, will be phased out within two years. Some of the buildings vacated are being used for staff accommodation.

Following a review of staff development carried out over the last two years and after a rigorous inspection, the school was awarded the Investors in People standard. The citation highlighted the "positive, mutually supportive culture among the teachers", and the school's "imaginative approach to staff development".

Pupils from the school once again appeared as extras in the second Harry Potter production. The connection with Harry Potter has seen the school's name appear in numerous publications both at home and abroad.

A number of musical productions and concerts took place in the school during the year, and, in an experimental move, a local theatre was used to present two dramatic productions. This proved extremely popular with pupils and audience alike.

It has been another good year for sports. Successful tours for the rugby and hockey squads helped to produce the team spirit that has become a feature of all the school sports teams. In individual sports one of our senior pupils excelled in athletics championships at National and European levels.

Examination results at all levels showed significant improvement. At 'A' Level 44% of results were grade A's and 66% A's and B's. At GCSE level, 94% were at A\* to C (2001 - 87%).

After taking into account the loss on investments, the school achieved a surplus of £2,516 (2001 - Deficit £17,250) during the year, and this was used to increase cash reserves.

The School continues to maintain strong links with the community through its Citizenship Programme, in hosting the Gloucestershire County Cricket Festival and providing venues for youth cricket and community groups such as the Girl Guides. The School has most recently hosted the Gloucester Dance Festival and the inaugural Gloucester Friendship Choir Festival on behalf of the Gloucester City Council.

It is encouraging to report that the school is on target to achieve the financial objectives set out in its Development Plan. The increase in pupil numbers in September gives cause for optimism that some of the major projects may be completed earlier than forecast. Capital expenditure of £200,000 is planned for the year 2002/03. This will inevitably facilitate the promotion of the school in an extremely competitive market and, it is to be hoped, the growth seen in the last two years will be sustained.

### Governors

The Governors, who are also the directors for the purpose of company law, who served during the period were:

The Very Reverend N. Bury, M.A.

Canon N. Chatfield, M.A.

(Resigned 12 June 2002)

Canon N.C. Heavisides, M.A.

Canon R.D.M. Grey, A.K.C.

Canon C.H. Morgan M.A., M.Th.

(Resigned 12 June 2002)

P.J.M. Whiteman, T.D., M.A.

(Resigned 20 November 2001)

A.E. Miles, B.A.

(Resigned 20 November 2001)

H. Chamberlayne, B.Sc.

C. Holme, J.P., LL.B.

A.L.K. Cadbury, O.B.E., J.P.

T.F.H. Heal, F.R.I.C.S.

A. Siddall, F.C.C.A.

J.H. Smith, B.Sc Dip.Ed

# THE KING'S SCHOOL, GLOUCESTER

## GOVERNORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

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Canon M.J. Irving

M.J. Westbury, F.C.I.B.

(Resigned 15 February 2002)

P.A. Lachecki, B.Sc.

J.H. Holroyd C.B., C.V.O., M.A.

(Appointed 19 September 2001)

C. Collier, F.C.I.B.

(Appointed 19 September 2001)

C. Major, LL.B.

(Appointed 19 November 2001)

S. White, M.A.

(Appointed 21 February 2002)

None of the Governors has any beneficial interest in the company.

### Reserves policy

At present, the unrestricted fixed assets amounting to £1,387,583 are financed partly by reserves (£1,010,129) and the balance of £377,454 by creditors.

It is the policy of the Governors to minimise the amount of funding from creditors for this purpose, balanced with the need to invest in fixed assets at the appropriate time. In the current year the Governors restricted borrowing from creditors to a maximum of one half of one term's fees and intend to continue this policy for the time being.

### Risk factors

The Governors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

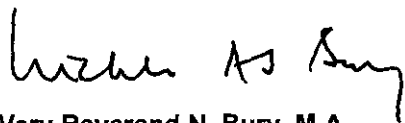
### Asset cover for funds

Note 17 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Pitt Godden & Taylor be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of Governors



The Very Reverend N. Bury, M.A.

Governor

Dated: 20 November 2002

# THE KING'S SCHOOL, GLOUCESTER

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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Company law requires the Governors to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 1985. they are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# THE KING'S SCHOOL, GLOUCESTER

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, GLOUCESTER

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We have audited the accounts of The King's School, Gloucester for the period ended 31 July 2002 set out on pages 6 to 20. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 10.

### Respective responsibilities of Governors and auditors

As described on page 4, the Governors, who are also the directors of The King's School, Gloucester for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Governors' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Governors' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Governors' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

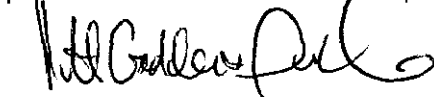
### Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

### Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 July 2002 and of its incoming resources and application of resources, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Pitt Godden & Taylor**  
Chartered Accountants  
Registered Auditor  
Brunel House  
George Street  
Gloucester  
GL1 1BZ

Dated: 20 November 2002

# THE KING'S SCHOOL, GLOUCESTER

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 JULY 2002

	Notes	Unrestricted funds £	Restricted funds £	Total 2002 £	Total 2001 £
<b>Incoming resources</b>					
Donations and legacies	2	61,525	-	61,525	-
Activities in furtherance of the charity's activities	3	3,015,053	-	3,015,053	2,827,812
Trading income	4	49,411	-	49,411	17,565
Investment income	5	-	2,975	2,975	3,097
Other incoming resources	6	65,241	-	65,241	32,511
<b>Total incoming resources</b>		<b>3,191,230</b>	<b>2,975</b>	<b>3,194,205</b>	<b>2,880,985</b>
<b>Resources expended</b>					
<b>Costs of generating trading income</b>					
Trading costs	4	35,220	-	35,220	9,259
<b>Charitable expenditure</b>					
Welfare and teaching costs	7	1,840,555	-	1,840,555	1,693,646
Support costs		376,295	-	376,295	310,497
Catering		207,856	-	207,856	199,923
Premises		665,471	-	665,471	604,410
Scholarships awarded		-	19,206	19,206	20,200
Management and administration		46,466	-	46,466	60,570
<b>Total resources expended</b>	8	<b>3,171,863</b>	<b>19,206</b>	<b>3,191,069</b>	<b>2,898,505</b>
<b>Net incoming/(outgoing) resources</b>		<b>19,367</b>	<b>(16,231)</b>	<b>3,136</b>	<b>(17,520)</b>
Losses on investment assets		(620)	-	(620)	(486)
<b>Net movement in funds</b>		<b>18,747</b>	<b>(16,231)</b>	<b>2,516</b>	<b>(18,006)</b>
Fund balances at 1 August 2001		991,382	38,227	1,029,609	1,047,615
<b>Fund balances at 31 July 2002</b>		<b>1,010,129</b>	<b>21,996</b>	<b>1,032,125</b>	<b>1,029,609</b>

# THE KING'S SCHOOL, GLOUCESTER

## SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 JULY 2002

	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Total income	3,194,205	2,880,985
Total expenditure from income funds	3,191,069	2,898,505
Net income/(expenditure) for the period	3,136	(17,520)

The summary income and expenditure account is derived from the statement of financial activities on page 6 which, together with the notes on pages 10 to 20, provides full information on the movements during the period on all funds of the charity.

## STATEMENT OF RECOGNISED GAINS AND LOSSES

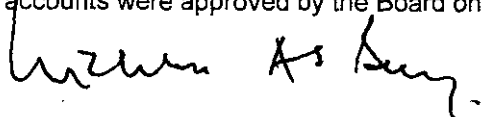
Net income/(expenditure) for the period	3,136	(17,520)
Unrealised losses on investment assets held by income funds	(620)	(486)
	2,516	(18,006)

# THE KING'S SCHOOL, GLOUCESTER

## BALANCE SHEET AS AT 31 JULY 2002

	Notes	2002 £	£	2001 £	£
<b>Fixed assets</b>					
Tangible assets	11	1,387,593		1,447,752	
Investments	12	3,473		4,093	
		<u>1,391,066</u>		<u>1,451,845</u>	
<b>Current assets</b>					
Stocks		17,191		16,500	
Debtors	13	225,906		205,617	
Cash at bank and in hand		6,304		1,578	
		<u>249,401</u>		<u>223,695</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(509,434)</u>		<u>(541,784)</u>	
<b>Net current liabilities</b>		<u>(260,033)</u>		<u>(318,089)</u>	
<b>Total assets less current liabilities</b>		<u>1,131,033</u>		<u>1,133,756</u>	
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(98,908)</u>		<u>(104,147)</u>	
<b>Net assets</b>		<u><u>1,032,125</u></u>		<u><u>1,029,609</u></u>	
<b>Income funds</b>					
Restricted funds		21,996		38,227	
Unrestricted funds		1,010,129		991,382	
		<u><u>1,032,125</u></u>		<u><u>1,029,609</u></u>	

The accounts were approved by the Board on 20 November 2002



The Very Reverend N. Bury, M.A  
Governor

# THE KING'S SCHOOL, GLOUCESTER

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 JULY 2002

	Notes	Year ended 31 July 2002 £	Year ended 31 July 2001 £
Net cash inflow from operating activities	18	136,182	45,573
Increase/(decrease) in cash	19	<u>136,182</u>	<u>45,573</u>

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 JULY 2002

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

#### 1.2 Incoming resources

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Fees receivable and charges for services are accounted for in the year in which the service is provided. 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.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	2% straight line
Leasehold property	2% straight line
Fixtures, fittings & equipment	10% straight line
Motor vehicles	20% straight line

#### 1.4 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.5 Investments

Fixed asset investments are stated at market value.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.7 Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the period in accordance with FRS 17.

The school participates in a multi employer pension scheme, the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff. The pension liability is the responsibility of the Teachers Pension. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, under FRS 17 the scheme is accounted for as if it were a defined contributions scheme.

#### 1.8 Unrestricted Funds

The General Funds comprise the accumulated surplus on the School Management Account consolidated with donations and bequests received towards completed capital expenditure projects on the school's tangible fixed assets. As such the Governors' consider these funds to be Unrestricted Funds within the definitions contained in the Charities Acts in that they are funds over which they have complete discretion as to their use.

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

### 1 Accounting Policies

(continued)

#### 1.10 Restricted Funds.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

### 2 Donations and legacies

	2002 £	2001 £
Legacies receivable	61,525	-

### 3 Activities in furtherance of the charity's activities

	2002 £	2001 £
<b>Fees receivable consist of:</b>		
Gross fees	3,646,378	3,355,689
Less: Total bursaries, grants and allowances	(650,531)	(548,077)
	2,995,847	2,807,612
Add back: Scholarships, grants etc. paid for by restricted funds	19,206	20,200
	3,015,053	2,827,812

### 4 Trading income

	2002 £	2001 £
Turnover	49,411	17,565
Operating expenses	(35,220)	(9,259)
<b>Net income from trading</b>	<b>14,191</b>	<b>8,306</b>

### 5 Investment income

	2002 £	2001 £
Investment income	2,975	3,097

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

### 6 Other incoming resources

	2002 £	2001 £
Rents receivable	10,858	6,473
Commissions	11,013	13,459
Harry Potter	26,967	12,550
Bank interest	1,655	-
Other	14,748	29
	<u>65,241</u>	<u>32,511</u>

### 7 Welfare and teaching costs

	2002 £	2001 £
Teaching costs	1,772,697	1,625,488
Welfare	67,858	68,158
	<u>1,840,555</u>	<u>1,693,646</u>

### 8 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2002 £	Total 2001 £
Costs of generating funds:					
Trading costs	-	-	35,220	35,220	9,259
Charitable expenditure:					
Welfare and teaching costs	1,642,584	-	197,971	1,840,555	1,693,646
Support costs	238,158	-	138,137	376,295	310,497
Catering	-	-	207,856	207,856	199,923
Premises	199,047	60,159	406,265	665,471	604,410
Management and administration	-	-	65,672	65,672	80,770
	<u>2,079,789</u>	<u>60,159</u>	<u>1,015,901</u>	<u>3,155,849</u>	<u>2,889,246</u>
	<u>2,079,789</u>	<u>60,159</u>	<u>1,045,946</u>	<u>3,191,069</u>	<u>2,898,505</u>

Management and administration costs includes payments to the auditors of £3,000 excl. vat (2001 - £3,113) for audit fees.



# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

### 9 Governors

None of the Governors (or any persons connected with them) received any remuneration during the period.

During the year the school incurred £560 (2001 - £560) in respect of Governors Liability Insurance.

### 10 Employees

#### Number of employees

The average monthly number of employees during the period was:

	2002 Number	2001 Number
Teacher Staff	65	64
Support Staff	41	50
	<u>106</u>	<u>114</u>

The number of employees whose annual emoluments were £50,000 or more were:

	2002 Number	2001 Number
£50,001 - £60,000	<u>1</u>	<u>1</u>

Of the employees whose emoluments exceed £50,000, 1 (2001 : 1) have retirement benefits accruing under defined benefit pension schemes.

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

### 11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 August 2001 and at 31 July 2002	2,021,063	848,609	2,869,672
<b>Depreciation</b>			
At 1 August 2001	633,634	788,286	1,421,920
Charge for the period	40,596	19,563	60,159
<b>At 31 July 2002</b>	<b>674,230</b>	<b>807,849</b>	<b>1,482,079</b>
<b>Net book value</b>			
At 31 July 2002	1,346,833	40,760	1,387,593
At 31 July 2001	1,387,429	60,323	1,447,752

### 11a Freehold and leasehold property

#### Accumulated Costs

	2002 £	2001 £
<b>Freehold</b>		
Old Bishop's Palace	497,608	497,608
Archdeacon Meadow	271,768	271,768
	<b>769,376</b>	<b>769,376</b>
<b>Leasehold improvements to land and buildings leased from Dean and Chapter of Gloucester Cathedral:</b>		
King's School House	95,490	95,490
Little Cloisters - Junior School	44,325	44,325
Wardle House	37,841	37,841
Paddock House - 5 Pitt Street	82,650	82,650
Dulverton House and Coachhouse	13,157	13,157
	<b>273,463</b>	<b>273,463</b>
<b>Junior School Buildings on Paddock Land</b>	<b>978,224</b>	<b>978,224</b>
	<b>2,021,063</b>	<b>2,021,063</b>

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

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(i) The freehold property occupied by the school is held in trust by the Dean and Chapter of Gloucester Cathedral for The King's School.

(ii) The leasehold property is leased from the Dean and Chapter of Gloucester Cathedral under renewable 20 year leases expiring next on 24th December 2013. The terms provide for full repairing liability and at rents independently reviewed at 5 yearly intervals. The current rents amount to £51,500 pa and the next reviews are due in December 2003.

(iii) The school occupies the Paddock Land which is owned by the Dean and Chapter of Gloucester Cathedral. The school has erected buildings thereon with the latter's consent. The Dean and Chapter has granted a 99 year lease in favour of the school at a peppercorn rent of £10 per annum.

(iv) During 1997 the school entered into a 10 year lease in connection with No. 3 Pitt Street, Gloucester which was then available to the school for the general purposes of its activities. The Finance Department of the school was being housed in this accommodation. The rent payable was £11,500 per annum and was subject to review with effect from every fifth anniversary of the start of the lease period. At the schools discretion the lease will be cancelled on 29th September 2002, as notice was given by 29th March 2002.

During the accounting year ended July 2000 the school entered into a 12 month lease in connection with Finch's Yard. The rent payable is currently £6,500 per annum. The school continues to occupy these premises under license until this lease is incorporated into the main school leases.

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

### 12 Fixed asset investments

	1,530.81p War Loan Stock 3.5%	438.80p War Loan Stock 3.5%	276.82p C.O.I.F Inc Shares	Total
	£	£	£	£
Market value at 1 August 2001	1,062	304	2,727	4,093
Change in value in the period	19	6	(645)	(620)
<b>Market value at 31 July 2002</b>	<b>1,081</b>	<b>310</b>	<b>2,082</b>	<b>3,473</b>
Historical cost:				
At 31 July 2002	983	210	400	1,593
At 31 July 2001	983	210	400	1,593

The school owns 100% of Serlo Enterprises Limited which is a trading company selling services and goods relating to the school. It covenants its taxable profits to the school. Its trading results, extracted from its audited accounts were:

	2002 £	2001 £
Turnover	49,369	17,565
Cost of sales	(28,389)	(6,057)
Gross profit	20,980	11,058
Administration	(6,785)	(3,235)
Operating profit	14,195	8,273
Interest receivable	42	29
Profit on ordinary activities before taxation	14,237	8,302
Taxation	46	-
Gross covenant to The King's School	14,191	8,302
	14,000	7,847
Retained profit for the year	191	455

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

### 12 Fixed asset investments

(continued)

#### Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Serlo Enterprises Limited	United Kingdom	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
	£	£
Serlo Enterprises Limited	782	191

### 13 Debtors

	2002	2001
	£	£
Trade debtors	44,114	54,052
Other debtors	105,252	61,278
Prepayments and accrued income	76,540	90,287
	<u>225,906</u>	<u>205,617</u>

### 14 Creditors: amounts falling due within one year

	2002	2001
	£	£
Bank overdrafts	80,686	212,142
Trade creditors	194,784	178,475
Taxes and social security costs	64,242	59,683
Refundable fee deposits	80,207	24,589
Deferred income	11,938	14,500
Fees Received in advance	38,065	25,253
Accruals	39,512	27,142
	<u>509,434</u>	<u>541,784</u>

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

15 Creditors: amounts falling due after more than one year	2002	2001
	£	£
Funds held as custodian	29,961	50,980
Sundry loans	400	400
Dean & Chapter advance fees	4,000	14,892
Overseas deposits/fees received in advance	64,547	37,875
	<u>98,908</u>	<u>104,147</u>

### 16 Pension costs

The school participates in the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff.

The last report by the Government Actuary covered the period 1 April 1991 to 31 March 1996. The valuation statement as at 31 March 1996 showed a balance of liability to be met by employers' supplementary contributions of £3,960 million. The report recommends a normal contribution of 13.4%, 6% to be paid by the teachers and 7.4% by the employer. The new normal rate operated from 1 April 2000. A supplementary report dated March 2000 specifies that the deficiency of £3,960 million could be eliminated by supplementary employer's contributions of 0.4% from 1 April 2000 to 31 March 2002, and of 1.35% from 1 April 2002 to 31 March 2004.

The school's contributions represent a minor proportion of the payments into the scheme. The superannuation charge represents contributions payable to the fund and amounted to £95,193 (2001 - £87,960), including outstanding contributions payable to the fund of £14,192 (2001 - £12,969).

The school also runs a scheme for its non-teaching staff, which is a defined contributions scheme. The cost for the year represents the school's contributions to the scheme of £15,241 (2001 - £13,612). There were contributions of £2,689 (200 - nil) outstanding at the year end.

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

### 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 July 2002 are represented by:			
Tangible fixed assets	1,387,593	-	1,387,593
Investments	3,473	-	3,473
Current assets	227,405	21,996	249,401
Creditors: amounts falling due within one year	(509,434)	-	(509,434)
Creditors: amounts falling due after more than one year	(98,908)	-	(98,908)
	<u>1,010,129</u>	<u>21,996</u>	<u>1,032,125</u>
Unrealised losses included above:			
On investments (see below)	(620)	-	(620)
	<u>(620)</u>	<u>-</u>	<u>(620)</u>
Reconciliation of movements in unrealised losses on investment assets			
Net losses on revaluations in period	(620)	-	(620)
Unrealised losses at 31 July 2002	<u>(620)</u>	<u>-</u>	<u>(620)</u>

### 18 Net cash inflow from operating activities

	2002 £	2001 £
Reconciliation to changes in resources		
Changes in resources before revaluations	3,136	(17,520)
Depreciation of tangible fixed assets	60,159	66,730
Increase in stocks	(691)	(2,700)
Increase in debtors	(20,289)	1,946
Increase in creditors	93,867	(2,883)
	<u>136,182</u>	<u>45,573</u>

### 19 Reconciliation of net cash flow to movement in net debt

	2002 £	2001 £
Increase/(decrease) in cash	136,182	45,573
Net debt at 1 August 2001	<u>(210,564)</u>	<u>(256,136)</u>
Net debt at 31 July 2002	<u>(74,382)</u>	<u>(210,563)</u>

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2002

### 20 Analysis of net cash balances

	At 1 August 2001 £	Cash flow £	Non-cash changes £	At 31 July 2002 £
Cash at bank and in hand	1,578	4,726	-	6,304
Bank overdrafts	(212,142)	131,456	-	(80,686)
	<u>(210,564)</u>	<u>136,182</u>	<u>-</u>	<u>(74,382)</u>

### 21 Capital commitments

	2002 £	2001 £
At 31 July 2002 the School had capital commitments as follows:		
Expenditure approved and not yet contracted for and not provided in the accounts	<u>150,000</u>	<u>-</u>

### 22 Capital Contingencies

	2002 £	2001 £
At 31 July 2002 the School had capital contingencies as follows:		
Expenditure authorised for 2003/2004 but not yet fully approved, contracted for and provided in the accounts	<u>75,000</u>	<u>-</u>