

Charity Registration No 1080641

Company Registration No 3834841 (England and Wales)

**THE KING'S SCHOOL, GLOUCESTER**  
**GOVERNORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2007**

WEDNESDAY



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# THE KING'S SCHOOL, GLOUCESTER

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Visitor</b>		The Lord Bishop of Gloucester
<b>Governors</b>	<b>Ex-Officio Governors</b>	The Dean of Gloucester The Very Reverend Nicholas Bury, M A  The Canons Residentiary of Gloucester Cathedral Canon N C Heavisides, M A **Canon G Bridgewater, B A (Retired 31 July 2007) Canon C Thomson, M A
	<b>Lay Governors</b>	Mr Humphrey Chamberlayne, B Sc Farmer in Gloucestershire (Retired 15 November 2006)  Miss C Holme, J P , LL B University Administrator (retired)  Mrs A L K Cadbury, O B E , J P , DL 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 (Retired 15 November 2006)  Mr J H Smith, B Sc Dip Ed Retired Headmaster, Central Technology College  Canon M J Irving, B Ed 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  Mrs J Gazard, M A , Cert Ed Retired Teacher  **Mr P Markey, A C A Managing Director, Markey Builders

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

# THE KING'S SCHOOL, GLOUCESTER

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Officers

The Headmaster	Mr P R Lacey, M A , P G C E , F R S A
The Deputy Heads	Mr D J Evans, M A , P G C E , (Academic) Miss V Scholes, B Ed , M B A (Pastoral)
The Head of Junior School	Mr C W Dickie, B Ed
The Bursar	Mrs N A Mosley, B A (Hons), A C A
Estates Manager	Mrs C Savage, M A , M R I C S , M B I F M

**Charity number** 1080641

**Company number** 3834841

**Principal address** Pitt Street  
Gloucester  
GL1 2BG

**Registered office** Pitt Street  
Gloucester  
GL1 2BG

**Auditors** Horwath Clark Whitehill LLP  
Carrick House  
Lypiatt Road  
Cheltenham  
GL50 2QJ

**Bankers** Lloyds TSB Bank Plc  
Eastgate Street  
Gloucester  
GL1 1NU

**Solicitors** Rickerbys  
Ellenborough House  
Wellington Street  
Cheltenham  
GL50 1YD

# **THE KING'S SCHOOL, GLOUCESTER**

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# THE KING'S SCHOOL, GLOUCESTER

## GOVERNORS' REPORT FOR THE YEAR ENDED 31 JULY 2007

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The Board of Governors present their consolidated annual report for the year ended 31 July 2007 under the Companies Act 1985 and the Charities Act 1993, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" the Charities SORP 2005

### Status and Administration

The King's School, Gloucester was established by Henry VIII by statute in 1541 following the dissolution of the monasteries. The School had originally been constituted as a charity (no 311745) under a scheme framed by the Board of Education under the Endowed School 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 School is a charity (no 1080641) and was incorporated as a limited company by guarantee (no 3834841) on 26 August 1999. 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, King's School Prize and Scholarship Fund (charity no 3961979), and are consolidated within these accounts.

The Governors, who are also directors for the purposes of company law, who served during the year were

The Very Reverend N Bury, M A \*  
Canon N C Heavisides, M A  
Canon G Bridgewater, B A (Retired 31 July 2007)  
Canon C Thomson, M A  
Mrs A L K Cadbury, O B E , J P , DL ♦  
H Chamberlayne, B Sc (Retired 15 November 2006)  
C Collier, F C I B \*  
Mrs J Gazard, M A  
T F H Heal F R I C S \* #♦  
Miss C Holme, J P LL B ♦  
J H Holroyd, C B , C V O , M A \* #  
Canon M Irving, B Ed  
P A Lachecki, B Sc \*  
C Major, LL B \* #  
P Markey, A C A \* #  
A Siddal, F C C A (Retired 15 November 2006)  
J H Smith, B Sc Dip Ed  
Mrs S White, M A

\* Member of Finance Committee

# Member of the Fabric & Development Committee

♦ Retired by rotation and re-appointed at Annual General Meeting

### Structure, Governance and Management

#### Governing Document

The School is governed by its Memorandum and Articles of Association, last amended on 20 November 2002.

#### Governing Body

The Governors, who are also required under the Articles to serve as members of the School, are elected at a full Governors meeting on the basis of nominations received.

# THE KING'S SCHOOL, GLOUCESTER

## GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

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The Governing Body shall not be less than 16 and not more than 21 and is comprised of not more than 6 ex-officio Governors, who shall be the Dean of the Gloucester Cathedral and not more than 5 Residentiary Canons of the Cathedral. Such ex-officio Governors shall hold office by virtue of their respective offices.

The balance of the Governing Body comprises of Governors, one-third of which retire at the School's Annual General Meeting. A retiring Governor is eligible to stand for re-election.

### Organisational Management

The Governors meet as a Board at least four times a year to determine the general policy of the School and to review its overall management and control, for which they are responsible. There are two key sub-committees to the Governing Body, the Finance Committee and the Fabric and Development Committee. Each of these committees meets at least four times a year, preceding the Board of Governors meetings, to report to the Governing Body. The day to day running of the School is delegated to the Headmaster supported by the Senior Management Team.

### Recruitment and Training of Governors

Governors are appointed at a meeting of Members on the basis of nominations received from Governors and the Head of The King's School, Gloucester following agreed specifications concerning eligibility, personal competence, specialist skills and local availability.

New Governors are inducted in the workings of the School, and the Company as a registered charity, including Board Policy and Procedures, at an induction day specially organised for them by the Head and Bursar, who also organise regular strategic and trustee-training workshops for all Governors.

### Group Structure and Relationships

Serlo Enterprises Limited is a wholly owned non-charitable trading subsidiary of The King's School, Gloucester, whose activities are the organising and marketing of events at The King's School, Gloucester.

King's School Gloucester Prize and Scholarship Fund is a charitable subsidiary of The King's School, Gloucester, whose objects are to further the education of pupils attending the school particularly (but not exclusively) by the provision of prizes and scholarships.

The King's School, Gloucester is an HMC school and HMC exists to serve and support its members, to represent their views and to exemplify excellence in education. It is also a member of the Choir Schools Association which is a group of schools attached to cathedrals, churches and college chapels around the country enabling pupils to have unlimited access to a first-class schooling and musical training, giving them an excellent start in life.

### Risk Management

The Governors have carried out an assessment of the risks and uncertainties facing the School and those identified relate to long term demand for places in the school and membership of the Government Teachers' Pension Scheme. Within the locality there are four state grammar schools, however through prudent structuring of the curriculum and extra-curricular activities offered by the School Governors aim to ensure that pupils are not lost to the grammar schools. In addition the physical location of the School provides constraints on the expansion and development of the School within its current boundaries, however, this is mitigated by the environment and history associated with the School's location. Membership of the Teachers' Pension Scheme is seen to be important in terms of recruitment of good quality teaching staff, however, as a final salary scheme, there is a risk that it may become too cost prohibitive to sustain membership. It is felt that this risk will affect all similar schools and is largely beyond the immediate control of the Governors.

# THE KING'S SCHOOL, GLOUCESTER

## GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

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### **Objectives, Aims and Activities**

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

#### Strategic Aim and Intended Effect

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.

#### Objectives for the Year

The main objective continued to be the education of all the School's pupils, to encourage the fulfilment of their potential. In addition to enable staff to deliver a high quality education and develop individual portfolios, the professional development of staff is encouraged.

#### Strategies to achieve the year's objectives

The School aims to achieve its objective by maintaining a high teacher-pupil ratio and by treating each pupil as an individual. The development of the curriculum and the extra-curricular activities offered continues to support the achievement of pupils at the School, alongside this the professional development of staff is comprehensively recorded and reported to match the personal development of staff and support the continuing development of the curriculum and extra-curricular activities.

#### Principal Activity

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. With effect from September 1985, the Governors voted to admit girls throughout the entire range of 3 to 18 years on sound educational, social and financial grounds. Boarding has now been phased out, as such the School is now a co-educational day school for pupils aged 3 to 18.

#### Grant-making

Through our bursary scheme we are able to support 51 pupils. This support, which is available on a means tested basis, reduced the annual fee income by £158,135.

### **Review of Activities and Achievements**

Pupil numbers during the year average 534 (2006 502). Numbers increased during the year following a focused recruitment at the Foundation Stage and in the Junior School.

Academic results at A-level continued to improve with an overall pass rate of 100% with A to C grades of 72% (2006 73%). The equivalent A to C figure for AS level was 72% (2006 51%). At GCSE level 92% of results were grade A\* to C, with 40% for A\*/A (2006 44%). The success of our pupils in public examinations bears testament to the School's objective of encouraging pupils to develop their potential. This achievement is greatly helped by the high quality of teaching staff we have been able to retain and recruit.

The School continues to offer pupils to enjoy a busy performing arts programme, and the productions during the year were Twelfth Night, "Teechers" and The Cherry Orchard in the Senior School and Jungle Book and Summer Holiday in the Junior School.

Many pupils in the School continued to be involved in activities within the community and recognition has been received for their work in supporting bilingual pupils from ethnic minorities in local primary school.

# THE KING'S SCHOOL, GLOUCESTER

## GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

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The School participates in a "Gifted and Talented" programme with a local maintained school which enabled pupils from both schools to take part in scientific and artist projects

Residential trips during the year included an Economics and Business Studies departmental trip to Barcelona, a Classics department trip to Greece, a Modern Languages Department trip to Cantabria, Spain, an ice-climbing trip to Switzerland and a Cricket and Girls' Hockey tour to Australia. Alongside these trips the School runs the Duke of Edinburgh Awards scheme which provides an increasing number of pupils with personal development opportunities

Building and environment improvements continued with a new entrance to Junior School, refurbishment of the library ICT facility and opening of two new ICT suites

### **Financial Review and Results for the Year**

Net incoming resources for the year were £522,221 (2006 £186,009), this increase follows an increase in pupil numbers and fee income combined with a prudent management of costs

The surplus at the operating level exceeded the budget agreed by the Trustees and the outcome is considered to be satisfactory

The financial strength of the school continues to increase which will enable it to continue with capital development to enhance the facilities for the future

### Investment Policy and Objectives

The School has absolute power to invest any monies of the School not immediately required for its purpose in or upon such investments, securities or property of whatsoever nature as may be thought fit and to vary the investment thereof in such manner as may from time to time be determined

Investments are currently held in COIF Charities Investment Fund and 3 5% War Loan Stock, to support the Prize and Scholarship Fund with a view to achieving an above-average annual dividend, relative to UK equities, to enable the provision of prizes and scholarships

### Investment Performance

The investment performance for the year yielded a total return of 15.2%. Investments are made to maximise the total return and generate investment for the granting of prizes and scholarships. The investment performance for the year has generated an annual dividend yield of between 2.5% and 2.9% lower than the yield of the FTSE All-Share Index

### Reserves Policy

The School's policy is to invest in its facilities to support the educational and business needs of the school. This investment is subject to the availability of funds to adequately support the day to day operational needs and to maintain adequate resources to meet any contingencies. Any major investment in buildings will be financed by borrowings or fundraising. The level of borrowings will not exceed a level which the Trustees are confident can be serviced by the prudent projection of future income and expenditure and associated cash flows

Free reserves, as defined by the Charities SORP, excluding fixed assets were £478,181 at the year end (2006 £(5,661)). These free reserves are within the parameters set by the Trustees, thereby ensuring there are adequate resources in place to continue current operations

### Risk Factors

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



# THE KING'S SCHOOL, GLOUCESTER

## GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

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### Future Plans

A rolling three year development plan is considered by the Board of Governors on an annual basis. The key objectives within the current plan are

- 1 Enable the educational provision to develop to meet the needs of the 21<sup>st</sup> century
- 2 Maintain high standards of academic achievement in the Senior School through small class sizes and the recruitment and retention of inspirational teachers
- 3 Master the radically new Sixth Form curriculum based on modular assessment and being aware of the opportunities and threats posed by educational reform at a national level
- 4 Use Value Added data and benchmarking to track pupils' academic progress and to measure attainment relative to potential throughout the school
- 5 Ensure that pupils of all abilities continue to receive the stimulus they need as individuals
- 6 Development of a unified, broad curriculum structure allied to a significant increase in numbers in the Junior School
- 7 Ensure the parallel development of extra curricular opportunities in sport, the performing arts and outdoor pursuits

### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

The Companies Act 1985 and the Charities Act 1993 require the governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of its financial position for that period. In preparing these accounts, the governors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue to operate

The governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. 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

In determining how accounts are presented within items in the Statement of Financial Activities and Balance Sheet, the governors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice

So far as the governors are aware, there is no relevant audit information of which the charity's auditors are unaware. The governors have each 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

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Horwath Clark Whitehill LLP as auditors to the school will be put to the annual general meeting

On behalf of the board of Governors

The Very Reverend N. Bury, M.A.  
Governor

Dated

14/11/2007

# THE KING'S SCHOOL, GLOUCESTER

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

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

We have audited the group and parent company accounts of The King's School, Gloucester for the year ended 31 July 2007 (the "accounts") which comprise the Group Statement of Financial Activities, the Group Income and Expenditure Account, the Group Balance Sheets, the Group Cash Flow Statement and the related notes set out on pages 11 to 29. These accounts have been prepared under the accounting policies set out on pages 15 to 16.

This report is made solely to the company's Governors, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's Governors those matters we are required to state to them in an auditors' 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 company and the company's Governors as a body, for our audit work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of the governors and auditors**

The responsibilities of the governors, who are also the charity trustees for the purposes of charity law, for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Governors' Responsibilities on page 8.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and whether the Governors' Report is consistent with the accounts. We also report to you if, in our opinion, the charitable company 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 other transactions is not disclosed.

We read the other information contained in the Governors' Annual 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 beyond that referred to in this paragraph.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Governors in the preparation of the 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 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards – Provisions Available for Small Entities, in the following circumstances:

- In common with many other charities of this size and nature, the charity uses our firm to assist with the preparation of the accounts.

# THE KING'S SCHOOL, GLOUCESTER

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

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### Opinion

In our opinion

- the accounts give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group as at 31 July 2007 and of group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Governors' Report is consistent with the accounts

*Horwath Clark Whitehill LLP*

Horwath Clark Whitehill LLP

Chartered Accountants and Registered Auditors

Date *10th December 2007*

Carrick House  
Lypiatt Road  
Gloucestershire  
GL50 2QJ

# THE KING'S SCHOOL, GLOUCESTER

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2007

	Note	Unrestricted Funds £	Restricted Funds £	Total 2007 £	Total 2006 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from charitable activities</b>					
School fees	3	5,078,026	-	5,078,026	4,485,391
Other ancillary trading income	6	43,172	-	43,172	42,660
<b>Incoming resources from generated funds</b>					
Trading turnover – Serio Enterprises	4	102,572	-	102,572	59,887
Investment income	5	51,901	2,966	54,867	21,966
Non ancillary trading income		-	-	-	3,925
Voluntary income	2	40	43,609	43,649	21,597
<b>Other Incoming resources</b>	6	<u>19,987</u>	<u>-</u>	<u>19,987</u>	<u>7,798</u>
<b>Total Incoming resources</b>		<u>5,295,698</u>	<u>46,575</u>	<u>5,342,273</u>	<u>4,643,224</u>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Fundraising trading – Serio Enterprises		88,874	-	88,874	43,103
Fundraising costs – other		39,780	-	39,780	25,353
Finance costs		23,638	-	23,638	28,040
<b>Charitable activities</b>					
Schools operating costs		4,579,621	40,757	4,620,378	4,325,481
<b>Governance costs</b>		<u>47,382</u>	<u>-</u>	<u>47,382</u>	<u>35,238</u>
<b>Total resources expended</b>	7	<u>4,779,295</u>	<u>40,757</u>	<u>4,880,052</u>	<u>4,457,215</u>
Net incoming resources		516,403	5,818	522,221	186,009
Investment gains	11	<u>-</u>	<u>4,222</u>	<u>4,222</u>	<u>4,837</u>
Net movement in funds		<u>516,403</u>	<u>10,040</u>	<u>526,443</u>	<u>190,846</u>
Fund balances as at 1 August 2006		<u>1,382,893</u>	<u>173,559</u>	<u>1,556,452</u>	<u>1,365,606</u>
Transfer between funds	17a	<u>7,520</u>	<u>(7,520)</u>	<u>-</u>	<u>-</u>
<b>Fund balances as at 31 July 2007</b>	16	<u>1,906,816</u>	<u>176,079</u>	<u>2,082,895</u>	<u>1,556,452</u>

All amounts relate to continuing operations

The notes on pages 15 to 29 form part of these accounts

# THE KING'S SCHOOL, GLOUCESTER

## CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2007

	2007 £	2006 £
Total income	5,342,273	4,643,224
Total expenditure from income funds	4,820,052	4,457,215
<b>Net income for the year</b>	<b><u>522,221</u></b>	<b><u>186,009</u></b>

The summary income and expenditure account is derived from the statement of financial activities on page 11 which, together with the notes on pages 15 to 29, provides full information on the movements during the year on all funds of the school

## CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

	2007 £	2006 £
<b>Net income for the year</b>	<b>522,221</b>	<b>186,009</b>
Unrealised gains on investment assets held by income funds	<u>4,222</u>	<u>4,837</u>
<b>Total recognised gains and losses relating to the year</b>	<b><u>526,443</u></b>	<b><u>190,846</u></b>

The notes on pages 15 to 29 form part of these accounts

# THE KING'S SCHOOL, GLOUCESTER

## BALANCE SHEETS AS AT 31 JULY 2007

	Note	Group 2007 £	2006 £	School 2007 £	2006 £
<b>Fixed assets</b>					
Tangible assets	10	1,376,156	1,388,554	1,376,156	1,388,554
Investments	11	57,924	53,702	4,755	4,624
		<u>1,434,080</u>	<u>1,442,256</u>	<u>1,380,911</u>	<u>1,393,178</u>
<b>Current assets</b>					
Stocks		22,986	19,668	22,236	17,900
Debtors	12	251,084	207,495	264,531	215,518
Cash at bank and in hand		<u>1,136,636</u>	<u>474,395</u>	<u>1,109,167</u>	<u>460,989</u>
		1,410,706	701,558	1,395,934	694,407
<b>Creditors: amounts falling due within one year</b>	13	<u>(561,512)</u>	<u>(518,527)</u>	<u>(547,522)</u>	<u>(512,158)</u>
<b>Net current assets</b>		<u>849,194</u>	<u>183,031</u>	<u>848,412</u>	<u>182,249</u>
<b>Total assets less current liabilities</b>		<u>2,283,274</u>	<u>1,625,287</u>	<u>2,229,323</u>	<u>1,575,427</u>
<b>Creditors amounts falling due after more than one year</b>	14	<u>(200,379)</u>	<u>(68,835)</u>	<u>(200,379)</u>	<u>(68,835)</u>
<b>Net assets</b>		<u>2,082,895</u>	<u>1,556,452</u>	<u>2,028,944</u>	<u>1,506,592</u>
<b>Income funds</b>					
Restricted funds	17a	176,079	173,559	122,907	124,478
Designated and General funds	17b	<u>1,906,816</u>	<u>1,382,893</u>	<u>1,906,037</u>	<u>1,382,114</u>
	16	<u>2,082,895</u>	<u>1,556,452</u>	<u>2,028,944</u>	<u>1,506,592</u>

The accounts were approved and authorised for issue by the Board on

14th November 2007

  
The Very Reverend N Bury, M A  
Governor

The notes on pages 15 to 29 form part of these accounts

# THE KING'S SCHOOL, GLOUCESTER

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2007

	Note	2007 £	2006 £
Net cash inflow from operating activities	18	637,763	379,620
Returns on investments and servicing of finance			
Finance costs paid		(23,638)	(28,840)
Capital expenditure and financial investment			
Payment for tangible fixed assets		(117,548)	-
Net cash inflow before financing		496,577	350,780
Financing Advance fee schemes			
Receipts from new advance fee contracts		282,181	72,734
Amounts accrued to advance fee contracts		13,688	15,273
Amounts utilised		(130,205)	(87,165)
Increase in cash	19	662,241	351,622

The notes on pages 15 to 29 form part of these accounts

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2007

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts are prepared under the Companies Act 1985 on the historical cost convention modified to include the revaluation of certain fixed assets

The accounts have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities The Charities SORP 2005

These accounts consolidate the accounts of the School and its wholly owned non-charitable subsidiary trading company, Serlo Enterprises Limited, and the charitable trust King's School Prize and Scholarship Fund For Serlo Enterprises Limited the period included in the consolidation is the year to 31 August 2007 The year end for Serlo Enterprises Limited is different to the that of the School in order to account for the full summer activities operated by the company, this difference in accounting reference date does not significantly affect the numbers

As permitted by Section 230 of the Companies Act 1985 and in accordance with the Charities SORP 2005, no separate SoFA has been presented for the School alone

#### 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 Resources expended

Expenditure is accounted for on an accruals basis and is summarised under functional headings on a direct cost basis or, for overheads, apportioned according to management estimates The irrecoverable element of VAT is included with the item of expenditure

Governance costs comprise costs of running the charity, any legal advice and all costs of complying with constitutional and statutory requirements

Fundraising costs include costs associated with the planning and organisation of fundraising events

#### 1.4 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 useful economic life, as follows

Freehold land is not depreciated

Freehold and Long Leasehold buildings 2% straight line & 7 12% straight line on the Palace Wall

Fixtures, fittings and equipment 10% - 20% straight line

Motor vehicles 20% straight line

Leasehold improvements to buildings held on short term leases are depreciated over the remaining term of the short term lease when incurred

Items costing less than £5,000 are written off as an expense when acquired



# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

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### Accounting policies (continued)

- 1.5 Operating lease commitments**  
Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease
- 1.6 Investments**  
Fixed asset investments are stated at market value at the balance sheet date. Changes in the valuation of investments during the year are shown as unrecognised gains or losses
- 1.7 Stock**  
Stock is valued at the lower of cost and net realisable value
- 1.8 Taxation**  
The School is a registered charity and as such is entitled to tax exemptions on all its income and gains properly applied for its charitable purposes
- 1.9 Pensions**  
The School participates in the Teachers' Pension Defined Benefits Scheme, for its teaching staff, at rates set by the Scheme Actuary and advised to the School 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 that are attributable to the School. Accordingly, under FRS 17 the Scheme is accounted for as if it were a defined contributions scheme and the contributions are accounted for when advised as due by the Scheme Administrator.
- The School also contributes to a defined contribution pension scheme for non-teaching staff at a rate of 6% of annual basic pay and these contributions are accrued accordingly.
- 1.10 Unrestricted funds**  
The General Funds comprise the accumulated surplus. 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
- 1.11 Designated funds**  
Designated funds comprise unrestricted funds that have been set aside by the Governor's for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts
- 1.12 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
- 1.13 Recognition of liabilities**  
Liabilities are recognised once there is a legal or constructive obligation that commits the charity to the obligation

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 2 Voluntary Income

	2007	2006
	£	£
Grants Received	37,812	-
Donations	5,837	21,597
	<u>43,649</u>	<u>21,597</u>

### 3. School Fees

	2007	2006
	£	£
<b>Fees receivable consist of</b>		
Gross fees	5,793,247	5,152,725
Less Total bursaries, grants and allowances	<u>(718,166)</u>	<u>(675,916)</u>
	5,075,081	4,476,809
Add back Scholarships and grants paid for by restricted funds	<u>2,945</u>	<u>8,582</u>
	<u>5,078,026</u>	<u>4,485,391</u>

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 4 Trading Income

	2007 £	2006 £
Turnover	102,572	59,887
Interest receivable	444	564
Operating expenses	<u>(88,874)</u>	<u>(49,298)</u>
<b>Net income from trading</b>	<b><u>14,142</u></b>	<b><u>11,153</u></b>

### 5. Investment Income

	2007 £	2006 £
Interest receivable	<u>54,867</u>	<u>21,966</u>

### 6. Other Income

	2007 £	2006 £
<b>Other ancillary activities</b>		
Insurance commissions	15,625	10,226
After School holiday clubs	27,547	32,434
	<u>43,172</u>	<u>42,660</u>
<b>Other incoming resources</b>		
Other	<u>19,987</u>	<u>7,798</u>
	<u>19,987</u>	<u>7,798</u>

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 7 Resources Expended

	Staff Costs £	Deprec- iation £	Other Costs £	Total 2007 £	Total 2006 £
<b>Charitable expenditure</b>					
School operating costs					
Teaching costs	2,483,691	-	350,480	2,834,171	2,593,093
Welfare costs	13,476	-	-	13,476	13,318
Support costs	354,645	-	198,537	553,182	566,974
Catering	-	-	294,915	294,915	270,657
Premises	249,956	129,946	541,787	921,689	872,830
Grants, awards and prizes	-	-	2,945	2,945	5,735
	<u>3,101,768</u>	<u>129,946</u>	<u>1,388,664</u>	<u>4,620,378</u>	<u>4,322,607</u>
<b>Governance costs</b>	-	-	47,382	47,382	35,238
<b>Costs of generating funds</b>					
Fundraising costs	11,688	-	28,092	39,780	25,353
School financing costs	-	-	23,638	23,638	28,039
	<u>3,113,456</u>	<u>129,946</u>	<u>1,487,776</u>	<u>4,731,178</u>	<u>4,411,237</u>
<b>School</b>					
Trading costs	11,832	-	77,042	88,874	45,978
	<u>3,125,288</u>	<u>129,946</u>	<u>1,564,818</u>	<u>4,820,052</u>	<u>4,457,215</u>

Governance costs include payments to the auditors of £10,194 for audit services and £5,745 for non-audit services (2006 £10,575 for audit services and £8,055 non-audit services)

Premises costs includes operating lease payments of £21,365 in respect of equipment (2006 £37,595) and £72,820 in respect of land and buildings (2006 £58,860)

### 8 Staff Costs

	2007 £	2006 £
Wages and salaries	2,641,622	2,410,910
Social security costs	204,420	187,321
Pension contributions	279,246	251,084
	<u>3,125,288</u>	<u>2,849,315</u>

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

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### 8. Staff Costs (continued)

The average monthly number of full time equivalent employees during the year was

	2007	2006
Teaching Staff	69	67
Support Staff	<u>35</u>	<u>33</u>
	<u>104</u>	<u>100</u>

The number of employees whose annual emoluments were £60,000 or more were

	2007	2006
£80,001 - £90,000	<u>1</u>	<u>1</u>

Of the employee whose emoluments exceed £60,000, 1 (2006 1) has retirement benefits accruing under defined benefit pension schemes

### 9 Governors

The Governors received no remuneration or other benefits for the year, and £591 (2006 £Nil) of expenses were reimbursed to 3 Governors during the year

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 10 Tangible fixed assets

	Group and School			
	Land and buildings £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 August 2006	2,325,211	91,414	-	2,416,625
Additions	34,998	65,215	17,335	117,548
<b>At 31 July 2007</b>	<b>2,360,209</b>	<b>156,629</b>	<b>17,335</b>	<b>2,534,173</b>
<b>Depreciation</b>				
At 1 August 2006	963,695	64,376	-	1,028,071
Charge for the year	87,149	39,330	3,467	129,946
<b>At 31 July 2007</b>	<b>1,050,844</b>	<b>103,706</b>	<b>3,467</b>	<b>1,158,017</b>
<b>Net book value</b>				
<b>At 31 July 2007</b>	<b>1,309,365</b>	<b>52,923</b>	<b>13,868</b>	<b>1,376,156</b>
At 31 July 2007	1,361,516	27,038	-	1,388,554

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 10a. Freehold and leasehold property

	Group and School	
	Accumulated Costs 2007 £	Net Book Value 2007 £
<b>Freehold</b>		
Old Bishop's Palace	506,654	273,049
Archdeacon Meadow	264,579	153,131
Sports Hall	37,174	37,174
	<u>808,407</u>	<u>463,354</u>
<b>Long leasehold</b> improvements to land and buildings leased from the Chapter of Gloucester Cathedral		
Junior School Buildings on Paddock Land	985,416	539,373
<b>Short leasehold</b> improvements to land and buildings leased from the Chapter of Gloucester Cathedral		
King's School House	4,742	1,430
Little Cloister House	11,615	3,655
Wardle House	32,162	10,673
Paddock House – 5 Pitt Street	469,561	267,081
Dulverton House and Coach house	48,306	23,799
	<u>566,386</u>	<u>306,638</u>
	<u>2,360,209</u>	<u>1,309,365</u>

- (i) The leasehold property is leased from the Chapter of Gloucester Cathedral under renewable 20 year leases expiring on 24 December 2013. The terms provide for full repairing liability and at rents independently reviewed at 5 yearly intervals. The current rents amount to £65,000 pa and the next review is due in December 2008.
- (ii) The school occupies the Paddock Land which is owned by the Chapter of Gloucester Cathedral. The school has erected buildings thereon with the latter's consent. The Chapter has granted a 99 year lease, expiring on 27 October 2095, in favour of the school at a peppercorn rent of £10 per annum.

The school occupied premises under license from the Chapter of Gloucester Cathedral at a rent of £6,500 per annum, until this lease is incorporated into the main school leases.

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 11 Fixed asset investments

Group	2007 £	2006 £
Quoted Investments at market value 1 August 2006	53,702	48,865
Unrealised gains	4,222	4,837
Quoted Investments at market value 31 July 2007	<u>57,924</u>	<u>53,702</u>
Cost	<u>11,593</u>	<u>11,593</u>
<b>School</b>		
Quoted Investments at market value 1 August 2006	4,621	4,291
Unrealised gains	131	330
Quoted Investments at market value 31 July 2007	<u>4,752</u>	<u>4,621</u>
Shares in subsidiary trading company, at cost	3	3
	<u>4,755</u>	<u>4,624</u>
Cost	<u>1,596</u>	<u>1,596</u>

The School owns 100% of the ordinary shares in 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

	2007 £	2006 £
Turnover	102,572	59,887
Cost of sales	<u>(73,375)</u>	<u>(43,103)</u>
Gross Profit	29,197	16,784
Administration	<u>(15,499)</u>	<u>(6,195)</u>
Operating profit	13,698	10,589
Interest receivable	444	564
Profit on ordinary activities before taxation	14,142	11,153
Taxation	-	-
Profit on ordinary activities after taxation	14,142	11,153
Gross covenant to The King's School	<u>(14,142)</u>	<u>(11,153)</u>
Retained profit for the year	-	-
Retained reserves brought forward	782	782
Retained reserves carried forward	<u>782</u>	<u>782</u>

### Material investments

	Group Market value £	% of total	School Market value £	% of total
COIF Charity Investment Fund	56,403	97.4	3,231	68.0
3.5% War Loan Stock	<u>1,521</u>	<u>2.6</u>	<u>1,521</u>	<u>32.0</u>
	<u>57,924</u>	<u>100.0</u>	<u>4,752</u>	<u>100.0</u>



# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 12 Debtors

	Group		School	
	2007 £	2006 £	2007 £	2006 £
Trade debtors	80,397	83,659	80,397	83,659
Other debtors	119,368	51,267	89,320	49,928
Prepayments and accrued income	51,319	72,569	51,319	72,569
Amounts owed by group companies	-	-	43,495	9,362
	<u>251,084</u>	<u>207,495</u>	<u>264,531</u>	<u>215,518</u>

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

	Group		School	
	2007 £	2006 £	2007 £	2006 £
Trade creditors	99,480	33,751	99,480	33,751
Taxes and social security costs	67,594	63,940	67,594	63,940
Pension costs	35,203	30,987	35,203	30,987
Refundable fee deposits	141,098	136,667	141,098	136,667
Fees received in advance	114,370	80,250	114,370	80,250
Other creditors	38,456	68,028	25,216	61,659
Accruals and deferred income	65,311	104,904	64,561	104,904
	<u>561,512</u>	<u>518,527</u>	<u>547,522</u>	<u>512,158</u>

### 14. Creditors amounts falling due after more than one year

	Group and School	
	2007 £	2006 £
Fees received in advance	<u>200,379</u>	<u>68,835</u>

### 15. Advance fee payments

Parents may enter into a contract to pay the equivalent of at least two years' tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2007 £	2006 £
Greater than 5 years	14,685	-
Within 2 to 5 years	106,165	23,883
Within 1 to 2 years	<u>79,529</u>	<u>44,952</u>
	<u>200,379</u>	<u>68,835</u>
Within in 1 year	<u>114,370</u>	<u>80,250</u>
	<u>314,749</u>	<u>149,085</u>

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 15 Advance fee payments (continued)

The balance represents the accrued liability under the contracts. The movements during the year were

	£
Balance as at 1 August 2006	149,085
New contracts	282,181
Amounts accrued to contracts as debt-financing costs	13,688
	<u>444,954</u>
Amounts utilised in payment of fees	(130,205)
<b>Balance at 31 July 2007</b>	<b><u>314,749</u></b>

### 16. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
<b>Group</b>			
Fund balances at 31 July 2007 are represented by			
Tangible fixed assets	1,376,156	-	1,376,156
Investments	-	57,924	57,924
Current assets	1,292,551	118,155	1,410,706
Creditors amounts falling due within one year	(561,512)	-	(561,512)
Creditors amounts falling due after more than one year	(200,379)	-	(200,379)
	<u>1,906,816</u>	<u>176,079</u>	<u>2,082,895</u>

	Unrestricted funds £	Restricted funds £	Total £
<b>School</b>			
Fund balances at 31 July 2007 are represented by			
Tangible fixed assets	1,376,156	-	1,376,156
Investments	3	4,752	4,755
Current assets	1,277,779	118,155	1,395,934
Creditors amounts falling due within one year	(547,522)	-	(547,522)
Creditors amounts falling due after more than one year	(200,379)	-	(200,379)
	<u>1,906,037</u>	<u>122,907</u>	<u>2,028,944</u>

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 17a Restricted funds Movements in the Year

Group Funds	Kings School Prize & Scholar- ship Fund £	Other Prize & Scholar- ship Funds £	Sports Hall Fund £	Paddock House Project £	Foundation Fund £	Palace Wall Fund £	Total £
Balance as at 1 August 2006	49,081	75,673	20,235	7,520	21,050	-	173,559
Income	-	2,966	-	-	-	-	2,966
Donations\Grants	-	-	-	-	5,797	37,812	43,609
Amounts expended	-	(2,945)	-	-	-	(37,812)	(40,781)
Investment gains	4,091	131	-	-	-	-	4,222
Transfer to unrestricted funds	-	-	-	(7,520)	-	-	(7,520)
<b>Balance as at 31 July 2007</b>	<b><u>53,172</u></b>	<b><u>75,825</u></b>	<b><u>20,235</u></b>	<b><u>-</u></b>	<b><u>26,847</u></b>	<b><u>-</u></b>	<b><u>176,079</u></b>

The Prize and Scholarship funds represent funds held to generate income for the granting of prizes and scholarships to pupils who attend the School

The Sports Hall fund relates to monies received for the construction of a sports hall

The Paddock House project relates to donated assets for the refurbishment of the Paddock House as the school administration centre. The assets were donated with a 2 year restricted clause, this restriction expired on 1 September 2006

The Foundation is being launched to raise funds for various projects within the school. All funds raised will be treated as restricted

School Funds	Prize & Scholar- ship Funds £	Sports Hall Fund £	Paddock House Project £	Foundation Fund £	Palace Wall Fund £	Total £
Balance as at 1 August 2006	75,673	20,235	7,520	21,050	-	124,478
Income	2,966	-	-	-	-	2,966
Donations\Grants	-	-	-	5,797	37,812	43,609
Amounts expended	(2,945)	-	-	-	(37,812)	(40,757)
Investment gains	131	-	-	-	-	131
Transfer to unrestricted funds	-	-	(7,520)	-	-	(7,520)
<b>Balance as at 31 July 2007</b>	<b><u>75,825</u></b>	<b><u>20,235</u></b>	<b><u>-</u></b>	<b><u>26,847</u></b>	<b><u>-</u></b>	<b><u>122,907</u></b>

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 17b. Unrestricted funds: Movements in the Year

	Balance as at 1 August 2006 £	Income £	Expended £	Transfers £	Balance as at 31 July 2007 £
<b>Designated funds:</b>					
Major Repair funds	-	-	-	51,700	51,700
<b>General funds</b>	<u>1,382,114</u>	<u>5,192,682</u>	<u>(4,690,421)</u>	<u>(30,038)</u>	<u>1,854,337</u>
<b>School funds</b>	<u>1,382,114</u>	<u>5,192,682</u>	<u>(4,690,421)</u>	<u>21,662</u>	<u>1,906,037</u>
Non charitable trading funds	779	103,016	(88,874)	(14,142)	779
<b>Group funds</b>	<u>1,382,893</u>	<u>5,295,698</u>	<u>(4,779,295)</u>	<u>7,520</u>	<u>1,906,816</u>

The Major Repair funds represent funds held towards the repair costs expected to be incurred for the main School buildings within the next two years

### 18 Net cash inflow from operating activities

	2007 £	2006 £
<b>Reconciliation to changes in resources.</b>		
Changes in resources before revaluations	522,221	186,009
Depreciation of tangible fixed assets	129,946	125,746
(Decrease) in stocks	(3,318)	(3,527)
(Increase)/Decrease in debtors	(43,589)	86,523
Increase/(Decrease) in creditors	8,865	(43,971)
Financing costs	23,638	28,840
	<u>637,763</u>	<u>379,620</u>

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

	2007 £	2006 £
Net cash at 1 August 2006	474,395	351,622
Increase/(Decrease) in cash	<u>662,241</u>	<u>122,773</u>
Net cash at 31 July 2007	<u>1,136,636</u>	<u>474,395</u>

Refer to the cash flow statement on page 14 of the accounts

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

### 20 Analysis of net cash balances

	At 1 August 2006 £	Cash Flow £	At 31 July 2007 £
Cash	474,395	662,241	1,136,636
Advance fees due within 1 year	(80,250)	(34,120)	(114,370)
Advance fees due after more than 1 year	(68,835)	(131,544)	(200,379)
	<u>325,310</u>	<u>496,577</u>	<u>821,887</u>

### 21 Pension scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School.

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution has been assessed at 19.75%, with a supplementary contribution of 0.75% to balance the Scheme's assets and liabilities within 15 years as required by the regulations. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced – effective for the first time from the 2008 valuation – a 14% cap on employer contributions payable.

The pension charge represents contributions payable to the fund and amounted to £242,588 (2006 £224,750, including outstanding contributions payable to the fund of £29,945 (2006 £26,030)). This amount is included in creditors and was paid by its due date in August 2007.

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 £36,658 (2006 £26,334). There were contributions of £4,665 (2006 £4,957) outstanding at the year end, this amount is included in creditors and was paid by its August due date.

# THE KING'S SCHOOL, GLOUCESTER

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2007

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### 22 Operating lease commitment

At 31 July 2007, the School had annual commitments under non-cancellable operating leases as follows

	2007	2006
	£	£
<b>Other</b>		
Expiring in less than one year	21,381	29,664
Expiring between two and five years	29,213	32,844
Expiring in more than five years	<u>      </u>	<u>      </u>

### 23 Related party transactions

During the year the School provided a £50,000 loan to Mr P R Lacey, who was Headmaster during the year. Interest has been charged on the loan balance at 1.25% above the banks base rate. At 31 July 2007 the loan outstanding was £50,929. The loan balance and interest due was repaid in full during September 2007.