

Charity Registration No. 1080641

Company Registration No. 03834841 (England and Wales)

THE KING'S SCHOOL, GLOUCESTER
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

TUESDAY



ABIB025E

A10

06/12/2022

#261

COMPANIES HOUSE

THE KING'S SCHOOL, GLOUCESTER

LEGAL AND ADMINISTRATIVE INFORMATION

Visitor

The Lord Bishop of Gloucester

Governors

The Reverend Canon N.M. Arthy (ex-officio)

Mr A.T. Brett, B.Sc. (Hons), psc, MInst RE

Mr P. Dancey (Chairman of Governors)

Mr M. Hurrell

The Very Reverend Stephen D. Lake (ex-officio)
(resigned 24 April 2022)

Mrs A.E. Sullivan, B.Ed.
(resigned 16 November 2021)

Canon C. Thomson, M.A. (ex-officio)
(resigned 24 April 2022)

Mr R.A. Ingram, M.A. P.G.C.E.
(resigned 16 November 2021)

The Reverend Canon R.J.A. Mitchell (ex-officio)

**Mr K. Wyman B.Sc. (Hons), MRICS

Mrs S. Lewis, ACIB, ACMI

**Mr M. Dunkley

Mr M. Watson, M.A., B.Ed. (Hons)

Mr S. Mendel, CSME/ISEB

Mrs V Isaac, B.A. (Hons), P.G.C.E., MCIM

Mrs D. Innes-Turnill, M.Sc., B.A. (Hons), B.Sc.

**Mr P. Gordon
(appointed 21 June 2022)

Mr A. Mitchell
(appointed 21 June 2022)

Mr R. Singh
(appointed 21 June 2022)

The Reverend Canon Dr. A. Braddock (ex-officio)
(appointed 24 April 2022)

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

THE KING'S SCHOOL, GLOUCESTER

LEGAL AND ADMINISTRATIVE INFORMATION

Officers

The Headmaster	Mr D.C.A. Morton, B.A., P.G.C.E.
The Deputy Heads	Mrs M. Phillips B.A., P.G.C.E. (Pastoral) Mr J. Collins, B.A. (Hons), P.G.C.E. (Staff) Mr. A. Smith, M.Ed., B.A., P.G.C.E., Cantab (Academic)
The Head of Junior School	Mrs A. Haas B. Prim. Ed.
The Bursar and Company Secretary	Mr L. Griffiths MEng., CEng., FIMechE.

Charity number 1080641

Company number 03834841

Principal address Pitt Street
Gloucester
GL1 2BG

Registered office Pitt Street
Gloucester
GL1 2BG

Auditor Crowe U.K. LLP
St James House
St James' Square
Cheltenham
GL50 3PR

Bankers Lloyds TSB Bank Plc
Eastgate Street
Gloucester
GL1 1NU

Solicitors Harrison Clark Rickerbys Ltd
Ellenborough House
Wellington Street
Cheltenham
GL50 1YD

THE KING'S SCHOOL, GLOUCESTER

CONTENTS

	Page
Annual Report of the Governors	
Directors' Report	4 - 7
Strategic Report	8 - 11
Independent Auditor's Report	12 - 14
 Consolidated Statement of Financial Activities	 15
 Balance Sheets	 16
 Consolidated Cash Flow Statement	 17
 Notes to the Financial statements	 18 - 34

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2022

The members of The King's School, Gloucester present their Annual Report for the year ended 31 July 2022 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with audited financial statements for the year.

DIRECTORS' REPORT

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. 03834841) on 26 August 1999. The assets and liabilities of the old charity were transferred to the new charity on 1 September 2000. The Restricted Funds were transferred to a linked charity, King's School Prize and Scholarship Fund (charity no. 1080641-1), and are included within the School financial statements as a restricted fund.

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

The Reverend Canon N.M. Arthy ^
A. T. Brett ♦ *
P. Dancey # * ^ ~
M. Hurrell ~ #
The Very Reverend S.D. Lake *#
Canon C. Thomson
K. Wyman *
R. Ingram ~
The Reverend Canon R.J.A. Mitchell ~
M. Dunkley #
S. Lewis *
M. Watson ~
S. Mendel *
V. Issac #
D. Innes-Turnill ~
P. Gordon *
A. Mitchell ~
R. Singh #

* Member of Finance & General Purposes Committee
Member of the Strategic Marketing & Development Committee
^ Member of the Nominations Committee
~ Member of the Education & Compliance 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

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

The Governing Body shall not be less than 12 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 three 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 four key sub-committees to the Governing Body, the first three of these committees as listed below meet at least three times a year, preceding the Board of Governors meetings, to report to the Governing Body:

- The Finance & General Purposes Committee scrutinises revenue, the budget, capital expenditure and monitors the estates development programme and general maintenance works. This Committee also supervises and finalises the financial statements and annual report for approval by the Governing Body.
- The Strategic Marketing and Development Committee considers the overall marketing needs of the School to ensure that strategies are in place for pupil recruitment and retention. The Committee also considers proposals for capital development and monitors capital building projects.
- The Education and Compliance Committee considers matters relating to the School's academic, curricular and pastoral provision together with a monitoring and co-ordinating role relating to compliance with regulatory standards and other legislative requirements.
- The Nominations Committee considers the skills required within the Governing Body and actively seeks to recruit new Governors to the School.

The day to day running of the School is delegated to the Headmaster supported by the Senior Management Team. The Headmaster and Bursar attend all Governor meetings.

Remuneration is set by the Board following an annual review by the Finance Committee to ensure that an appropriate salary scale is in place. This includes comparison and reference to any relevant benchmarking and salary surveys available for the sector to ensure the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

The King's School aims to recruit high calibre staff to deliver a wide and varied curriculum to all our pupils. Delivery of the School's charitable objectives is dependent on our key management positions.

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. The process is supervised by the Nominations Committee.

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 linked charity 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 Restricted Funds are included within the School financial statements as a restricted fund.

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

The King's School, Gloucester is a Headmasters' and Headmistresses' Conference (HMC) school; 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 choristers to have unlimited access to a first-class schooling and musical training, giving them an excellent start in life. The School is also a member of the Independent Association of Prep School (IAPS), a body which exists to represent leading prep schools in the UK and overseas and supports them in achieving excellence in education and care.

Objectives, Aims and Activities

Charitable Objects

The School's Objects, as set out in its Memorandum of Association, are the advancement of education of the public, within the meaning of English law, and are based on Church of England principles, to provide such pupils with spiritual, moral, mental and physical training. Within these Objects, the School also has to create and administer scholarships, exhibitions and bursaries.

Public Benefit Aims and Intended Impact

In meeting these Objects, the School's public benefit aim is to provide a first class independent education, both through strong academic tuition, and through developing wider sporting, artistic and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil his or her potential, thus help to build self-confidence and inculcate desire to contribute to the wider community.

In furtherance of these aims the Governors, as charity governors, have complied with the duty in s.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 the Act.

Grant-making

This year, the value of scholarships and other awards to the School's pupils out of unrestricted funds totalled £1,420,388 (2021: £1,345,115). The Governors' policy, in line with that of other Independent Schools, is to make these awards on the basis of the individual's educational potential. As a Choir School a further £188,725 (2021: £140,499) was awarded in scholarships by the Governors to support the education of the Choristers of Gloucester Cathedral.

Further awards of £517,925 (2021: £542,380) in bursaries were made from unrestricted funds, where the policy is to relieve hardship or provide financial support for the pupil's education and future prospects. There were no additional Governors net fee rebate issued in the year, this was issued previously to help families impacted with the financial pressure of COVID-19 (2021: £280,058).

The availability of all such awards for fee-assistance, together with the terms and conditions of each kind of award, is advertised on our website at www.thekingsschool.co.uk.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of The King's School, Gloucester 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgements and estimates that are reasonable and prudent;

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

- 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 the group 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 each taken all of 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 charitable company's auditors are aware of that information.

Auditor

In accordance with Section 385 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 KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

STRATEGIC REPORT

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 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.

Objectives for the Year

The focus this year, like the previous year, is the continued delivery on the strategic plan as laid out by the Headmaster. The School, like many in this sector, continued to face the challenges operating in a post COVID environment alongside inflationary pressures. Despite this we have managed to maintain our balance of academic excellence, outstanding pastoral care and a variety of co-curricular opportunities. The school has continued to invest in its facilities during the year, completing the second phase of works on Wardle House now giving the School a new graphics design suite. Further works had begun in July to generate a new science classroom, with an extension being added to the existing science building. King's also received an award during the year from the Admissions and Marketing in Independent Schools Awards ceremony, for its partnership & outreach impact for the holiday activities and food programme it put on for the local community.

Strategies to achieve the year's objectives

The school's strategy is divided into seven main areas:

- Pastoral: To maintain the school's reputation for delivering outstanding pastoral care, always focusing on the wellbeing of each individual pupil.
- Academic: To strive for inspiration and excellence in teaching and learning, helping each pupil to achieve their full potential.
- Co-curricular: To offer a broad range of co-curricular opportunities beyond the classroom, allowing participation and excellence for all pupils.
- Staff: To recruit and retain the most suitably qualified staff who are committed to the ethos and aspirations of the school.
- Operations: To maintain and grow resources and income in order to ensure that the highest quality of facilities are provided.
- Admissions and marketing: To recruit pupils from a range of backgrounds who will play a full, successful part in the life of the school.
- Foundation: To develop a King's Community of former pupils, parents and staff who will maintain contact, relish continued involvement and support the future development of the school.

Review of Activities and Achievements

Pupil numbers during the year averaged 689 (2021: 643). These improved numbers are derived from increased pupil numbers in both Junior & Senior School. We believe that the continued investments the School has made, not just in facilities and technology but also in staff, significantly contributed to this continued growth in pupil numbers.

Our results in 2022 have been some of the most hard-earned in the history of the School. The students worked with tireless energy through two years of lockdown to produce the best public exam results in the School's history, excluding the recent COVID years. This is particularly impressive given these students never had the chance to practise taking public exams; for them, these were their first-ever exams.

At A-level, 15% were at grade A*, with over a third of grades being A*/A and over two thirds being A*-B. There was a 100% pass rate overall. It should be noted that 20 pupils also completed the highly valued Extended Project Qualification (EPQ) in November 2021. 40% of these EPQ grades were A* and 75% were A*/A.

It was pleasing to see students continuing to succeed across the very wide range of academic subjects offered at King's, with 27 subjects on offer at A-level and, in addition, BTEC Sport where half of candidates gained the top grades achievable, with one pupil scoring full marks.

The varied university destinations included students reading History, English and Exercise and Sport Sciences at Exeter; Natural Sciences and Politics and International Relations at the University of Nottingham; English

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

and Creative Writing at Birmingham; International Development at the University of Leeds and Human Geography at Cardiff. However, students also chose many other paths with one student taking a course in Musical Theatre Performance and another starting employment at business services company in Cheltenham. In total, 80% of students smoothly gained entry to a university of their choice.

At GCSE, one in three results were at grade 9/8, double the national average. An equally positive 54% of results achieved grades 9-7 (equivalent to the old A*-A). These results were achieved in a wide range of subjects including Further Maths and Classical Greek, which shows the diversity and choice available at King's. It is important to see beyond these statistics and consider how much time, effort and energy the pupils, with the support of their teachers, put into achieving these results. King's has a reputation for producing strong all-rounders who work hard outside of the classroom as well as inside it. Amongst the students celebrating great results at the school were a Motor-racing champion, a South-West Athletics champion, a professional footballer, an England U18 Rugby player, several great musicians and former choristers, first class sports men and women (including a group at Gloucester Rugby Academy), superb artists and many more.

At King's, academic excellence goes hand in hand with values such as kindness and compassion for our community. Even in the midst of post-lockdown academic pressures, this year group raised money for the DERC Ukraine appeal through running in the Gloucester 10K, performed in the school production of 'Antigone', took part in a Music Tour to North Wales, volunteered with the Gloucester City Holiday Activity and Food (HAF) Programme and much more.

The School also supports a wide range of other charities, both local and national. Much of this is driven forward by the pupils themselves and is an integral part of the School's House system. This year we held a special fundraising event for Cancer Research, as one of our pupils was diagnosed with Leukaemia – a cheque for almost £1,500 was sent and we also raised £1,363 for the Disaster Emergencies Committee in light of the conflict in the Ukraine. In 2021/22, £6,756 was raised and was divided equally amongst Young Gloucester, Health Improvement Project Zanzibar and Dementia Action Alliance. A large number of students have taken part in the Gloucester HAF Project over the summer and we had excellent parent and pupil support at a Christmas event held at school for disadvantaged pupils within the local community.

The Junior School, including the EYFS in Little King's, has enjoyed a year of significant consolidation and progress. Embracing diversity, environmental issues and pupil and staff well-being were key themes during the year. Pupils were encouraged to approach their learning by applying critical thinking, independent study skills and a rigorous approach to all aspects of school life. This was evident even in the youngest year groups. Children took responsibility to identify their own contributions to the community and we were very proud of both individual and collaborative achievements. These included Save the Children, Harvest Ripple Effect, Children in Need, Comic Relief, The Stroke Foundation, our Dornakal Partnership in India and the Gloucester Foodbank.

Financial Review and Results for the Year

The School continues to benefit from an ever-increasing pupil roll, with an FTE increase of 46 pupils year-on-year. This has helped to compensate for cost areas which have been adversely impacted by inflation, such as catering. Despite these challenges, the School has generated a surplus of £144,232 (2021: surplus £142,062). The School also continues to retain strong cash generation, with the view to strengthen its liquidity position in order to meet external financing maturity dates. During the year over £690,000 in capital repayments have been made towards loan facilities, significantly improving the Schools gearing position.

There is also a large movement between restricted funds year-on-year with the closing balance being £16,763 (2021: £232,972). This movement relates an effort to utilize the funds for their given purpose where possible. Where applicable, going forward the School will look to expense restricted donations in the year the income is received.

The outlook for the next 12 months for the School continues to be positive, which is evidenced by further growth in our pupil roll. The recent refurbishment of the Dulverton Sixth Form Centre remains a strong selling point. Equally, the Art & Design building in Wardle House has become increasingly attractive to students who have a passion for creativity with the addition of the new Graphic Design Suite. The School also plans to continue investing in its existing facilities, ensuring that King's can provide an area to let its pupils flourish in their desired interests.

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

The School does however remain vigilant of the financial risks that we may be susceptible to over the next 12 months, specifically inflationary pressures surrounding heating, lighting and catering. We also recognise the impact that this will have on families; we will endeavor to support them where possible to ensure the continuity of education for our pupils. With this in mind, the School is also intending to establish an endowment fund within the next 12 months, and although this will have little impact in the short term, it will hopefully act as a gateway for transformational opportunities in 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 a COIF Charities Investment Fund where it previously looked 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. However, the investments market value had been expensed against scholarships in the current year £93,551 (2021: £94,587).

Investment Performance

The investment performance for the year yielded a total return of 1.7%. 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 2.8%.

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 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 these funds and where necessary by borrowings or fundraising. The level of borrowings will not exceed a level which the Governors are confident can be serviced by the prudent projection of future income and expenditure and associated cash flows.

The School's total reserves of £5.35m (2021: £5.21m) at the year end included £17k (2021: £223k) restricted funds and £5.34m (2021: £4.98m) unrestricted reserves. £8.58m (2021: £6.68m) represented the net book value of fixed assets. The Governors consider that given the strength of the School balance sheet, the stable cash flow from the student roll and the ongoing popularity of the School, that there is no need to build up a free reserve.

Fundraising Policy

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 participants. 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.

The School does not currently subscribe to any specific fundraising standards or schemes for fundraising regulation but considers that it has set appropriate standards for the operations and management of its fundraising activities. 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.

Principal Risks and Uncertainties

The Governors regularly review the effectiveness of current plans and strategies for identifying and managing all major risks. The Governors have previously assessed the major risks to which the School is exposed, and are satisfied that systems are in place to manage exposure to the major risks.

Detailed consideration of risk is delegated to the Finance and General Purposes Committee, which reports formally to the Governing Body. The generic controls used by the School to minimise risk include:

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

- Detailed terms of reference and formal agendas for Committee and Board meetings;
- Strategic development planning reviewed annually by the Governing Body;
- Comprehensive budgeting and management accounting;
- Established organisational structures and lines of reporting;
- Formal written policies including clear authorisation and approval levels; and
- Vetting procedures as required by law to protect the vulnerable.

Risk Management

The Governors have carried out an assessment of the key risks and uncertainties facing the School and those identified primarily relate to the wider economy, the long term market demand for places at the School and the impact of external factors on the School's development plans.

Within the locality there are five maintained grammar schools. Through outstanding pastoral care, prudent structuring of the curriculum, the provision of inspiring teaching, a wide range of co-curricular activities and enhanced facilities, Governors aim to ensure that pupils are not lost to the grammar schools.

The physical location of the School provides constraints on the expansion and development of the School within its current boundaries. This is mitigated by the environment and history associated with the School's location.

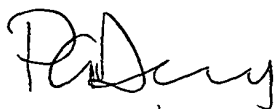
Provision of good working conditions and appropriate pay and benefits is important to ensure good staff are attracted and retained at King's. Due to continued increases in the cost of remaining within the government's Teachers' Pension Scheme (TPS), the School has chosen to replace this provision with a Defined Contribution scheme provided by Aviva with effect from September 2021. Transferring to this new arrangement, coupled with a significant pay increase for teachers, has resulted in market-comparable pay and an ongoing saving in employment costs for the School. It also safeguards the School against the strong likelihood of further TPS cost increases in the future. For non-teaching staff, their inclusion in the new pension arrangement provides a better default contribution rate, better in-service benefits and lower fees than on the previous non-teaching staff pension scheme. Having all staff on the same scheme will also simplify administration and promote equality for all staff at King's.

Future Plans

The Headmaster had previously produced the 2018-2023 Strategic Development Plan (SDP); this has now largely been completed and a new Strategic Development Plan has been produced for the period through to 2028.

This Annual report was approved by the Board of Governors of The King's School, Gloucester on 22 November 2022, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:

Mr P Dancey
Chairman of Governors



THE KING'S SCHOOL, GLOUCESTER

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

Opinion

We have audited the financial statements of The King's School Gloucester ('the charitable company') and its subsidiary ('the group') for the year ended 31 July 2022 which comprise the Consolidated Statement of Financial Activities, Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

THE KING'S SCHOOL, GLOUCESTER

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

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, 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.

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

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

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

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives

THE KING'S SCHOOL, GLOUCESTER

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

that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of non-fee income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over non-fee income, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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

Use of our report

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

Guy Biggin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

22 November 2022

THE KING'S SCHOOL, GLOUCESTER

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income and endowments from:					
Charitable activities					
School fees	3	9,835,752	-	9,835,752	8,328,266
Ancillary trading	6	689,410	-	689,410	525,331
Other trading activities					
Other incoming resources	6	44,396	-	44,396	488,193
Trading turnover – Serlo Enterprises	4	52,391	-	52,391	17,525
Investments					
Investment income	5	8,867	-	8,867	2,998
Voluntary sources					
Voluntary income	2	<u>13,218</u>	<u>12,094</u>	<u>25,312</u>	<u>18,046</u>
Total incoming resources		<u>10,644,034</u>	<u>12,094</u>	<u>10,656,128</u>	<u>9,380,359</u>
Expenditure on:					
Raising funds					
Serlo Enterprises trading costs	4	22,261	-	22,261	12,456
Fundraising costs – other		9,061	-	9,061	8,921
Finance costs	7	<u>107,162</u>	<u>-</u>	<u>107,162</u>	<u>111,474</u>
Total deductible costs		<u>138,484</u>	<u>-</u>	<u>138,484</u>	<u>132,851</u>
Charitable activities					
Education and grant making costs		<u>10,194,069</u>	<u>178,307</u>	<u>10,372,376</u>	<u>9,118,741</u>
Total expenditure	8	<u>10,332,553</u>	<u>178,307</u>	<u>10,510,860</u>	<u>9,251,592</u>
Net incoming/(outgoing) funds from operations before transfers and investment gains		311,481	(166,213)	145,268	128,767
Transfers		48,960	(48,960)	-	-
(Losses)/gains on investments	12	<u>-</u>	<u>(1,036)</u>	<u>(1,036)</u>	<u>13,295</u>
Net movement in funds for the year		360,441	(216,209)	144,232	142,062
<i>Fund balances as at 1 August 2021</i>		<u>4,977,392</u>	<u>232,972</u>	<u>5,210,364</u>	<u>5,068,302</u>
Fund balances as at 31 July 2022	17	<u>5,337,833</u>	<u>16,763</u>	<u>5,354,596</u>	<u>5,210,364</u>

The notes on pages 18 to 34 form part of these financial statements.

THE KING'S SCHOOL, GLOUCESTER
COMPANY REGISTRATION NUMBER 03834841

BALANCE SHEETS
AS AT 31 JULY 2022

	Note	Group 2022 £	2021 £	School 2022 £	2021 £
Fixed assets					
Tangible assets	11	8,727,770	8,680,441	8,727,770	8,680,441
Investments	12	93,551	94,587	93,554	94,590
		<u>8,821,321</u>	<u>8,775,028</u>	<u>8,821,324</u>	<u>8,775,031</u>
Current assets					
Stocks		14,145	29,507	14,145	29,507
Debtors	13	705,414	638,960	745,379	650,675
Cash at bank and in hand		<u>1,446,706</u>	<u>1,585,868</u>	<u>1,405,269</u>	<u>1,569,908</u>
		<u>2,166,265</u>	<u>2,254,335</u>	<u>2,164,793</u>	<u>2,250,090</u>
Creditors: amounts falling due within one year	14	<u>(2,205,152)</u>	<u>(2,193,179)</u>	<u>(2,204,462)</u>	<u>(2,189,716)</u>
Net current (liabilities)/assets		(38,887)	61,156	(39,669)	60,374
Total assets less current (liabilities)/assets		8,782,434	8,836,184	8,781,655	9,107,493
Creditors: amounts falling due after more than one year	15	<u>(3,427,838)</u>	<u>(3,625,820)</u>	<u>(3,427,838)</u>	<u>(3,625,820)</u>
Net assets		<u>5,354,596</u>	<u>5,210,364</u>	<u>5,353,817</u>	<u>5,209,585</u>
Income funds					
Restricted funds	18a	16,763	232,972	16,763	232,972
General funds	18b	<u>5,337,833</u>	<u>4,977,392</u>	<u>5,337,054</u>	<u>4,976,613</u>
	17	<u>5,354,596</u>	<u>5,210,364</u>	<u>5,353,817</u>	<u>5,209,585</u>

The net results for the financial year dealt with in the financial statements of the parent charity was a surplus of £144,232 (2021: surplus £142,062).

The financial statements were approved and authorised for issue by the Board on 22 November 2022 and were signed on its behalf by:



Mr P Dancey
Chair of Governors

The notes on pages 18 to 34 form part of these financial statements.

THE KING'S SCHOOL, GLOUCESTER

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2022

		2022 £	2021
Net cash inflow from operations			
Net cash provided by operating activities	(i)	770,646	886,781
Cash flows used in investing activities:			
Investment income and bank interest receivable		8,867	2,998
Payment for tangible fixed assets		(282,875)	(2,181,570)
Net cash used in investing activities		<u>(274,008)</u>	<u>(2,178,572)</u>
Cash flows from financing activities:			
Receipts from new advance fee contracts		356,064	179,595
Amounts utilised		(187,355)	(118,071)
Finance costs paid		(109,942)	(111,474)
Bank loan repaid		(694,567)	(101,183)
Bank loans utilised		-	250,000
Net cash used (in)/from financing activities		<u>(635,800)</u>	<u>98,867</u>
Change in cash and cash equivalents in the reporting period		<u>(139,162)</u>	<u>(1,192,924)</u>
Cash and cash equivalents at the beginning of the period		1,585,868	2,778,792
Cash and cash equivalents at the end of the reporting period		<u>1,446,706</u>	<u>1,585,868</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(i) Reconciliation of net income to net cash flow from operating activities			
		2022 £	2021 £
Net incoming resources for the year		145,268	128,767
Elimination of non-operating cash flows:			
- Investment income and bank interest		(8,867)	(2,998)
- Financing costs		107,162	111,474
Loss on disposal of fixed assets		-	4,292
Depreciation of tangible fixed assets		419,961	377,355
Decrease in stocks		15,362	3,959
(Increase)/decrease in debtors		(100,728)	160,887
Increase in creditors		192,488	103,045
Net cash inflow from operations		<u>770,646</u>	<u>886,781</u>
(ii) Analysis of changes in net debt			
	At 1 August 2021 £	Cash- flows £	At 31 July 2022 £
Cash at bank	<u>1,585,868</u>	<u>(139,162)</u>	<u>1,446,706</u>

The notes on pages 18 to 34 form part of these financial statements.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

1. Accounting policies

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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 financial statements are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

The Charitable Company has taken advantage of the exemption available to a qualifying entity under FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

Having 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 has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 6.

The financial statements present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School with its wholly owned subsidiary Serlo Enterprises Limited. No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006. The School's surplus generation for the year was £144,232 (2021: £142,062).

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 26 August 1999 (company number: 03834841) and registered as a charity on 9 May 2000 (charity number: 1080641).

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.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Accounting policies (continued)

1.1 Incoming resources

Donations, legacies and other forms of voluntary income are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Fees receivable and charges for services are accounted for in the year in which the service is provided. Fees received for education to be provided in future years are carried forward as deferred income in the balance sheet.

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.

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable.

1.2 Resources expended

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. 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 school, 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 and the costs of the trading subsidiary.

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 based on current market prices of each asset over its useful economic life, as follows:

Freehold land is not depreciated	
Freehold and long leasehold buildings	2% straight line
Fixtures, fittings and equipment	10% straight line
Motor vehicles	20% straight line
Computer equipment	33% straight line

Assets under construction are not depreciated until available for use.

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 £500 are written off as an expense when acquired.

1.4 Operating lease commitments

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

1.5 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 unrealised gains or losses in the Consolidated Statement of Financial Activities. Investments in subsidiaries are valued at cost less provision for impairment.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Accounting policies (continued)

1.6 Stock

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

1.7 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.

1.8 Pensions

The School participated in the Teachers' Pension Defined Benefits Scheme until 31 August 2021, 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 102 S28.11, 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. From 1 September 2021 all teaching staff were also moved to the scheme. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

1.9 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 Act in that they are funds over which they have complete discretion as to their use.

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 financial statements.

1.11 Recognition of liabilities

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

1.12 Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised 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.

Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and fees in advance.

1.13 Redundancy payments

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.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

2. Voluntary Income

	2022 £	2021 £
Donations - Restricted	12,094	13,862
Donations - Unrestricted	13,218	4,184
	<u>25,312</u>	<u>18,046</u>

3. School Fees

	2022 £	2021 £
Fees receivable consist of:		
Gross fees	11,794,840	10,636,318
Less: Total bursaries, grants and allowances	<u>(2,127,038)</u>	<u>(2,308,052)</u>
	9,667,802	8,328,266
Add back: Bursaries and other awards paid for by by restricted funds	<u>167,950</u>	<u>-</u>
	<u>9,835,752</u>	<u>8,328,266</u>

4. Trading Income

	2022 £	2021 £
Turnover	52,391	17,525
Operating expenses	<u>(22,261)</u>	<u>(12,456)</u>
Net profit from trading	<u>30,130</u>	<u>5,069</u>

Please see Note 12 for further details.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

5. Investment Income

	2022 £	2021 £
Interest receivable from investments	<u>8,867</u>	<u>2,998</u>

6. Other Income

	2022 £	2021 £
Other ancillary activities		
Insurance commissions	9,438	3,202
After school holiday and breakfast clubs	21,190	22,661
Music income	101,112	88,605
Tuition income	26,416	47,954
Trip income	169,000	56,304
Bus and transport income	156,200	176,394
Fee extras income	166,374	130,211
Summer ball	39,680	-
	<u>689,410</u>	<u>525,331</u>
Other incoming resources		
Rental income	13,266	13,200
Government grants	1,215	444,376
Miscellaneous receipts	29,915	30,617
	<u>44,396</u>	<u>488,193</u>

7. Finance and other costs

	2022 £	2021 £
Loan interest	103,554	108,200
Bank charges	3,608	3,274
	<u>107,162</u>	<u>111,474</u>

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

8. Analysis of expenditure

	Staff Costs £	Deprecia- tion £	Other Costs £	Total 2022 £	Total 2021 £
Charitable expenditure:					
School operating costs:					
Teaching costs	5,286,962	-	1,138,495	6,425,457	5,844,697
Welfare costs	125,746	-	-	125,746	89,954
Support costs	860,949	-	447,391	1,308,340	1,128,529
Catering	-	-	694,278	694,278	498,055
Premises	466,437	419,961	676,168	1,562,566	1,450,539
Grants, awards and prizes	-	-	180,533	180,533	5,823
Governance costs	-	-	75,456	75,456	101,144
	<u>6,740,094</u>	<u>419,961</u>	<u>3,212,321</u>	<u>10,372,376</u>	<u>9,118,741</u>
Costs of generating funds:					
Fundraising costs	-	-	9,061	9,061	8,921
School financing costs	-	-	107,162	107,162	111,474
School	<u>6,740,094</u>	<u>419,961</u>	<u>3,328,544</u>	<u>10,488,599</u>	<u>9,239,136</u>
Trading costs	<u>11,731</u>	<u>-</u>	<u>10,530</u>	<u>22,261</u>	<u>12,456</u>
Group	<u>6,751,825</u>	<u>419,961</u>	<u>3,339,074</u>	<u>10,510,860</u>	<u>9,251,592</u>

Governance costs include payments to the auditors of £17,760 (2021: £16,680) for audit services and other professional fees totalling £57,696 (2021: £86,244).

Grants, awards and prizes

	2022 £	2021 £
From Restricted Funds:		
Bursaries & Scholarships	167,950	-
Other grants and awards	<u>10,357</u>	<u>5,512</u>
	<u>178,307</u>	<u>5,512</u>
From Unrestricted Funds:		
Other grants and awards	<u>2,226</u>	<u>311</u>
	<u>180,533</u>	<u>5,823</u>

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

9. Staff Costs

	2022 £	2021 £
Wages and salaries	5,841,869	5,059,234
Social security costs	531,359	465,452
Pension contributions	378,597	874,090
	<u>6,751,825</u>	<u>6,398,776</u>

Aggregate remuneration and benefits of the 9 (2021: 8) key management personnel totalled £797,731 (2021: £723,217). This relates to the Headmaster, Deputy Head (Academic), Deputy Head (Pastoral),

Registrar & Marketing Manager, Bursar, Head of Junior School, Deputy Head (Staff), Deputy Head Co-Curricular and the Head of Sixth Form.

Termination payments of £12,462 (2021: £28,734) were made during the year.

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

	2022	2021
Teaching and support staff	<u>164</u>	<u>161</u>

The average number of employees during the year calculated on average head count was 205 (2021: 198).

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

	2022 £	2021 £
£60,001 - £70,000	1	4
£70,001 - £80,000	5	1
£100,001- £110,000	<u>1</u>	<u>1</u>

During the year contributions amounting to £7,153 (2021: £85,850) were made for the higher paid employees to the Teacher's Pension Scheme.

10. Governors

The Governors received no remuneration or other benefits during the year, and £nil expenses were reimbursed to Governors (2021: £nil of expenses were reimbursed to three Governors for travel expenses).

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

11a. Tangible Fixed Assets

Group and School

	Land and buildings £	Assets Under Construction £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
<i>At 1 August 2020</i>	10,663,193	-	1,982,187	12,825	12,658,205
Additions	102,002	171,525	193,763	-	467,290
Disposals	-	-	(688,822)	-	(688,822)
At 31 July 2021	10,765,195	171,525	1,487,128	12,825	12,436,673
Depreciation					
<i>At 1 August 2021</i>	2,646,124	-	1,318,815	12,825	3,977,764
Charge for the year	247,618	-	172,343	-	419,961
Disposals	-	-	(688,822)	-	(688,822)
At 31 July 2022	2,893,742	-	802,336	12,825	3,708,903
Net book value					
At 31 July 2022	7,871,453	171,525	684,792	-	8,727,770
<i>At 31 July 2021</i>	<i>8,017,069</i>	<i>-</i>	<i>663,372</i>	<i>-</i>	<i>8,680,441</i>

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

11b. Freehold and leasehold property

	Group and School	
	Accumulated Costs 2022 £	Net Book Value 2022 £
Freehold		
Old Bishop's Palace	507,369	115,927
Archdeacon Meadow	1,439,948	1,085,854
Sports Hall	2,597,334	2,077,613
Design and Technology Building	59,998	25,096
Science Lab	411,455	385,772
Mission Hall	326,183	300,061
	<u>5,342,287</u>	<u>3,990,323</u>
Long leasehold improvements to land and buildings leased from the Chapter of Gloucester Cathedral:		
Junior School Buildings on Paddock Land	2,067,464	1,201,688
Ivor Gurney Hall	683,714	588,684
Gouda Way	72,242	-
	<u>2,823,420</u>	<u>1,790,372</u>
Short leasehold improvements to land and buildings leased from the Chapter of Gloucester Cathedral and other parties:		
Finches Hall	29,160	25,078
King's School House	97,747	84,540
Little Cloister House	17,037	4,760
Wardle House	145,720	104,968
Paddock House – 5 Pitt Street	415,141	73,083
Coach House	29,682	21,069
Dulverton House (excluding furniture and fittings)	1,850,184	1,775,020
Paddock Car Park Development	124,545	116,912
Music Room – 3 & 4 Pitt Street	61,797	56,853
	<u>2,771,013</u>	<u>2,262,283</u>
	<u>10,396,720</u>	<u>8,042,978</u>

- (i) The total cost of the Dulverton House redevelopment, including fixtures and fittings, was £2,226,005.
- (ii) The leasehold property is leased from the Chapter of Gloucester Cathedral under renewable 20 year leases, the current lease commencing on 1 January 2014. The terms provide for full repairing liability and at rents independently reviewed at 5 yearly intervals. The rental value of this renewed lease is set at £126,775. Four members of the board of Governors work on behalf of the Chapter of Gloucester Cathedral.
- (iii) 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 of Gloucester Cathedral has granted a 125 year lease, expiring on 31 December 2134, in favour of the school.

The rent payable under the lease was £19,500 per annum for the period (1 January 2014) to 31 December 2018, increasing to £21,414 per annum for the period to 31 December 2023. The school also occupies Finches Yard under a 13 year lease from the Chapter of Gloucester Cathedral. The rent under this lease is £8,764 per annum.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

12. Fixed Asset Investments

Group	2022 £	2021 £
Quoted investments at market value 1 August 2021	94,587	81,292
Unrealised (loss)/gain	(1,036)	13,295
Quoted investments at market value 31 July 2022	93,551	94,587
Cost	10,400	10,400
School		
Quoted investments at market value 1 August 2021	94,587	81,292
Unrealised (loss)/gain	(1,036)	13,295
Quoted investments at market value 31 July 2022	93,551	94,587
Shares in subsidiary trading company, at cost	3	3
	93,554	94,590
Cost	10,403	10,403

The School owns all of the ordinary shares in its subsidiary Serlo Enterprises Limited, company number 02938904 incorporated in England, which is a trading company selling services and goods relating to the School. Its principal place of business is The King's School Gloucester, Pitt Street, Gloucester, GL1 2BG. It covenants its taxable profits to the School. Its trading results, extracted from its audited financial statements were:

	2022 £	2021 £
Turnover	52,391	17,525
Cost of sales	(3,690)	-
Gross profit	48,701	17,525
Administration expenses	(18,571)	(12,456)
Operating profit	30,130	5,069
Gross covenant to The King's School, Gloucester	(30,130)	(5,069)
Retained profit for the year	-	-

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

13. Debtors

	Group		School	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	364,592	287,477	352,261	280,757
Other debtors	43,995	53,213	43,995	53,213
Prepayments and accrued income	296,827	298,270	296,827	298,270
Amounts owed by group companies	-	-	52,296	18,435
	<u>705,414</u>	<u>638,960</u>	<u>745,379</u>	<u>650,675</u>

14. Creditors: amounts falling due within one year

	Group		School	
	2022 £	2021 £	2022 £	2021 £
Bank loan	231,421	698,367	231,421	698,367
Other loans	77,500	-	77,500	-
Trade creditors	231,754	199,260	231,754	199,260
Taxes and social security costs	148,943	125,930	148,943	125,930
Pension costs	72,996	97,971	72,996	97,971
Refundable fee deposits	274,118	236,316	274,118	236,316
Advance fee payments	197,597	136,027	197,597	136,027
Fees received in advance	478,559	396,199	478,559	396,199
Other creditors	72,265	55,945	71,605	55,945
Accruals and deferred income	419,999	247,164	419,969	243,701
	<u>2,205,152</u>	<u>2,193,179</u>	<u>2,204,462</u>	<u>2,189,716</u>

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

	Group and School	
	2022 £	2021 £
Bank loan	1,267,870	1,495,491
Bond	1,519,300	1,519,300
Other loans	-	77,500
Advance fee payments	640,668	533,529
	<u>3,427,838</u>	<u>3,625,820</u>

The bank loans are secured by means of a first legal charge dated 26 October 2001 over the freehold land and buildings at the School playing fields, Archdeacon Meadow, St Oswalds Road, Gloucester.

There is also a legal charge dated 26 October 2001 over the freehold land and buildings at Old Bishops's Palace, Pitt Street, Gloucester.

The bank also have a third legal charge dated 30 April 2019 over the freehold property known as Mission Park Street, Gloucester.

There is a fourth legal charge dated the 26 January 2021, which is a floating charge over all the property or undertaking of the company.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

15. Creditors: amounts falling due after more than one year (continued)

The School issued through the intermediary of Allia Social Impact Investments Limited, a bond totalling £1,519,300 paying a yield of 3-4%. The bond is repayable on 27 February 2027.

Other loans are due to a School Trustee. Interest is charged at 3% and the loan is repayable on 23 June 2023.

Maturity of loans	Group and School	
	2022 £	2021 £
Due within one year		
Bank loans	231,421	698,367
Other loan	77,500	-
Due within one to two years		
Bank	235,442	231,421
Other loan	-	77,500
Due within two to five years		
Bank loan	338,718	574,526
Due in more than five years		
Bank loan	693,710	689,544
Bond	1,519,300	1,519,300
	3,096,091	3,790,658

16. 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:

	2022 £	2021 £
Greater than 5 years	129,241	62,637
Within 2 to 5 years	359,046	338,173
Within 1 to 2 years	152,381	132,719
	640,668	533,529
Within 1 year	197,597	136,027
	838,265	669,556

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

	£
Balance at 1 August 2021	669,556
New payments	356,064
Amounts accrued to contracts as debt-financing costs	18,212
	1,043,832
Amounts refunded	(42,292)
Amounts utilised in payment of fees	(163,275)
Balance at 31 July 2022	838,265

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

17. Analysis of Net Assets Between Funds – Current year

	Unrestricted funds £	Restricted funds £	Total £
Group			
Tangible fixed assets	8,577,629	-	8,577,629
Investments	93,551	-	93,551
Net current assets	94,491	16,763	111,254
Long term liabilities	(3,427,838)	-	(3,427,838)
	<u>5,337,833</u>	<u>16,763</u>	<u>5,354,596</u>
	Unrestricted funds £	Restricted funds £	Total £
School			
Tangible fixed assets	8,577,629	-	8,577,629
Investments	93,554	-	93,554
Net current assets	93,709	16,763	110,472
Long term liabilities	(3,427,838)	-	(3,427,838)
	<u>5,337,054</u>	<u>16,763</u>	<u>5,353,817</u>

Analysis of Net Assets Between Funds - Prior year

	Unrestricted funds £	Restricted funds £	Total £
Group			
Tangible fixed assets	8,680,441	-	8,680,441
Investments	-	94,587	94,587
Net current assets	(77,229)	138,385	61,156
Long term liabilities	(3,625,820)	-	(3,625,820)
	<u>4,977,392</u>	<u>232,972</u>	<u>5,210,364</u>
	Unrestricted funds £	Restricted funds £	Total £
School			
Tangible fixed assets	8,680,441	-	8,680,441
Investments - restated	3	94,587	94,590
Net current assets	(78,011)	138,385	60,374
Long term liabilities	(3,625,820)	-	(3,625,820)
	<u>4,976,613</u>	<u>232,972</u>	<u>5,209,585</u>

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

18a. Restricted Funds: Movements in the Year

	Balance as at 1 August 2021 £	Income £	Expenditure £	Gains on investments/ transfers £	Balance as at 31 July 2022 £
Prize & Scholarship fund	159,921	1,051	(156,525)	(1,036)	3,411
Bursary fund	11,605	72	(11,677)	-	-
Sports fund	5,410	1,892	(1,892)	(5,410)	-
Computer Science Equipment	41	-	-	-	41
Annual fund	4,193	565	(546)	(4,212)	-
Wardle House fund	34,500	4,838	-	(39,338)	-
Art Scholars Fund	9,608	-	(2,130)	-	7,478
Music fund	2,494	68	(2,562)	-	-
Art fund	5,200	-	-	-	5,200
E-Readers	-	270	-	-	270
Classroom Accessories	-	1,787	(1,600)	-	187
Outdoor Learning	-	1,134	(1,134)	-	-
Wardle House Garden	-	417	(241)	-	176
School and Group restricted funds	232,972	12,094	(178,307)	(49,996)	16,763

The Prize and Scholarship Fund is for the provision of prizes and scholarships for pupils at the School. Included within this fund is the linked charity, King's School Prize and Scholarship Fund. During the year the scholarship element of the fund had been fully expensed, and therefore going forward this fund will be renamed "The Prize Fund".

The Bursary Fund is for the provision of financial assistance for those pupils at the School, or due to start the School, whose families have fallen on difficult times or would otherwise be unable to afford the education at the School.

The Sports fund is from donations to improve Sports facilities around the School.

The Computer Science Equipment fund is from donations towards computer science equipment.

The Annual Fund is an annual fundraising activity for specific purposes.

Wardle House & Dulverton funds are both specific to redevelopment of existing buildings held within the School.

The Art Scholars fund is to help facilitate the cost of Art resources to allow students to be as creative as they desire, whilst also funding visits from inspiring artists at the School.

The Music fund is from donations to improve the Music facilities, specifically for Pianos.

The Art funds is from donations of which are used to fund Fine Art classes, in memory of John Masters.

The E-Readers fund is from donations with the purposes of providing electronic reading aids for classrooms.

The Classroom Accessories fund is from donations to aid in the purchase of materials to enhance the learning experience at King's.

The Outdoor Learning fund is from donations to support the provision of learning materials, specifically those for usage outside.

The Wardle House Garden fund is from donations with the purpose of replenishing existing plants within the Wardle grounds.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

18a. Restricted Funds: Movements in the Year (continued)

Restricted Funds: Movements in the Prior year

	Balance as at 1 August 2020 £	Income £	Expenditure £	Gains on investments /Transfers £	Balance as at 31 July 2021 £
Prize & Scholarship fund	146,046	776	(196)	13,295	159,921
Bursary fund	11,520	85	-	-	11,605
Sports fund	5,855	3,125	(3,570)	-	5,410
Computer Science Equipment	41	-	-	-	41
Annual fund	4,176	38	(21)	-	4,193
Wardle House fund	29,662	4,838	-	-	34,500
Art Scholars Fund	11,333	-	(1,725)	-	9,608
Music fund	2,494	-	-	-	2,494
Art fund	200	5,000	-	-	5,200
Dulverton fund	17,000	-	-	(17,000)	-
School and Group restricted funds	228,327	13,862	(5,512)	(3,705)	232,972

18b. Unrestricted Funds: Movements in the Year

	Balance as at 1 August 2021 £	Income £	Expenditure £	Transfers £	Balance as at 31 July 2022 £
General funds	4,976,613	10,591,643	(10,280,162)	48,960	5,337,054
School funds	4,976,613	10,591,643	(10,280,162)	48,960	5,337,054
Non charitable trading funds	779	52,391	(52,391)	-	779
Group funds	4,977,392	10,644,034	(10,332,553)	48,960	5,338,833

Unrestricted Funds: Movements in the Prior Year

	Balance as at 1 August 2020 £	Income £	Expenditure £	Transfers £	Balance as at 31 July 2021 £
General funds	4,839,196	8,833,611	(8,713,194)	17,000	4,976,613
School funds	4,839,196	8,833,611	(8,713,194)	17,000	4,976,613
Non charitable trading funds	779	17,525	(17,525)	-	779
Group funds	4,839,975	8,851,136	(8,730,719)	17,000	4,977,392

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

19. Pension Scheme

On 31 August 2021 the School opted to withdraw from the Teachers' Pension Scheme ("the TPS") and so going forward, contributions will no longer be payable to the TPS. The pension charge for the year includes contributions payable to the TPS of £68,370 (2021: £793,779). From September 2021 the School moved to an AVIVA aptis scheme, for both non-teaching staff and teachers, employer contributions to this scheme during the year totalled £310,847. At the end of the year £72,996 was accrued in respect of July's payroll.

20. Operating Lease Commitments

At 31 July 2022, the School had future minimum commitments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Other		
Expiring within one year	97,897	98,010
Expiring between one and five years	209,828	301,664
Total	307,725	399,674

21. Related Party Transactions

In 2022, the School charged £11,731 (2021: £5,763) to Serlo Enterprises Limited for the provision of staff and the administrative services. The balance owed to the School at 31 July 2022 was £52,283 (2021: £18,435).

The spouse of a governor received a salary of £21,878 (2021: £24,752) for their employment as a teacher by the school.

During the financial year the School had transactions totalling £nil where a Governor, or a close relation to the Governor, is also listed as a Director of that entity.

Bond options are still retained by Governors and Senior Management totalling a value of £521,300, generating interest payable of £5,963, of which £4,838 has been gifted back to the School. Additionally, a separate loan has also been agreed for £77,500 with a Governor which has generated £2,325 interest payable in the current year.

22. Capital commitment

At 31 July 2022 the School had outstanding authorised contractual commitments in respect of capital projects totalling £199,784 (2021: £nil).

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

23. Comparative SOFA

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income and endowments from:			
Charitable activities			
School fees	8,328,266	-	8,328,266
Ancillary trading	525,331	-	525,331
Other trading activities			
Other incoming resources	488,193	-	488,193
Trading turnover – Serlo Enterprises	17,525	-	17,525
Investments			
Investment income	2,998	-	2,998
Voluntary sources			
Voluntary income	<u>4,184</u>	<u>13,862</u>	<u>18,046</u>
Total incoming resources	<u>9,366,497</u>	<u>13,862</u>	<u>9,380,359</u>
Expenditure on:			
Raising funds			
Serlo Enterprises trading costs	12,456	-	12,456
Fundraising costs – other	8,921	-	8,921
Finance costs	<u>111,474</u>	<u>-</u>	<u>111,474</u>
Total deductible costs	<u>132,851</u>	<u>-</u>	<u>132,851</u>
Charitable activities			
Education and grant making costs	<u>9,113,229</u>	<u>5,512</u>	<u>9,118,741</u>
Total expenditure	<u>9,246,080</u>	<u>5,512</u>	<u>9,251,592</u>
Net incoming funds from operations before transfers and investment gains	120,417	8,350	128,767
Transfers	17,000	(17,000)	-
Gains on investments	<u>-</u>	<u>13,295</u>	<u>13,295</u>
Net movement in funds for the year	<u>137,417</u>	<u>4,645</u>	<u>142,062</u>