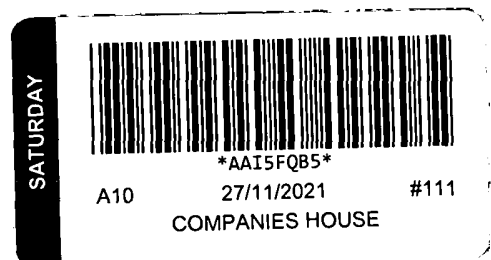


Charity Registration No. 1080641

Company Registration No. 03834841 (England and Wales)

THE KING'S SCHOOL, GLOUCESTER
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021



THE KING'S SCHOOL, GLOUCESTER

LEGAL AND ADMINISTRATIVE INFORMATION

Visitor	The Lord Bishop of Gloucester
Governors	The Reverend Canon N.M. Arthy (ex-officio) Residentiary Canon of Gloucester Cathedral
	Mr A.T. Brett, B.Sc. (Hons), psc, MInst RE Educational Consultant, Aspirance Leadership Services
	Mrs G. Brook, CBE (resigned 23 March 2021)
	Mr P. Dancey (Chairman of Governors) Company Director
	Mr M. Hurrell Retired Project Manager
	The Very Reverend Stephen D. Lake (ex-officio) The Dean of Gloucester
	Mr P. Markey, BA (Hons), F.C.A. Managing Director, Markey Group (resigned 17 November 2020)
	Mrs A.E. Sullivan, B.Ed. Proprietor of Airthrie School
	Canon C. Thomson, M.A. (ex-officio) Residentiary Canon of Gloucester Cathedral
	Mr R.A. Ingram, M.A. P.G.C.E. Retired Teacher
	The Reverend Canon R.J.A. Mitchell (ex-officio) Canon Precentor of Gloucester Cathedral
	**Mr K. Wyman B.Sc. (Hons), MRICS Managing Director, Kurt Wyman Services
	Mrs S. Lewis, ACIB, ACMI Relationship Director, Yorkshire Building Society
	**Mr M. Dunkley Managing Director, SLG Beauty
	Mr M. Watson, M.A., B.Ed. (Hons) Retired Headmaster
	Mr S. Mendel, CSME/ISEB Director, Global Enterprise Transformation Services Ltd
	Mrs V Isaac, B.A. (Hons), P.G.C.E., MCIM Director, Alter Via Ltd (appointed 17 November 2020)
	Mrs D. Innes-Tumill, M.Sc., B.A. (Hons), B.Sc. University Lecturer and Safeguarding Consultant (appointed 17 November 2020)

**** 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 - 12
Independent Auditor's Report	13 - 15
Consolidated Statement of Financial Activities	16
Balance Sheets	17
Consolidated Cash Flow Statement	18
Notes to the Financial statements	19 - 34

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2021

The members of The King's School, Gloucester present their Annual Report for the year ended 31 July 2021 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, B.Sc. (Hons), psc, M.Inst. RE, *
G. Brook, C.B.E. ~
P. Dancey # * ^ ~
M. Hurrell ♦ ~ #
The Very Reverend S.D. Lake * #
P. Markey, B.A. (Hons) F.C.A. * ^
A. E. Sullivan ~
Canon C. Thomson, M.A.
K. Wyman, B.Sc (Hons) M.R.I.C.S. *
R. Ingram, M.A., P.G.C.E. ~
The Reverend Canon R.J.A. Mitchell ~
M. Dunkley ♦ #
S. Lewis, ACIB, ACMI ♦ *
M. Watson M.A., B.ED. ♦ ~
S. Mendel, CSME/ISEB *
V. Issac, B.A. (Hons), P.G.C.E., M.C.I.M. #
D Innes-Turnill, M.Sc., B.A. (Hons), B.Sc. ~

* 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 2021

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 Residential 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 2021

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 £1,345,115 (2020: £1,309,633). 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 £140,499 (2020: £134,588) was awarded in scholarships by the Governors to support the education of the Choristers of Gloucester Cathedral.

Further awards of £542,380 (2020: £483,755) 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 was an additional Governors net fee rebate issued in the year, to help families impacted with the financial pressure of COVID-19 totalling £280,058 (2020: £527,223).

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.thekingschool.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 2021

- 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 2021

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, has had to face the continued challenges COVID-19 has presented and by overcoming such challenges, we have managed to maintain our balance of academic excellence, outstanding pastoral care and a variety of co-curricular opportunities. Of significant note, the successful redevelopment of our Sixth Form Centre (Dulverton House) was completed at the end of December. Furthermore, in recognition of the School's continued progress and resilience demonstrated during the pandemic, King's was voted Gloucestershire Independent School of the Year in the SoGlos Lifestyle Awards.

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 643 (2020: 610). These 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 the continued excellence of the education provided through this pandemic period.

This year the government and the exams regulator Ofqual replaced exams with a process based on Teacher Assessed Grades (TAGs), which were quality assured at several stages by the exam boards. Students have had greater opportunity to show their performance across different pieces of evidence, resulting in a holistic grade. Pupils had to sit more assessments than ever to achieve these results, including exam-style assessments in March and May helping to form the teacher judgement.

We are very proud of the achievements of all of our students, during what has been a challenging and unpredictable year.

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

At A-level, they were the best results in the school's long history. Of these results 34% were at A* level, with 59% being either A* or A grades. 92% of grades were A*-C grade and there was a 100% pass rate overall. It should be noted that 22 pupils also completed the highly valued Extended Project Qualification (EPQ) in November 2020. 50% of these grades were A* and 68% were A*/A.

Students performed well across a wide range of disciplines, showing the variety of talent at King's. 100% of students received A*-A grades in Design and Technology, Music, Fine Art, Photography and Theatre Studies, as well as in the more traditional subject areas of Latin, Further Mathematics and Philosophy, Religion and Ethics.

At GCSE, one in five results were at the top grade 9 with 40% of entries achieving the top two grades of 9 or 8, which is the school's highest ever results. An amazing 60% of results achieved grades 9-7 (equivalent to the old A*-A). A impressive 18 pupils (a quarter of the cohort) gained four or more grade 9s. 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. Students achieved over 80% 9-7 grades in Design & Technology, Drama, Music and Fine Art as well as in the more traditional subject areas of History, Latin, Physics and Religious Studies.

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 is renowned as much for what it offers outside of the classroom as inside and despite being significantly affected by the global pandemic, we have continued to do so. Amongst the students celebrating great results at the school are a national ballet dancer, a West End performer, a Welsh U18 Hockey player, an actor starring in the upcoming series *Theodosia*, several great equestrian riders, first class sports men and women, superb artists, outstanding musicians and a pupil who has flown solo in an aircraft. Pupils at King's are invariably very involved in Outdoor Education, Music, Sport and Drama and a wide range of extra-curricular activities, including activities in the local community; helping in local primary schools, visiting the elderly in sheltered accommodation and volunteering at Gloucester Royal Hospital. Beyond this, the School enjoys productive relationships with a partner school in Dornakal, South India, though our planned trip out there has been cancelled for the last two years. Despite this, we held a hugely successful fundraising day and raised an incredible £5,000. The School has been sponsoring the Dornakal Diocesan English Medium School, in India, and in particular three pupils who have benefited from an education, for over 14 years and we are grateful for the insight this relationship brings to our students.

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. In 2019/2020, over £3,000 was raised and was divided equally amongst Dean Farm Trust Charity, Acorn's Children Hospice and Heart Heroes. As so many of our calendared fundraising events were constrained by pandemic restrictions, the Houses chose to continue to support the same charities for the academic year 2020/2021, raising nearly £7,000. Therefore, we are proud of the total figure of over £10,000 which has now been divided equally across the three charities above. £650 was also sent to the Leckhampton Hospice – a charity that had personal relevance to our school community. Of note, the Fifth Form year group has shown a tremendous community spirit and charitable nature: five students have taken part in the Gloucester HAF Project over the summer, while another student volunteered 110 hours for charities resulting in him being given a SoGlos hero award.

In the younger years, the pupils in Little King's (EYFS) and the Junior School made significant progress despite the challenges of lockdown. The school implemented many lesson interventions, new ways of learning using technology and a number of different forms of communication with the children and their families. Pupils in the Junior School completed the year ready to tackle the challenges of Senior School or secondary education with a strong academic foundation and a confidence in their ability to ask questions, seek knowledge and work collaboratively with their peers. The Junior School also raised money for Christian Aid and Gloucester City Mission which helped our pupils recognise the difficulties faced by others in the local community.

Financial Review and Results for the Year

With record pupil numbers and management enforcing restrained spend during the year, the School has generated a surplus of £128,767 (2020: deficit of £80,767). Strong cash generation has also been achieved, which aligns with the School's ambition to reallocate funds where appropriate, for repayment of our corporate

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

bond debt in six years' time.

Despite strong financial results, the School has still had to endure the continued impact due to COVID-19 restrictions. This had led to a direct loss of income of £280k in Tuition Fees, which was issued via a net fee rebate on the Lent term fees due to physical schooling being unavailable for the majority of pupils. The School has, however, been fortunate that levels of COVID infections within our community have been relatively low, which we believe is partly down to the increased precautions we have put in place. Such precautions have come at a significant financial cost to the School, but have proved worthwhile in managing the overall risk.

The face of the balance sheet shows net current assets are low in comparison to the previous year, which is attributable to the cash outlay for our capital projects and one loan reaching maturity within the next 12 months. The School does still hold strong liquid funds, which is evident by our ability to cover our short-term obligations with current assets.

The School has been fortunate enough to conclude the re-development of our Sixth Form Centre (Dulverton House). Such investments clearly contribute to the continued steady increase in pupil numbers. The School has also managed to complete renovation works to the main School hall, generating a multi-purpose space which has state of the art retractable seating, allowing the room to be quickly converted into an effective theatre space. The School believes such investments to be vital to allow our pupils the opportunity to flourish in an environment which does not only focus on the academic results, but also other co-curricular activities, thereby helping our pupils build character and confidence.

The next 12 months look promising for the School, with record pupil numbers, a newly renovated Sixth Form Centre and reformed pension provisions for all employees. It is the belief of Governors and Senior Management that this should enable better cash retention and surplus generation. The School does remain vigilant that the financial risk presented by the pandemic restrictions still exists, and that additional government intervention could still occur, causing disruption to normal trading activities. We will endeavor to work with and support families where possible, when it is apparent that family finances have been adversely affected, to ensure continuity of education for our pupils.

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 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 16.7%. 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 2.7%.

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 £5.21m (2020: £5.07m) at the year end included £233k (2020: £228k) restricted funds and £4.98m (2020: £4.84m) unrestricted reserves. £8.68m (2020: £6.88m) 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.

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

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 participators. All fundraising activities are managed by the Headmaster, with oversight by the members of the Governing Body.

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

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:

- 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 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 and 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. 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.

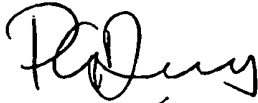
THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Future Plans

The Headmaster had previously produced the 2018-2023 Strategic Development Plan (SDP); this has now largely been delivered and the next 12 months will provide time for the School and Governors to reflect and put in place plans for the next five years. In the near future, there will be a renewed focus on re-establishing standards and routines following on from the disruption of the past 18 months. There will also be an emphasis on igniting enthusiasm through inspirational teaching and an enhanced pupil-led co-curricular offering.

This Annual report was approved by the Board of Governors of The King's School, Gloucester on 16 November 2021, 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 2021 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 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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

24 November 2021

THE KING'S SCHOOL, GLOUCESTER

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 RESTATED £
Income and endowments from:					
Charitable activities					
School fees	3	8,328,266	-	8,328,266	7,676,410
Ancillary trading	6	525,331	-	525,331	511,087
Other trading activities					
Other incoming resources	6	488,193	-	488,193	490,040
Trading turnover – Serlo Enterprises	4	17,525	-	17,525	31,802
Investments					
Investment income	5	2,998	-	2,998	7,492
Voluntary sources					
Voluntary income	2	<u>4,184</u>	<u>13,862</u>	<u>18,046</u>	<u>55,622</u>
Total incoming resources		<u>9,366,497</u>	<u>13,862</u>	<u>9,380,359</u>	<u>8,772,453</u>
Expenditure on:					
Raising funds					
Serlo Enterprises trading costs	4	12,456	-	12,456	15,037
Fundraising costs – other		8,921	-	8,921	11,618
Finance costs	7	<u>111,474</u>	<u>-</u>	<u>111,474</u>	<u>96,364</u>
Total deductible costs		132,851	-	132,851	123,019
Charitable activities					
Education and grant making costs		<u>9,113,229</u>	<u>5,512</u>	<u>9,118,741</u>	<u>8,730,201</u>
Total expenditure	8	<u>9,246,080</u>	<u>5,512</u>	<u>9,251,592</u>	<u>8,853,220</u>
Net incoming/(outgoing) funds from operations before transfers and investment gains		120,417	8,350	128,767	(80,767)
Transfers		17,000	(17,000)	-	-
Gains on investments	12	<u>-</u>	<u>13,295</u>	<u>13,295</u>	<u>214</u>
Net movement in funds for the year		137,417	4,645	142,062	(80,553)
<i>Fund balances as at 1 August 2020</i>		<u>4,839,975</u>	<u>228,327</u>	<u>5,068,302</u>	<u>5,148,855</u>
Fund balances as at 31 July 2021	17	<u>4,977,392</u>	<u>232,972</u>	<u>5,210,364</u>	<u>5,068,302</u>

The notes on pages 19 to 34 form part of these financial statements.

THE KING'S SCHOOL, GLOUCESTER
COMPANY REGISTRATION NUMBER 03834841

BALANCE SHEETS
AS AT 31 JULY 2021

	Note	Group		School	
		2021 £	2020 £	2021 £	2020 £
Fixed assets					
Tangible assets	11	8,680,441	6,880,518	8,680,441	6,880,518
Investments	12	94,587	81,292	94,590	81,295
		<u>8,775,028</u>	<u>6,961,810</u>	<u>8,775,031</u>	<u>6,961,813</u>
Current assets					
Stocks		29,507	33,466	29,507	33,466
Debtors	13	638,960	799,847	650,675	830,821
Cash at bank and in hand		1,585,868	2,778,792	1,569,908	2,745,906
		<u>2,254,335</u>	<u>3,612,105</u>	<u>2,250,090</u>	<u>3,610,193</u>
Creditors: amounts falling due within one year	14	<u>(2,193,179)</u>	<u>(1,465,643)</u>	<u>(2,189,716)</u>	<u>(1,464,513)</u>
Net current assets		61,156	2,146,462	60,374	2,145,680
Total assets less current liabilities		8,836,184	9,108,272	8,835,405	9,107,493
Creditors: amounts falling due after more than one year	15	<u>(3,625,820)</u>	<u>(4,039,970)</u>	<u>(3,625,820)</u>	<u>(4,039,970)</u>
Net assets		<u>5,210,364</u>	<u>5,068,302</u>	<u>5,209,585</u>	<u>5,067,523</u>
Income funds					
Restricted funds	18a	232,972	228,327	232,972	228,327
General funds	18b	4,977,392	4,839,975	4,976,613	4,839,196
	17	<u>5,210,364</u>	<u>5,068,302</u>	<u>5,209,585</u>	<u>5,067,523</u>

The net results for the financial year dealt with in the financial statements of the parent charity was a surplus of £142,062 (2020: deficit £80,553).

The financial statements were approved and authorised for issue by the Board on 16 November 2021 and were signed on its behalf by:



Mr P Dancey
Chair of Governors

The notes on pages 19 to 34 form part of these financial statements.

THE KING'S SCHOOL, GLOUCESTER

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2021**

	2021 £	2020
Net cash inflow from operations		
Net cash provided by operating activities (i)	886,781	757,993
Cash flows used in investing activities:		
Investment income and bank interest receivable	2,998	7,492
Disposal of investments	-	1,709
Payment for tangible fixed assets	<u>(2,181,570)</u>	<u>(543,047)</u>
Net cash used in investing activities	<u>(2,178,572)</u>	<u>(533,846)</u>
Cash flows from financing activities:		
Receipts from new advance fee contracts	179,595	212,523
Amounts utilised	(118,071)	(151,018)
Finance costs paid	(111,474)	(96,364)
Bank loan repaid	(101,183)	(142,732)
Bank loans utilised	250,000	-
Bond and other loans utilised	<u>-</u>	<u>1,596,800</u>
Net cash from financing activities	<u>98,867</u>	<u>1,419,209</u>
Change in cash and cash equivalents in the reporting period	<u>(1,192,924)</u>	<u>1,643,356</u>
Cash and cash equivalents at the beginning of the period	2,778,792	1,135,436
Cash and cash equivalents at the end of the reporting period	<u>1,585,868</u>	<u>2,778,792</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(i) Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net incoming/(outgoing) resources for the year	128,767	(80,767)
Elimination of non-operating cash flows:		
- Investment income and bank interest	(2,998)	(7,492)
- Financing costs	111,474	96,364
Loss on disposal of fixed assets	4,292	803
Depreciation of tangible fixed assets	377,355	313,457
Decrease in stocks	3,959	23,457
Decrease/(increase) in debtors	160,887	(106,699)
Increase in creditors	103,045	518,870
Net cash inflow from operations	<u>886,781</u>	<u>757,993</u>

(ii) Analysis of changes in net debt

	At 1 August 2020 £	Cash- flows £	At 31 July 2021 £
Cash at bank	2,778,792	(1,192,924)	1,585,868

The notes on pages 19 to 34 form part of these financial statements.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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 2015.

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 Serfo 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 £142,062 (2020: deficit £80,553).

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 2021

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 2021

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 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 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. 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 2021**

2. Voluntary Income

	2021 £	2020 £
Donations - Restricted	13,862	53,903
Donations - Unrestricted	4,184	1,719
	<u>18,046</u>	<u>55,622</u>

3. School Fees

	2021 £	2020 RESTATED £
Fees receivable consist of:		
Gross fees	10,636,318	10,131,609
Less: Total bursaries, grants and allowances	<u>(2,308,052)</u>	<u>(2,455,199)</u>
	<u>8,328,266</u>	<u>7,676,410</u>

4. Trading Income

	2021 £	2020 £
Turnover	17,525	31,802
Operating expenses	<u>(12,456)</u>	<u>(15,037)</u>
Net profit from trading	<u>5,069</u>	<u>16,765</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 2021**

5. Investment Income		
	2021	2020
	£	£
Interest receivable from investments	<u>2,998</u>	<u>7,492</u>
6. Other Income		
	2021	2020
	£	RESTATED £
Other ancillary activities		
Insurance commissions	3,202	3,485
After school holiday and breakfast clubs	22,661	54,590
Music income	88,605	90,847
Tuition income	47,954	37,041
Trip income	56,304	33,202
Bus and transport income	176,394	153,827
Fee extras income	130,211	138,095
	<u>525,331</u>	<u>511,087</u>
Other incoming resources		
Rental income	13,200	12,400
Government grants	444,376	466,767
Miscellaneous receipts	30,617	10,873
	<u>488,193</u>	<u>490,040</u>
7. Finance and other costs		
	2021	2020
	£	£
Loan interest	108,200	93,381
Bank charges	3,274	2,983
	<u>111,474</u>	<u>96,364</u>

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

8. Analysis of expenditure

	Staff Costs £	Deprecia- tion £	Other Costs £	Total 2021 £	Total 2020 RESTATED £
Charitable expenditure:					
School operating costs:					
Teaching costs	5,102,144	-	742,553	5,844,697	5,542,989
Welfare costs	89,954	-	-	89,954	78,003
Support costs	760,772	-	367,757	1,128,529	1,202,744
Catering	-	-	498,055	498,055	404,180
Premises	440,143	377,355	633,041	1,450,539	1,402,938
Grants, awards and prizes	-	-	5,823	5,823	50,451
Governance costs	-	-	101,144	101,144	48,896
	<u>6,393,013</u>	<u>377,355</u>	<u>2,348,373</u>	<u>9,118,741</u>	<u>8,730,201</u>
Costs of generating funds:					
Fundraising costs	-	-	8,921	8,921	11,618
School financing costs	-	-	111,474	111,474	96,364
School	<u>6,393,013</u>	<u>377,355</u>	<u>2,468,768</u>	<u>9,239,136</u>	<u>8,838,183</u>
Trading costs	5,763	-	6,693	12,456	15,037
Group	<u>6,398,776</u>	<u>377,355</u>	<u>2,475,461</u>	<u>9,251,592</u>	<u>8,853,220</u>

Governance costs include payments to the auditors of £15,325 (2020: £14,900) for audit services and other professional fees totalling £86,244 (2020: £33,996).

9. Staff Costs

	2021 £	2020 RESTATED £
Wages and salaries	5,059,234	4,854,866
Social security costs	465,452	446,329
Pension contributions	874,090	821,719
	<u>6,398,776</u>	<u>6,122,914</u>

Aggregate remuneration and benefits of the 8 (2020: 8) key management personnel totalled £723,217 (2020: £718,847). This relates to the Headmaster, Deputy Head (Academic), Deputy Head (Pastoral), Registrar & Marketing Manager, Bursar, Head of Junior School, Deputy Head (Staff) and the Head of Sixth Form.

Termination payments of £28,734 (2020: £22,931) were made during the year.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

9. Staff Costs (continued)

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

	2021	2020
Teaching and support staff	<u>161</u>	<u>157</u>

The average number of employees during the year calculated on average head count was 198.

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

	2021 £	2020 £
£60,001 - £70,000	4	3
£70,001 - £80,000	1	1
£90,001 - £100,000	-	-
£100,001- £110,000	<u>1</u>	<u>1</u>

During the year contributions amounting to £85,850 (2020: £68,211) 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 (2020: £212 of expenses were reimbursed to three Governors for travel expenses).

11a. Tangible Fixed Assets

Group and School

	Land and buildings £	Assets Under Construction £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 August 2020	8,689,917	345,759	1,482,126	12,825	10,530,627
Additions	178,649	1,878,681	124,240	-	2,181,570
Transfers	1,848,619	(2,224,440)	375,821	-	-
Disposals	(53,992)	-	-	-	(53,992)
At 31 July 2021	<u>10,663,193</u>	<u>-</u>	<u>1,982,187</u>	<u>12,825</u>	<u>12,658,205</u>
Depreciation					
At 1 August 2020	2,471,978	-	1,165,306	12,825	3,650,109
Charge for the year	223,846	-	153,509	-	377,355
Disposals	(49,700)	-	-	-	(49,700)
At 31 July 2021	<u>2,646,124</u>	<u>-</u>	<u>1,318,815</u>	<u>12,825</u>	<u>3,977,764</u>
Net book value					
At 31 July 2021	<u>8,017,069</u>	<u>-</u>	<u>663,372</u>	<u>-</u>	<u>8,680,441</u>
At 31 July 2020	<u>6,217,939</u>	<u>345,759</u>	<u>316,820</u>	<u>-</u>	<u>6,880,518</u>

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

11b. Freehold and leasehold property

	Group and School	
	Accumulated Costs 2021 £	Net Book Value 2021 £
Freehold		
Old Bishop's Palace	507,369	125,712
Archdeacon Meadow	1,434,303	1,132,488
Sports Hall	2,597,334	2,129,559
Design and Technology Building	59,998	26,579
Science Lab	255,314	234,737
Mission Hall	325,663	306,315
	<u>5,179,981</u>	<u>3,955,390</u>
Long leasehold improvements to land and buildings leased from the Chapter of Gloucester Cathedral:		
Junior School Buildings on Paddock Land	2,061,738	1,239,660
Ivor Gurney Hall	683,714	602,460
Gouda Way	72,242	0
	<u>2,817,694</u>	<u>1,842,120</u>
Short leasehold improvements to land and buildings leased from the Chapter of Gloucester Cathedral and other parties:		
Finches Hall	29,160	25,661
King's School House	80,388	71,153
Little Cloister House	17,037	5,031
Wardle House	74,014	36,341
Paddock House – 5 Pitt Street	408,054	69,109
Coach House	29,682	21,765
Dulverton House (excluding furniture and fittings)	1,848,619	2,174,837
Paddock Car Park Development	116,767	111,470
Music Room – 3 & 4 Pitt Street	61,797	58,090
	<u>2,665,518</u>	<u>2,573,457</u>
	<u>10,663,193</u>	<u>8,370,967</u>

- (i) The total cost of the Dulverton House redevelopment, including fixtures and fittings, was £2,224,440.
- (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 2021

12. Fixed Asset Investments

Group	2021 £	2020 £
Quoted investments at market value 1 August 2020	81,292	82,788
Unrealised gains	13,295	214
Disposal of investments	-	(1,710)
	<u>94,587</u>	<u>81,292</u>
Quoted investments at market value 31 July 2021	<u>94,587</u>	<u>81,292</u>
Cost	<u>10,400</u>	<u>10,400</u>
School		
Quoted investments at market value 1 August 2020	81,292	82,788
Unrealised gains	13,295	214
Disposal of investments	-	(1,710)
	<u>94,587</u>	<u>81,292</u>
Quoted investments at market value 31 July 2021	<u>94,587</u>	<u>81,292</u>
Shares in subsidiary trading company, at cost	<u>3</u>	<u>3</u>
	<u>94,590</u>	<u>81,295</u>
Cost	<u>10,403</u>	<u>10,403</u>

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:

	2021 £	2020 £
Turnover	17,525	31,802
Cost of sales	-	-
Gross Profit	<u>17,525</u>	<u>31,802</u>
Administration expenses	<u>(12,456)</u>	<u>(15,037)</u>
Operating profit	<u>5,069</u>	<u>16,765</u>
Gross covenant to The King's School, Gloucester	<u>(5,069)</u>	<u>(16,765)</u>
Retained profit for the year	<u>-</u>	<u>-</u>

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

13. Debtors

	Group		School	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	287,477	177,809	280,757	177,809
Other debtors	53,213	386,830	53,213	386,830
Prepayments and accrued income	298,270	235,208	298,270	235,209
Amounts owed by group companies	-	-	18,435	30,973
	<u>638,960</u>	<u>799,847</u>	<u>650,675</u>	<u>830,821</u>

14. Creditors: amounts falling due within one year

	Group		School	
	2021 £	2020 £	2021 £	2020 £
Bank loan	698,367	99,704	698,367	99,704
Trade creditors	199,260	154,529	199,260	154,529
Taxes and social security costs	125,930	114,885	125,930	114,885
Pension costs	97,971	92,108	97,971	92,108
Refundable fee deposits	236,316	232,803	236,316	232,803
Advance fee payments	136,027	110,199	136,027	110,199
Fees received in advance	396,199	481,858	396,199	481,858
Other creditors	55,945	14,472	55,945	14,472
Accruals and deferred income	247,164	165,085	243,701	163,955
	<u>2,193,179</u>	<u>1,465,643</u>	<u>2,189,716</u>	<u>1,464,513</u>

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

	Group and School	
	2021 £	2020 £
Bank loan	1,495,491	1,945,337
Bond	1,519,300	1,519,300
Other loans	77,500	77,500
Advance fee payments	533,529	497,833
	<u>3,625,820</u>	<u>4,039,970</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 2021

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	
	2021 £	2020 £
Due within one year		
Bank loans	698,367	99,704
Due within one to two years		
Bank	231,421	672,693
Other loan	77,500	
Due within two to five years		
Bank loan	574,526	524,654
Other loan	-	77,500
Due in more than five years		
Bank loan	689,544	747,990
Bond	1,519,300	1,519,300
	3,790,658	3,641,841

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:

	2021 £	2020 £
Greater than 5 years	62,637	225,287
Within 2 to 5 years	338,173	190,837
Within 1 to 2 years	132,719	81,709
	533,529	497,833
Within 1 year	136,027	110,199
	669,556	608,032

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

	£
Balance at 1 August 2020	608,032
New payments	179,595
Amounts accrued to contracts as debt-financing costs	14,150
	801,777
Amounts refunded	(5,934)
Amounts utilised in payment of fees	(126,287)
Balance at 31 July 2021	669,556

THE KING'S SCHOOL, GLOUCESTER

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

17. Analysis of Net Assets Between Funds – Current year

	Unrestricted funds £	Restricted funds £	Total £
Group			
Tangible fixed assets	8,680,441	-	8,680,441
Investments	-	94,587	94,587
Net current assets/(liabilities)	(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	3	94,587	94,590
Net current assets/(liabilities)	(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>

Analysis of Net Assets Between Funds - Prior year

	Unrestricted funds £	Restricted funds £	Total £
Group			
Tangible fixed assets	6,880,518	-	6,880,518
Investments	-	81,292	81,292
Net current assets	1,999,427	147,035	2,146,462
Long term liabilities	(4,039,970)	-	(4,039,970)
	<u>4,839,975</u>	<u>228,327</u>	<u>5,068,302</u>
	Unrestricted funds £	Restricted funds £	Total £
School			
Tangible fixed assets	6,880,518	-	6,880,518
Investments - restated	3	81,292	81,295
Net current assets	1,998,645	147,035	2,145,680
Long term liabilities	(4,039,970)	-	(4,039,970)
	<u>4,839,196</u>	<u>228,327</u>	<u>5,067,523</u>

THE KING'S SCHOOL, GLOUCESTER

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

18a. Restricted Funds: Movements in the Year

	<i>Balance as at 1 August 2020 £</i>	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

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.

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 Annual Fund is an annual fundraising activity for specific purposes.

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

Wardle House & Dulverton funds are both specific to redevelopment of existing buildings held within 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 Computer Science Equipment fund is from donations towards computer science equipment.

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 transfer of £17,000 from the Dulverton Restricted Fund to Unrestricted Funds reflects expenditure on the redevelopment of Dulverton House which was completed within the year.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Restricted Funds: Movements in the Prior year

	Balance as at 1 August 2019 £	Income £	Expenditure £	Gains on investments £	Balance as at 31 July 2020 £
Prize & Scholarship fund	145,274	759	(201)	214	146,046
Bursary fund	10,657	863	-	-	11,520
Sports fund	5,855	-	-	-	5,855
Computer Science Equipment	-	485	(444)	-	41
Annual fund	3,898	278	-	-	4,176
Wardle House fund	27,243	2,419	-	-	29,662
Art Scholars Fund	-	12,500	(1,167)	-	11,333
Music fund	10,316	599	-	(8,421)	2,494
Art fund	200	-	-	-	200
Dulverton fund	13,000	36,000	-	(32,000)	17,000
School and Group restricted funds	216,443	53,903	(1,812)	(40,207)	228,327

18b. Unrestricted Funds: Movements in the Year

	Balance as at 1 August 2020 £	Income £	Expended £	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

Unrestricted Funds: Movements in the Prior Year

	Balance as at 1 August 2019 £	Income £	Expended £	Gains on investments £	Balance as at 31 July 2020 £
General funds	4,931,627	8,224,745	(8,357,597)	40,421	4,839,196
School funds	4,931,627	8,224,745	(8,357,597)	40,421	4,839,196
Non charitable trading funds	785	31,802	31,808	-	779
Group funds	4,932,412	8,256,547	(8,389,405)	40,421	4,839,975

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

19. Pension Scheme

During the financial year the School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £793,779 (2020: £745,305). Furthermore, at the year-end £96,215 (2020: £90,443) was accrued in respect of contributions to the scheme. On 31 August 2021 the School opted to withdraw from the TPS and so going forward, contributions will no longer be payable to the Teachers' Pension Scheme.

20. Operating Lease Commitments

At 31 July 2021, the School had future minimum commitments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Other		
Expiring within one year	98,010	63,022
Expiring between one and five years	301,664	281,832
Total	399,674	344,854

21. Related Party Transactions

In 2020, the School charged £5,763 (2020: £7,908) to Serlo Enterprises Limited for the provision of staff and the administrative services. The balance owed to the School at 31 July 2021 was £18,435 (2020: £30,973).

The spouse of a governor received a salary of £24,752 (2020: £22,971) for their employment as a teacher by the school.

During the financial year the School had transactions totalling £9,297 with 2 companies 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 2021 the School had outstanding authorised contractual commitments in respect of capital project totalling £nil (2020: £1,844,276).

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

23. Comparative SOFA (RESTATED)

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income and endowments from:			
Charitable activities			
School fees	7,676,410	-	7,676,410
Ancillary trading	511,087	-	511,087
Other trading activities			
Other incoming resources	490,040	-	490,040
Trading turnover – Serlo Enterprises	31,802	-	31,802
Investments			
Investment income	7,492	-	7,492
Voluntary sources			
Voluntary income	<u>1,719</u>	<u>53,903</u>	<u>55,622</u>
Total incoming resources	<u>8,718,550</u>	<u>53,903</u>	<u>8,772,453</u>
Expenditure on:			
Raising funds			
Serlo Enterprises trading costs	15,037	-	15,037
Fundraising costs – other	11,618	-	11,618
Finance costs	<u>96,364</u>	<u>-</u>	<u>96,364</u>
Total deductible costs	123,019	-	123,019
Charitable activities			
Education and grant making costs	<u>8,728,389</u>	<u>1,812</u>	<u>8,730,201</u>
Total expenditure	<u>8,851,408</u>	<u>1,812</u>	<u>8,853,220</u>
Net incoming funds from operations before transfers and investment gains	(132,858)	52,091	(80,767)
Transfers	40,421	(40,421)	-
Gains on investments	<u>-</u>	<u>214</u>	<u>214</u>
Net movement in funds for the year	<u>(92,437)</u>	<u>11,884</u>	<u>(80,553)</u>