

King's School, Bruton

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

for the year ended

30 June 2021

Charity registration No. 1071997

Company registration No. 03304693

CONTENTS

	Pages
Reference and administrative information	2-3
Report of the Governors	4-15
Independent auditor's report	16-18
Consolidated statement of financial activities	19
Balance sheet	20
Consolidated cash flow statement	21
Notes to the financial statements	22-43

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) for the year ended 30 June 2021

CHARITY INFORMATION

Charity registration number:	1071997
Company registration number:	3304693
Company secretary:	L S Tuson
Registered office:	King's School Bruton Somerset BA10 0ED
Headmaster, King's School:	I S Wilmshurst MA
Headmaster, Hazlegrove School:	M White MA
Bursar:	L S Tuson

DIRECTORS AND TRUSTEES

The directors of the school are its trustees for the purpose of charity law and throughout this report are collectively referred to as Governors. The Governors serving during the year and since the year end, and the committees on which they served (as set out on page 6), are set out below:

R F Badham-Thornhill, BA, PGCE (E)
C R S Birrell MA, FCA (Chairman of Finance Committee, G, SR)
A Clutterbuck, ACIOB (EM)
S R R Edlmann, MA (Senior Warden) (F, G, SR)
D M C Fisher (F)
E G Hobhouse, BSc Eng, MBA (Chairman of Estates Management, F)
L F Hodges, BA (RM, e-Safety)
J B Hopkins BA (Hons) (EM)
T G Jones, MA, OBE (Junior Warden) (RM, G, SR) (retired 31 August 2021)
W Jones MA, MBA, PGCE (E) (retired 28 November 2020)
J C Lawrence CBE, MA, MSc FCMI (RM) (appointed 19 March 2021)
J Mant LLB (Chairman of Risk Management Committee, G)
D K Miles CBE (E)
Mr G W Pretor-Pinney, BSc.Econ, MCSI (F)
H R Sampson, MA, MBA
J R Walker, BEd (Hons) (E, RM, Safeguarding)
P M Wells BEd (Hons) (E)

Committee membership abbreviations:

F – Finance

E – Education

RM – Risk Management

EM – Estates Management

G – Governance

SR - Senior Remuneration

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) for the year ended 30 June 2021

PROFESSIONAL ADVISORS

Auditor:	RSM UK Audit LLP Hartwell House 55-61 Victoria Street Bristol BS1 6AD
Bankers:	HSBC Bank Plc 1 Middle Street Yeovil Somerset BA20 1LR
Solicitors:	Royds Withy King Midland Bridge House Midland Bridge Road Bath BA2 3FP Mogers Drewett LLP Spring House East Mill Lane Sherborne Dorset DT9 3DP

The Governors present their report and the audited financial statements for the year ended 30 June 2021. The report also serves as a directors' report and the strategic report as required by Section 415 of the Companies Act 2006.

The reference and administrative information set out on pages 2 and 3 form part of this report.

The financial statements comply with the requirement of the Charities Act 2011 and the Charities SORP (FRS102).

PUBLIC BENEFIT

The Governors confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The schools deliver public benefit across a broad spectrum of activity by offering bursaries, through the contribution of senior staff to the governance of local schools, through contribution to local communities, and the loan of facilities to the public and state schools. Both schools also raise significant sums of money for good causes locally and around the world.

Although inevitably reduced due to the pandemic, a significant number of organisations in the local communities, including schools, community groups and charities have all benefited from the use of the schools' facilities, from pupils' fundraising initiatives and from pupils' active involvement in events such as concerts, community work and community events such as fetes and fairs over the past year.

Examples of support given this year:

Academic

Classics

The Head of Department has been working with the classics charity 'Classics for All'. Redundant books were donated to local schools and he also gave time as a mentor for future classics teachers.

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) for the year ended 30 June 2021

BTEC Enterprise and Entrepreneurship

Pupils have been doing charity work as part of their course and raised money for Cancer Research, Papyrus and Teenage Mental health. They also provided warm clothes, hats and gloves for the homeless shelter in Bath (Julian's House).

Music

The school hosted the London College of Music examinations for various schools in the region.

Bursaries

The school offers the potential for a continuous educational experience from nursery through to the 6th Form and within this structure the schools use their resources to fund bursaries, on the basis that good education should be available to pupils regardless of means. The Foundation views bursary awards as enabling children from families who would otherwise not be able to afford the fees to access the high quality education of King's Bruton and Hazlegrove. Bursary awards are available to those who meet the entry requirements and are made on the basis of parental means or to relieve hardship where a pupil's education might otherwise be at risk.

In addition this year King's school generated a Covid-19 relief fund through donations from Old Brutonians in order to support families specifically affected by the pandemic who otherwise would not have been able to continue to afford to send their children to the school.

This year overall 126 pupils across the schools benefitted from bursaries.

The school does not have a permanent endowment or retained reserves for funding bursaries. Governors ensure that there are policies in place so that the appropriate level of support is provided from income.

Other assistance is available to help families maintain continuity in the education of their children, such as for siblings in larger families and for children of parents serving in HM Forces whose education might otherwise be disrupted.

Local public benefit – junior and senior schools

One of the school's Senior Team is Chairman of Governors in a South Somerset Trust of 8 primary schools, a Member of South Somerset Redstart Learning Partnership Education Committee and Consultant for Renaissance Learning (providing library guidance for schools across South West England). A member of staff is Chairman of Community Kids Management Committee and is also the Deputy Designated Safeguarding Lead and regularly liaises with the local primary school for a seamless transition of pupils.

The school donated a number of Chromebooks to a local primary school to enable them to deliver remote teaching to pupils during the lockdown periods.

School recording equipment was used at St Vigor and St John Primary School for their leavers plays.

The Astro pitches have been used for hockey training at County Level as well as the local Bruton hockey and Gillingham hockey organisations.

Community service

Over 25 food boxes were donated to the Lord's Larder Foodbank in Yeovil as part of the schools' Harvest Service. The school minibuses were used to transport these donations.

The school also supported the Town with their Remembrance Sunday activities both spiritually and this year technically by providing the equipment and manpower needed for live-streaming the Act of Remembrance in Bruton.

Hazlegrove provided tray bakes for the Queen Camel village Christmas Fayre.

A reduced Community Service programme operated this year with 6th Form pupils helping Church Bridge stores to deliver shopping each week to the residents of Sexey's hospital. They also volunteered at the local vaccination centre and visited elderly residents in Bruton to help with gardening.

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) for the year ended 30 June 2021

Facilities

The school has allowed local businesses and the Church to use the staff car park for parking for events and weddings as parking is limited in the local town.

Whitstone School have used the facilities to camp for their Duke of Edinburgh award.

Charity work

Many staff and pupils volunteered at Covid Vaccination Centres whilst furloughed across the local area to support the NHS, in addition, the school has allowed the use of its car park next to the community hall vaccination centre for visiting patients. A member of staff used school equipment to make medical scrubs for a local hospital, and staff also supported the local shop making deliveries to people shielding in the local vicinity using the school minibuses.

A member of our staff also regularly volunteers at Yeovil District Hospital Emergency Department.

Public benefit at national level

A member of staff gives an annual lecture at Exeter University for the PGCE programme on best teaching practises.

Fundraising activities

Examples of recipients of funds as a result of fundraising activities by the schools this year are as follows:

- The Lords' Larder (Yeovil Foodbank)
- Choose Love
- Dorset and Somerset Air Ambulance
- Royal British Legion
- SOS Kit Aid
- Children in Need
- GAIN
- Blue Skye Thinking
- World Land Trust
- Global Giving
- Social Change and Inclusion Charity
- Queen Camel Church Christmas Fayre
- Save The Children
- Dorset and Somerset Air Ambulance
- Children In Need
- Breast Cancer Unit Appeal, Yeovil Hospital
- Little Princess Trust
- Literacy Trust

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

King's School, Bruton, the charity, is referred to throughout the financial statements as the school.

The school is a charitable company limited by guarantee, incorporated on 20 January 1997 and registered as a charity on 16 October 1998. The guarantors are the members to the extent of £1 each.

The governing documents for the year in question were the Memorandum and Articles of Association dated 20 January 1997. A new set of Articles of Association, dated 2 September 2012, were adopted for immediate use by the Governors.

Uniting direction

A uniting direction dated 18 June 2008 was made under s96 (5) of the Charities Act 1993. The financial statements for King's School, Bruton (Charity No 1071997) also include the assets held by King's School, Bruton Trust (Charity No 1071997 - 1) ('the Trust').

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) for the year ended 30 June 2021

Governors and Management

The governing body, who constitute the members of the school, consists of a maximum of 17 and a minimum of 11 Governors, one to be nominated by the Visitors of the Hospital of Hugh Sexey Esquire in Bruton, all new appointments being confirmed by resolution of the school.

Governors of the school are appointed following an assessment of the skills required to manage the school at board level. An assessment is made of the potential contribution any new governor might make, based on their professional background and relevant experience. Once a new governor has been appointed by the board, an induction programme follows. The officers (Senior Warden, Junior Warden and Chair of Finance) review and discuss any training that Governors might require and appropriate courses are organised. One day a year is set aside by the officers for all Governors to attend. The subject content of this set-aside day enables any training needs to be undertaken as well as a review of strategic issues.

Responsibility for all aspects of both schools is vested in the Governors. The sub-committees of the Governors are:

- Finance (F)
- Education committee (E)
- Risk management (RM)
- Estates management (EM)

These 4 committees meet each term.

- Governance committee (G)
- Senior remuneration (SR)

These 2 committees meet at least once each year and more frequently if required.

No governor has any interest in contracts with the school either directly or indirectly other than as a parent of a child at the school paying fees at the normal rate, or as disclosed in note 26.

The senior school is led by the Headmaster, Mr I S Wilmshurst, MA; the preparatory school, Hazlegrove, is led by the Headmaster, Mr M White, MA. Each Headmaster has his own Senior Management Team, and regular meetings occur between both Headmasters and the Bursar to ensure that the overall policy and direction of the senior and preparatory schools follow the strategic and operational plans set out annually by the Governors.

In March 2002 the Governors established KSB Foundation as a registered charity for the future development and funding of both schools. The members of KSB Foundation are the Governors of King's school and the trustees of the Foundation. The Governors represent a majority of the members. The trustees of the Foundation are:

C L Barber
M Cadbury
N W Robson FCIB (Chairman)
C M Squire
H Sampson MA MBA
Lt Col R Sullivan

The secretary of KSB Foundation is L S Tuson.

In 2018 the Martin Barber Trust (Registered Charity Number 1178069) was set up as a Charitable Incorporated Organisation (CIO) following the receipt of a legacy left to the school. The Trustees of the Martin Barber Trust are:

C R S Birrell
L S Tuson
I S Wilmshurst (Ex Officio)

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) for the year ended 30 June 2021

Key Management Personnel

The Governors consider that they, together with the Headmasters and the Bursar, and the following staff are Key Management Personnel (See note 26 to the financial statements):

King's School	Hazlegrove Preparatory School
• Deputy Head - Pastoral	• Deputy Head
• Deputy Head – Academic	• Director of Studies
• Deputy Head – Sixth Form	• Head of Pre-Prep
	• Senior Academic Tutor

The Governors give their time freely and the pay and remuneration of the Heads and Bursar is set by the Senior Remuneration Committee and is reviewed annually. A number of criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

The Governors have given delegated authority to the Heads to pay higher salaries for exceptional candidates where this is in the interest of the school.

Trading Subsidiary

In September 2007 the Governors established Crown and Dolphin Enterprises Limited (CDE) as a trading subsidiary for the future development of commercial activities within the school. The directors of Crown and Dolphin Enterprises Limited are:

C R S Birrell (Chairman)
L S Tuson

The secretary of Crown and Dolphin Enterprises Limited is L S Tuson.

The financial results of KSB Foundation and Crown and Dolphin Enterprises Limited are shown in note 7 and have been consolidated with those of the school.

Connected Bodies

The school is connected to KSB Foundation, Crown and Dolphin Enterprises Limited and The Martin Barber Trust as explained above. The school ultimately controls the Foundation by virtue of the Foundation's constitution, its Memorandum and Articles of Association, which states that at general meetings the majority of those members present will be Governors.

King's School Bruton has confirmed that it will support Crown and Dolphin Enterprises Limited financially for a period of not less than 12 months from the signing of these financial statements.

The Friends of King's Bruton and the Friends of Hazlegrove are independent committees of interested and supportive parents, which aim to support King's and Hazlegrove respectively and the families.

OBJECTIVES AND ACTIVITIES

King's School, Bruton's objectives are as follows:

- The advancement of education through the provision of an independent day and boarding school.
- To maintain its tradition of Christian education.

The school's main activity is to operate a senior school, King's School, at Bruton, and a preparatory and pre-prep school, Hazlegrove, at Sparkford. It aims to provide an excellent all-round academic, sporting, musical and artistic tuition. It also seeks to develop all pupils through a wide ranging programme of extra-curricular and community-based activities. A Christian ethos is at the heart of all that it does.

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
for the year ended 30 June 2021

PROMOTING HIGH ACADEMIC STANDARDS

The schools offer scholarship awards to recognise high academic potential or the ability to excel in co-curricular activities. Scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to the schools' co-curricular activities. Scholarships are awarded with a percentage fixed remission of fees. Where further assistance is required, scholarship awards may be supplemented by a means tested bursary. The availability of scholarship awards is advertised and shown on the schools' websites.

As part of the schools' emphasis on attracting and retaining high quality staff, a staff discount is offered for staff who choose to educate their children at the schools.

REVIEW OF THE DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS OF THE SCHOOL KING'S SCHOOL

Exam results

Pupils were awarded Teacher Assessed Grades (TAG) for the public exams this year as all formal exams were cancelled in the UK. The school followed a rigorous process, grades were uploaded and a quality assurance process followed. The achievements were as follows:

2021

A Level	A* - A	44.9%
	A* - B	72.4%
GCSE	9 - 7	43.7%
	9 - 4	96.9%
BTEC	Distinction	72.3%

2020

A Level	A* - A	48.3%
	A* - B	73.3%
GCSE	9 - 7	51.9%
	9 - 4	98.7%

Pupil numbers

The 2020 - 2021 school roll started on 355 although at the start of the academic year, year 9 had to access remote learning due to travel restrictions.

Pupil events

Due to Covid 19 restrictions and school closures, many activities planned for this current year were unable to go ahead. Remote teaching was delivered where necessary and actual face-to-face lessons went ahead where regulations permitted.

The annual art trip did go ahead to St Ives which was hugely successful along with practice expeditions for the Gold Duke of Edinburgh Award. A Combined Cadet Force (CCF) activity camp was scheduled for the last week of term. An all school, day trip to Thorpe Park was also scheduled at the end of term.

Sport continued with strong teams in cricket, tennis and athletics. The equestrian team became both Team and Individual National Champions at Hickstead.

HAZLEGROVE SCHOOL

Exam results

In Year 8 16 pupils out of 51 pupils gained scholarships to senior schools across a range of disciplines.

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT) for the year ended 30 June 2021

Pupil numbers

The 2020 - 2021 school roll started on 306 and ended on 336.

Pupil events

A residential trip to the River Dart on Exmoor went ahead as planned and a year 8 leavers trip to Cornwall also took place.

Music

Exam results have been very encouraging again this year although Covid-19 has continued to challenge the department. The period of remote learning required continued innovation with a second Remote Orchestra project being completed. New instrumental opportunities introduced in 2020.

Sport

The school enjoyed the return to competitive fixtures and welcomed spectators back on pitch side. Many measures have been put in place to allow this to happen safely.

Twelve boys have been playing County/Development Cricket for a range of counties – Somerset, Dorset, Surrey and 8 girls have been playing Somerset County/Development Cricket.

All children from the Nursery through to Year 8 have been enjoying athletics in their PE lessons. A full team were taken to the Somerset County Championships in July.

Sixty six children were entered into the 2021 National Schools Biathlon Qualifiers with 5 athletes competing at the recent British Biathlon Championships.

CONNECTED BODIES

CROWN AND DOLPHIN ENTERPRISES LIMITED

The core activities of Crown and Dolphin Enterprises Limited are to generate income from letting out the school facilities, initiating commercial activities, and conducting retail activity.

Due to Covid 19 restrictions all residential lettings were cancelled for the 2020 - 2021 financial year. It is hoped that the situation will improve for the following year.

KSB FOUNDATION

Total funds raised, aside from investment income, was £8,441 compared to £2,578 raised in the previous year.

THE MARTIN BARBER TRUST

The Martin Barber Trust is established as a CIO. The objects of the CIO are the promotion of education through the creation of scholarships or bursaries to be awarded to a child living within the boundaries of the parish of Bruton, Somerset or a child of a former pupil of King's School, Bruton to enable them to be educated at King's School Bruton, Somerset or any successors in such ways as the charity trustees may from time to time think fit.

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
for the year ended 30 June 2021

FUTURE OUTLOOK

The longer term aim of both schools is to:

- Maintain a high level of teaching, both academic and non-academic, so that all pupils develop to their maximum potential.
- Continue to develop the estate to provide the appropriate facilities to fulfil the schools' aims and objectives.
- Update and improve the ICT provision at both schools.
- Encourage self-development in a school with a Christian ethos.
- To maintain the fabric of the many properties owned by the schools with a high level of on-going maintenance.
- Strive to expand its reach in extending public benefit to the wider community.
- Ensure that the schools continue to meet their legal objectives.

In order to achieve these broad aims, it will be necessary to develop the facilities and fabric of the premises, including the continued refurbishment and upgrading of facilities at both King's Bruton and Hazlegrove.

It remains necessary to continue the present high level of maintenance of existing premises in view of their age. These plans are subject to adequate funds becoming available from surpluses generated. There has also been continued investment in ICT at both schools.

FINANCIAL REVIEW*

Pupil numbers averaged 685 for the period to 30 June 2021 (2020: 696). Net school fees rose to £13,177,493 (2020: £13,117,929).

Total group income rose to £13,975,683 (2020: £13,949,026).

Expenditure fell slightly during the year by £922,313 to £13,089,137 (2020: £14,011,450). Teaching costs represented 51% of expenditure. The balance of expenditure comprised welfare 19% premises 14%, support costs 15% trading company expenses 1%.

The surplus, 2020, deficit, in net movement on funds for the group for the year was £929,485 (2020: £61,862) which has been transferred to reserves. These figures include:

A surplus, 2020 deficit, for the subsidiary charity, KSB Foundation of £60 (2020: £84,123).

A deficit, 2020 surplus, before covenant for the subsidiary company Crown and Dolphin Enterprises of £25,814 (2020: £149,482).

A surplus of £43,206 (2020: £6,465) for the Martin Barber Trust.

There was a net increase, 2020 decrease, in cash from the group's ordinary activities of £980,030 (2020: £924,261). There was a net decrease in the group's net current liabilities from a net current liability of £1,271,308 at 30 June 2020 to net current assets of £2,227,675 at 30 June 2021. The change in the net liabilities position last year to net assets this year is due to the inability to present the debt as long term in the prior year due to the breach of covenants.

The consolidated unrestricted general fund of the group at 30 June 2021 was £18,249,844 (2020: £17,579,850). In addition there are funds upon which restrictions have been placed by the donors, the balance of these funds being £701,339 (2020: £408,386). There were also endowment fund balances totaling £643,583 at 30 June 2021 (2020: £608,045) representing permanent endowment properties in King's School, Bruton Trust.

The school's bankers (HSBC) have provided a waiver relating to the covenants on their loans for this year.

Key Performance Indicators

Governors monitor a number of Key Performance Indicators (KPI) in order to gauge the ongoing performance of the school against predicted outcomes and against the wider sector. These include fee levels, pupil numbers, pupil performance in exams, income, remissions, capital expenditure, debt levels and surplus generated. KPIs are measured against budget predictions for the given year and against predicted performance in the given year as shown on the 5 Year Plan. The principal KPI is the Cash Operating Surplus as a percentage of Net Fee Income.

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
for the year ended 30 June 2021

Reserves level and policy

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

Borrowings to finance the capital investments will not exceed a level at which the Governors are confident they can be serviced, based on conservative projections of income and expenditure and cash flows therefrom.

The level of reserves held at the year end are shown in the financial review section above.

EMPLOYMENT ISSUES

Employees

Arrangements exist to keep all employees informed on matters that might concern them and information on the schools' performance and prospects is disseminated widely. All employees benefit from an appraisal process to monitor performance and identify training and development requirements. Governors have engaged with employees and had regard to employee interests in principal decision making during the year.

Employment of people with disabilities

It is the schools' policy that people with disabilities should have full and fair consideration with respect to recruitment, retention, training and personal development. Depending on their skills and abilities, they enjoy the same opportunities for career development and promotion as other employees and the same scope for realising potential.

PENSION LIABILITY

The Governors recognise the liability existing in the TPT Retirement Solutions scheme for non-teaching staff – see note 27 of the financial statements. The Governors are satisfied that existing cash flows are sufficient to meet any anticipated increases in costs. The pension liability has been reported within the financial statements in accordance with accounting standard FRS102.

Governors have been assessing the risks associated with remaining in the Teachers Pension Scheme (TPS) since employer contributions were increased by more than 40% to 23.68% in 2019 and this year consulted with teaching staff and reached agreement to leave the scheme. A new Defined Contribution (DC) scheme was in place from 1 September 2021 with employer contributions set at 19% of pensionable income. Although an increase from the rate of 16.48% paid prior to 2019, this secures the liability for the foreseeable future.

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
for the year ended 30 June 2021

HOW THE BOARD COMPLIES WITH ITS SECTION 172 DUTY

Section 172 (1) of the Companies Act 2006 (Statement of Director's Duties to Stakeholders) requires directors to act in good faith to promote the success of the charity for the benefit of its members, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the charitable company's employees.
- The need to foster the charitable company's business relationships with suppliers, customers and others.
- The impact of the charitable company's operations on the community and the environment.
- The desirability of the charitable company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between members of the charitable company.

The Governors welcome the new reporting requirement detailed in the amendment to the Companies Act 2006 as an opportunity to explain how dialogue with stakeholders has informed and helped to shape its decisions in promoting the success of the School to achieve its charitable purposes.

As set out on page 5 within "Structure, Governance And Management" the schools have developed links with a wide range of organisations to ensure the widest possible access to our facilities and education. Through membership of HMC, IAPS, AGBIS, ISBA, ISC and BSA and through networking with peer groups we ensure that we are able to attain the highest standards of quality and performance. At a local level staff are engaged with business and government in order to ensure the charity meets its objectives.

The schools conduct regular surveys of their parental bodies in order to take account of the views of the charity's key stakeholders and ensure the charity continues to deliver for them. In addition benchmarking reports are commissioned from sector specialist to ensure that governors have a clear understanding of the broader operational context in which the charity functions, so that the impact of long term factors can be properly assessed.

Arrangements exist to keep all employees informed on matters of concern to them and information on the school's performance and prospects is disseminated widely. Senior Management are actively involved in the engagement of colleagues through weekly staff briefings that have been continued on MS Teams throughout the pandemic. Employees are briefed annually on wider issues concerning the schools and the financial performance of the charity and the outlook for the forthcoming years. Staff have the opportunity for direct communication with the Board through a staff liaison governor at each school.

A major issue affecting teaching staff this year has been the decision of the Board to consult on leaving the TPS. Those staff affected were engaged with directly by a nominated Governor who led lengthy and detailed consultation with a staff representative committee, over a series of formal meetings to ensure their views were considered and reached a conclusion agreed by all staff affected.

Governors have taken responsibility as a Board for developing and maintaining the Covid-19 Risk Assessment to ensure that all risks of operating during the pandemic have been effectively mitigated as far as reasonably practicable. In so doing they have put the Health and Safety of all members of the community at the forefront of the school's response to the pandemic.

The Governors are responsible for strategic planning and policymaking for the school and, accordingly, all key decisions, the current performance and future long term plans of the charity and stakeholders are referred to and taken by the Board. The school is governed by the governing body which delegates work to a number of committees. Membership of each committee is outlined on page 6. The Governors, who are also the directors, determine the general policy of the company. In the wake of the pandemic and other factors such as Brexit and evolving education policy in China, Governors have started a fundamental review of the strategy of the charity. This piece of work will set out the strategy for the Foundation for the next 5 years.

Further information can be found in our Strategic Report and the detailed review of achievements and performance for the year.

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
for the year ended 30 June 2021

STREAMLINED ENERGY AND CARBON REPORTING

The amount of energy created via transport, oil and electricity generated by solar panels is minimal and has been excluded from this report under the de-minimis rule.

	Previous Reporting Year 2020 tCO2e	Current Reporting Year 2021 tCO2e
Emissions from the combustion of Natural Gas	490.83	322.90
Emissions from combustion of Liquefied Petroleum Gas (LPG)	320.08	213.20
Emissions from the combustion of Heating Oil	-	51.81
Emissions from fuel in school vehicles	-	8.52
Total of Scope 1	810.91	596.43
Emissions from purchased Electricity	291.43	246.60
Total of Scope 2	291.43	246.60
Emissions from mileage reimbursed to staff	-	0.60
Total of Scope 3	-	0.60
Total gross tCO2e based on the above	1,102.34	843.63
Total energy consumption (Mwh)	5,412	4,973
<u>Intensity ratio:</u>		
Tonnes CO2e gross based on total above per metre square of Gross Internal Area: (Tonne CO2em2), being 28,995m2	0.04	0.03
Tonnes CO2e gross based on mandatory fields above per pupil: 685 (2020: 683) UK based pupils	1.61	1.23

Methodology

The GHG Reporting Protocol – Corporate Standard has been used together with the 2020 and 2021 UK Government's Conversion Factors for Company Reporting. The figures above are in line with the 2020 UK Government environmental reporting guidance, Energy Saving Opportunity Scheme (ESOS) and have been converted into carbon emissions using the 2020 UK Government Conversion Factors published by DEFRA. Carbon intensity is published annually in August/September each year, so the energy used in a calendar year and carbon generated is at the rate at the time of consumption in line with the protocol.

Although this year's figures show a reduction in carbon produced and energy consumed it is the opinion of the Governors that it would be wrong to interpret a trend from this data due to the impact of Covid. Both years saw a closure of the schools due to the pandemic, and in 2021 in particular this occurred during the colder months when ordinarily heating would have been under highest demand. With both schools having substantial boarding communities and normally operating 7 days per week, the closure of the school and reduction in heating to minimum levels would have had a significant impact on carbon generation.

Energy data: Energy metering, invoices, supply summaries / statements, repayment claims for business mileage, fuel cards, and correspondence with suppliers.

Previous audit data: ESOS Phase I and Phase II.

Energy efficiency action

The schools have started a process of decarbonisation of the school estate as follows:

- King's School, Bruton now procures all of its electricity from renewable sources.
- The schools have a rolling maintenance programme in place to renew all boilers and heating systems to ensure they are as efficient as possible within the constraints of available funding and the real estate.
- The schools are investigating the introduction of sub-metering for gas, electricity and water, to provide much greater granularity, identify opportunities, possible waste/savings and provide more insightful data in support of Spend to Save and Net Carbon Road Mapping.

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
for the year ended 30 June 2021

d. The schools continue to install LED lighting associated with PIR sensors across both estates as refurbishment takes place in order to reduce electricity consumption.

e. The trials to improve the sorting of waste within individual buildings have been on hold during the pandemic, and there has been a retrograde move in the amount of waste produced due to the measures introduced.

f. Old windows have been replaced in New House with double glazed thermally efficient units. Further work in this area is programmed for Blackford House. Improvements of this nature in Grade 2 listed buildings are severely curtailed by local planning and conservation constraints. In particular the introduction of conservation double glazing has not been permitted hampering the schools' ability to improve energy efficiency.

g. In 2020 the school carried out an Energy Savings Opportunities Scheme (ESOS) assessment focusing predominantly on improving energy use (fuel) with the school fleet (assessed period April 2018 - March 2019).

CORPORATE GOVERNANCE AND RISK MANAGEMENT

King's School, Bruton and its Board of Governors are committed to high standards of corporate governance.

The Governors meet at least 3 times a year and more frequently if required. The Board has a schedule of matters reserved for its decision, and the results of such deliberations are communicated through the management teams at both senior and preparatory schools, or by the Senior Warden on the Board's behalf, to all relevant parties.

The Governors are responsible for the management of the risks faced by the schools. Detailed considerations of risk are delegated to the appropriate sub-committee with the Risk Management Committee, assisted by the Headmasters and Bursar taking a holistic view of the risk register and presenting resultant risks to the full Board for consideration. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis.

The key controls used by the charity include:

- Formal agendas and detailed minutes for all committee and board activity.
- Specific sub-committee for the review and management of risk.
- Specific sub-committee for governance matters including succession planning.
- Detailed terms of reference for all committees.
- Comprehensive strategic planning, budgeting and management accounting.
- Established organisational structure and lines of reporting.
- Formal written policies.
- Vetting procedures as required by law for the protection of children.

Through the risk management processes established for the schools, the Governors have concluded that the major risks continue to be potential changes to the charitable treatment of the sector in the light of the debate on public benefit and a possible downturn in the demand for independent education in line with current economic anxieties. These anxieties may be exacerbated in the future due to the ongoing pandemic. The impact on the pandemic this year has presented a risk to fee income as a result of a fee reduction made by the schools. This risk has been managed in the short term through the use of reserves and curtailment of operational spending and capital investment in the estate. The Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Going Concern

The Governors have demonstrated strict cost control again this year and despite some loss of income from discounted fees due to the closure of the schools during the second lock down a positive outcome has been achieved. An outstanding on line teaching offer and engagement with the wider King's Bruton and Hazlegrove communities during lockdown has enhanced the reputation of the schools which has contributed to buoyant recruiting at both schools with consequent confidence for future income generation. The relationship with the charity's bankers remains excellent and informal discussions indicate further facilities would be available if required. Analysis of the financial plan for the next 5 years has assured governors that the School remains financially robust even if pupil numbers were to take a reduction. Stress testing has been undertaken against removal of Charities Business Rates Relief. Governors have completed consultation to leave the Teachers Pension Scheme (TPS) on 1 September 2021 thereby removing any future financial risk in this area. Governors have concluded that it is appropriate to prepare the accounts on a going concern basis.

GOVERNORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
for the year ended 30 June 2021

GOVERNORS' RESPONSIBILITIES

The Governors (who are also the directors of the King's School, Bruton for the purposes of company law) are responsible for preparing a Governors' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The report and financial statements have been prepared in accordance with the Companies Act 2006.

Company law requires the Governors to prepare financial statements for each financial year which 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 accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Insofar as each of the Governors of the charity at the date of approval of this report is aware there is no relevant audit information of which the company's auditor is unaware. Each Governor has taken all of the steps that he/she should have taken as a governor in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

RSM UK Audit LLP have expressed their willingness to continue in office as auditor and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

The Governors' report, incorporating the Strategic Report, was approved and signed by the Board of Governors on...26.11.21..... and signed on its behalf:

.....

S R R Edlmann, MA

.....

C R S Birrell, MA, FCA

* These sections of The Governors' Report meet the requirement of the incorporated Strategic Report.

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

Opinion

We have audited the financial statements of King's School, Bruton (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Statement of Cash Flows 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 FRS 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 parent charitable company's affairs as at 30 June 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 group's or parent charitable company'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 other information comprises the information included in the Governors' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Governors' Report. 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 course of 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 the audit:

the information given in the Governors' 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 Directors' Report and the Strategic Report included within the Governors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Governors' Report.

- We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent 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 group or parent 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and income recognition as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and performing substantive test of details over a sampling of donations.

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

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

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.

Kerry Gallagher

Kerry Gallagher (Senior Statutory Auditor)
For and on behalf of RSM Audit LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Date 16 December 2021

King's School, Bruton
(COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Consolidated Income and Expenditure Account)
for the year ended 30 June 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
School fees	3	13,177,493	-	-	13,177,493	13,117,929
Ancillary trading income	4	104,222	-	-	104,222	48,412
Donations, grants and legacies:						
Donations	5	10,964	332,885	-	343,849	55,980
Grant income	5	331,426	-	-	331,426	428,410
Other trading activities:						
Crown and Dolphin Enterprises Limited	7b	10,017	-	-	10,017	276,864
Investment income	6	336	8,340	-	8,676	21,431
Total		13,634,458	341,225	-	13,975,683	13,949,026
EXPENDITURE ON						
Other trading activities:						
Crown and Dolphin Enterprises Limited	7b	31,258	-	-	31,258	104,020
Raising funds:						
Financing costs under advance fees		2,701	-	-	2,701	5,609
Pension finance costs		3,000	-	-	3,000	5,000
Charitable activities:						
Education	10	12,996,505	55,673	-	13,052,178	13,896,821
Total	10	13,033,464	55,673	-	13,089,137	14,011,450
Net gains on investments	6	-	7,401	35,538	42,939	562
Net income/(expenditure)		600,994	292,953	35,538	929,485	(61,862)
NET MOVEMENT IN FUNDS		600,994	292,953	35,538	929,485	(61,862)
FUND BALANCES brought forward		17,579,850	408,386	608,045	18,596,281	18,658,143
FUND BALANCES carried forward		18,180,844	701,339	643,583	19,525,766	18,596,281

The notes on pages 22 to 43 form part of these financial statements.

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET

As at 30 June 2021

Registered Number: 03304693

	Notes	Group 2021 £	School 2021 £	Group 2020 £	School 2020 £
FIXED ASSETS					
Tangible assets	11	20,718,613	20,718,613	20,586,013	20,586,013
Investments	12	226,071	56,073	183,132	48,672
		<u>20,944,684</u>	<u>20,774,686</u>	<u>20,769,145</u>	<u>20,634,685</u>
CURRENT ASSETS					
Stocks	13	38,415	29,062	43,962	33,169
Debtors	14	316,144	351,617	651,165	816,986
Cash at bank and in hand		3,817,286	3,799,438	2,837,256	2,676,866
		<u>4,171,845</u>	<u>4,180,117</u>	<u>3,532,383</u>	<u>3,527,021</u>
CREDITORS: amounts falling due within one year	15	(2,013,170)	(2,327,947)	(4,803,691)	(5,123,209)
NET CURRENT LIABILITIES		<u>2,158,675</u>	<u>1,852,170</u>	<u>(1,271,308)</u>	<u>(1,596,188)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,103,359</u>	<u>22,626,856</u>	<u>19,497,837</u>	<u>19,038,497</u>
CREDITORS: amounts falling due after one year	16	(3,302,593)	(3,302,593)	(557,556)	(557,556)
PENSION PROVISION	27	(275,000)	(275,000)	(344,000)	(344,000)
NET ASSETS		<u>19,525,766</u>	<u>19,049,263</u>	<u>18,596,281</u>	<u>18,136,941</u>
FUNDS					
Unrestricted funds	19	18,180,844	18,030,736	17,579,850	17,403,577
Restricted funds	20	701,339	862,108	408,386	576,945
Permanent endowment fund	21	643,583	156,419	608,045	156,419
TOTAL FUNDS		<u>19,525,766</u>	<u>19,049,263</u>	<u>18,596,281</u>	<u>18,136,941</u>

An unconsolidated Statement of Financial Activities for the school has not been produced as the school has taken advantage of the exemption under section 408 of the Companies Act 2006.

The school's net income/(expenditure) was £981,322 (2020: £15,795).

The financial statements were approved and authorised for issue by the board of Governors of King's School, Bruton on 26.11.21 and signed on their behalf by:



S R R Edlmann, MA



C R S Birrell MA, FCA,

The notes on pages 22 to 43 form part of these financial statements.

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Notes	2021 £	2021 £	2020 £	2020 £
CASH FLOW FROM OPERATING ACTIVITIES:					
Cash provided by/(used in) operations	25		1,398,439		(117,802)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received		8,676		21,431	
Purchase of tangible fixed assets		(663,431)		(650,461)	
NET CASH USED IN INVESTING ACTIVITIES			(654,755)		(629,030)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Drawdown of new bank loan		555,000		-	
Repayment of bank loan		(269,693)		(273,413)	
Interest paid		(51,662)		(49,807)	
Receipts from new advance fee contracts		-		199,703	
Amounts accrued to advance fee contracts		2,701		5,609	
Advance fee contracts repaid		-		(59,521)	
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES			236,346		(177,429)
MOVEMENT IN CASH			980,030		(924,261)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD			2,837,256		3,761,517
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD			3,817,286		2,837,256
ANALYSIS OF CASH AND CASH EQUIVALENTS					
Cash at bank and in hand			3,817,286		2,837,256
TOTAL CASH AND CASH EQUIVALENTS			3,817,286		2,837,256
Analysis of changes in Net Debt					
	1 July 2020	Cashflows	30 June 2021		
Cash at bank and in hand	2,837,256	980,030	3,817,286		
Borrowings excluding overdrafts	(2,678,707)	(285,307)	(2,964,014)		
	158,549	694,723	853,272		

The notes on pages 22 to 43 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

1. ACCOUNTING POLICIES

a) Charity information

King's School, Bruton is a registered charity and private company limited by guarantee in England and Wales. The registered office is King's School, Bruton, Somerset, BA10 0ED.

King's School Bruton, meets the definition of a public benefit entity under section 34 of FRS 102. The principal objectives of the school are detailed in the Governors' report found on page 3 of these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the school. Monetary amounts in these financial statements are rounded to the nearest £1.

b) Basis of preparation

The financial statements have been prepared in accordance with the Charities: 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 (FRS102)) (issued in October 2019) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The accounting policies as disclosed have been applied consistently throughout the current and preceding year.

c) Reduced disclosures

FRS 102 allows qualifying entities certain disclosure exemptions. The school only, has taken advantage of the exemptions for the following disclosure requirements:

- Section 7 "Statement of Cash Flows" - Presentation of an entity only Statement of Cash Flow and related notes and disclosures.
- Section 11 "Basic Financial Instruments" & Section 12 "Other Financial Instrument Issues" - interest income/expenses and net gains/losses for each category of financial instrument.

d) Group financial statements

These financial statements consolidate the results of the school and its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits) on a line by line basis. All financial statements are made up to 30 June 2021.

The assets and liabilities of the subsidiaries are consolidated in the balance sheet. The gross income and gross expenditure of the subsidiaries, KSB Foundation (Company Limited by Guarantee) and Crown and Dolphin Enterprises Limited are included in the consolidated Statement of Financial Activities.

These financial statements also include the assets, liabilities and results of King's School, Bruton Trust, a registered charity which holds permanently endowed assets on behalf of the school. Under a Charity Commission Direction dated 4 July 2018, the financial statements also include the assets, liabilities and results of The Martin Barber Trust, a registered charity which holds permanently endowed assets for the purpose of income generation for the support of scholarships or bursaries, along with restricted and unrestricted reserves also connected to the support of scholarships or bursaries.

All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

e) Going concern

The Governors have demonstrated strict cost control again this year and despite some loss of income from discounted fees due to the closure of the schools during the second lock down a positive outcome has been achieved. An outstanding on line teaching offer and engagement with the wider King's Bruton and Hazlegrove communities during lockdown has enhanced the reputation of the schools which has contributed to buoyant recruiting at both schools with consequent confidence for future income generation. The relationship with the charity's bankers remains excellent and informal discussions indicate further facilities would be available if required. Analysis of the financial plan for the next 5 years has assured governors that the School remains financially robust even if pupil numbers were to take a reduction. Stress testing has been undertaken against removal of Charities Business Rates Relief. Governors have completed consultation to leave the Teachers Pension Scheme (TPS) on 1 September 2021 thereby removing any future financial risk in this area. Governors have concluded that it is appropriate to prepare the accounts on a going concern basis.

f) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the school is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

1. ACCOUNTING POLICIES (*Continued*)

g) Income

Income is recognised in the year in which the school is entitled to receipt, it is probable it will be received and the amount can be measured reliably.

Fees receivable and charges for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school from its unrestricted fund but include contributions received from restricted funds for scholarships.

Donations for the general purposes of the school are recognised when receivable and are credited to unrestricted funds. Donations subject to specific wishes of the donors are carried to relevant restricted funds. Donations where only the income can be spent are held as part of the endowment funds.

Legacies are included when it is probable that a payment will be made or property transferred that the school is entitled to and the amount of value can be reliably measured.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

The company received a discretionary cash grant of £331,426 (2020: £428,410) from the government as part of the Coronavirus Job Retention Scheme (CJRS) which compensates employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on a temporary leave of absence from working for the employer). The grant is conditional upon the employees being employed and on the company PAYE payroll and the employee cannot do any work for their employer that makes money or provides services for their employer or any organisation linked or associated with their employer. There are no unfulfilled conditions or contingencies attached to the grant and the company has received no other forms of government assistance.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the school; this is normally upon notification of the interest paid or payable by the bank.

h) Expenditure

Expenditure is accounted for in the period in which it is incurred. The irrecoverable element of VAT is included within the item of expense to which it relates.

Where an item of expenditure falls directly within one cost category it is attributed to that category only. Where expenditure involves more than one category it is apportioned on a reasonable and justifiable basis. Expenditure is classified under the following activity headings:

- Cost of raising funds comprise the costs of financing under advance fees.
- Expenditure on charitable activities includes costs for the running of the school.
- Other expenditure represents those items not falling into any other heading.

i) Tangible fixed assets

Building improvements and all other fixed asset purchases in excess of £5,000 are capitalised at cost and subsequently measured at cost less accumulated depreciation and impairment.

j) Depreciation

The school does not depreciate its new-build and certain parts of its historic buildings as, in the opinion of the Governors, any depreciation charge would be immaterial due to the very long useful economic lives of such assets. Each year the school invests such significant sums as are necessary in order to maintain the long useful life of these buildings. Land and assets under construction are not depreciated.

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Charity estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation losses. All other impairment losses are recognised in the Statement of Financial Activities.

Other fixed assets are depreciated to residual value over their estimated useful economic life in equal annual instalments at the following rates:

Freehold property with less than 50 year life	2% - 20%
Furniture, fixtures, fittings and equipment	6% - 20%
Computers	33%
Motor vehicles	25%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

1. ACCOUNTING POLICIES (*Continued*)

k) Investments

Investment property, which is property held to earn rentals and/or capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Investment property gifted to the group is measured at fair value on receipt. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

Trade investments are classified as financial instruments and accounted for in accordance with the accounting policy at fair value through profit or loss.

Interest in subsidiaries are initially measured at cost and subsequently measured at cost less accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in the Statement of Financial Activities.

l) Stocks

Stocks are stated at the lower of cost and net realisable value. They exclude purchases of supplies allocated to the subsequent academic year. Stock is accounted for on a First in first out (FIFO) basis.

m) Leased assets

Rentals applicable to operating leases where substantially all of the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities on the straight line basis over the term of the lease.

n) Taxation

The school is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the school is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

o) Pensions

Retirement benefits to employees of King's School, Bruton are provided by the Teachers' Pension Scheme ('TPS') and The TPT Retirement Solutions.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with King's School, Bruton in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and King's School, Bruton is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The school left the TPS with effect from 1 September 2021.

The TPT Retirement Solutions is a multi-employer funded scheme whose contributions are recognised in the Statement of Financial Activities in the period to which they relate, as there is insufficient information available to use defined benefit accounting; a liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the school will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

All other pension arrangements are defined contribution schemes where the assets of the schemes are all held separately from those of the school in an independently administered fund.

In all cases the pension cost charge represents contributions by the school to the fund.

Contributions payable to the school's defined contribution scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over the service lives of employees in the schemes. They are treated as unrestricted expenditure of the school.

p) Advance fees scheme

The school has previously offered parents the opportunity to pay boarding and tuition fees in advance in accordance with a written contract. Quotations are given based on an annual increase in fees each year. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term are charged against the remaining balance and taken to income. All amounts are included in creditors split between amounts falling due within one year and amounts falling due after more than one year.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

1. ACCOUNTING POLICIES (*Continued*)

q) Acceptance deposits

Acceptance deposits are paid to the school to secure a place for the child at the school. Deposits held form part of the general funds of the school until the child leaves the school at which point they are credited without interest to the final payment of the fees or other sums due to the school.

Deposits are held as creditors on the balance sheet and are classified as owing within one year and over one year based on when they are expected to be credited against income.

r) Recognition of liabilities

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

s) Restricted funds

Income comprises gifts, legacies and grants where there is no capital retention obligation or power but only trust law restriction to some specific purpose intended by the donor.

t) Permanent endowment funds

The capital of the fund must remain intact and only the income distributed for the purpose of the fund.

u) Unrestricted funds

These are funds which can be used in accordance with the charitable objects at the discretion of the Governors.

v) Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the school becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the school after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

w) Cash and cash equivalents

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the school's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 estimates is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

Critical accounting estimates:

Non-depreciation of historical buildings

In the opinion of the Governors, the residual value of historical buildings and new builds is such that the resulting depreciation charge would be immaterial due to the very long useful economic lives of such assets. Each year the school invests such significant sums as are necessary in order to maintain the long useful life of these buildings. An annual impairment review is carried out on these assets as detailed in the Fixed assets accounting policy.

3. SCHOOL FEES INCOME

	2021 £	2020 £
Gross fees	16,655,279	17,091,215
Less: total scholarships, bursaries and other fee assistance	(3,477,786)	(3,973,286)
Total school fees	13,177,493	13,117,929

All school fees income in the current and prior year is unrestricted.

4. TRADING INCOME

	2021 £	2020 £
Sundry receipts	26,523	3,550
School transportation receipts	30,652	28,498
Insurance commission	4,069	3,218
Lettings income	42,978	13,146
	104,222	48,412

All ancillary trading income in the current and prior year is unrestricted.

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

5. DONATIONS AND GRANT INCOME

	2021 £	2020 £
Donations:		
External donations received by KSB Foundation	122	253
External donations received by Martin Barber Trust	-	34
Legacy income received	1,577	1,581
Donations for Sports pavilion	86,360	32,877
Donations for 2019 commemoration Fund	2,845	21,235
Donations for Arnold Hayward Stevenson Bursary	43,931	-
Sundry donations	10,964	-
Donations for COVID impact fund	70,550	-
Donations for Science block	127,500	-
Grant income:		
Furlough grants received	331,426	428,410
	<u>675,275</u>	<u>484,390</u>

Donation income of £10,964 (2020: £165) is unrestricted and £332,885 (2020: £55,815) is restricted. Grant income of £331,426 (2020: £428,410) is unrestricted and relates to furlough grants received to fund staff placed on furlough.

6. INVESTMENT INCOME AND GAINS

	2021 £	2020 £
Bank and other interest received	8,676	21,431
Investment gains	7,401	562
Gain on revaluation of investment property	35,538	-
	<u>51,615</u>	<u>21,993</u>

£8,340 (2020: £13,384) of investment income is unrestricted and £336 (2020: £7,485) is restricted. Investment gains of £7,401 (2020: £562) are restricted and the gain on revaluation of investment property forms part of the endowment fund.

7. SUBSIDIARY UNDERTAKINGS' FINANCIAL RESULTS

a.) KSB Foundation (Company Limited by Guarantee)

KSB Foundation was set up to promote the charitable purposes of King's School, Bruton and the Preparatory School, Hazlegrove. KSB Foundation was incorporated in the UK on 1 November 2001 (Company Number 4314697 and with a registered office of King's School, Bruton, Somerset, BA10 0ED). It was registered with the Charity Commission on 22 March 2002 (Charity Number 1091337). KSB Foundation is a subsidiary charity of King's School, Bruton because a majority of its members are Directors of King's School, Bruton and therefore have effective control. The results of KSB Foundation have been consolidated with the school and are shown below:

	2021 £	2020 £
Income		
Donations and legacies	8,441	2,578
Investments	-	3
Total income	<u>8,441</u>	<u>2,581</u>
Expenditure		
Charitable activities: Donations to King's School and governance costs	(8,381)	(86,704)
Total expenditure	<u>(8,381)</u>	<u>(86,704)</u>
Net income and movements in funds	<u>60</u>	<u>(84,123)</u>
Fund balances b/fwd	<u>7,020</u>	<u>91,143</u>
Fund balances c/fwd	<u>7,080</u>	<u>7,020</u>

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

7. SUBSIDIARY UNDERTAKINGS' FINANCIAL RESULTS (*Continued*)

a.) KSB Foundation (Company Limited by Guarantee) (*continued*)

Also included in voluntary income is £2,575 (2020: £2,325) received from King's School, Bruton towards audit fees. The donations paid of £4,806 (2020: £93,662) were paid to King's School, Bruton. These amounts are eliminated on consolidation.

The assets of the subsidiary were:	2021 £	2020 £
Current assets	7,080	7,020
Total net assets	7,080	7,020

b.) Crown and Dolphin Enterprises Limited

Crown and Dolphin Enterprises Limited was set up to undertake the commercial activities of the school. It was incorporated in the UK on 25 September 2006 (Company Number 5945177 and with a registered office of King's School, Bruton, Somerset, BA10 0ED). King's School, Bruton holds 100% of the issued share capital of Crown and Dolphin Enterprises Limited. The results of Crown and Dolphin Enterprises Limited have been consolidated with the school.

A summary of the results of Crown and Dolphin Enterprises Limited are shown below:

	2021 £	2020 £
Turnover	10,017	276,864
Cost of sales	(183)	(37,341)
Gross profit	9,834	239,523
Administrative expenses	(35,636)	(90,354)
(Loss)/profit before interest	(25,802)	149,169
Interest receivable	-	313
Interest payable	(12)	-
(Loss)/profit before taxation	(25,814)	149,482

The (liabilities)/assets of the subsidiary were:

	2021 £	2020 £
Current assets	20,195	171,766
Creditors: amounts falling due within one year	(46,008)	(171,765)
Net current (liabilities)/assets	(25,813)	1
Net (liabilities)/assets	(25,813)	1
Capital and reserves:		
Called up equity share capital	1	1
Profit and loss account	(25,814)	-
	(25,813)	1

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

7. SUBSIDIARY UNDERTAKINGS' FINANCIAL RESULTS (*Continued*)

c.) The Martin Barber Trust (charitable incorporated organisation)

The Martin Barber Trust (charitable incorporated organisation) was set up to promote the charitable purposes of King's School, Bruton and the Preparatory School, Hazlegrove. The Martin Barber Trust was incorporated in the UK on 24 April 2018 (CE013881 and with a registered office of King's School, Bruton, Somerset, BA10 0ED). It was registered with the Charity Commission on 24 April 2018 (Charity Number 1178069).

	2021 £	2020 £
Income		
Donations	1,000	2,434
Rental income	8,340	7,485
Total income	9,340	9,919
Expenditure		
Charitable activities: Donations to King's School and governance costs	(1,672)	(3,454)
Total expenditure	(1,672)	(3,454)
Net income and movements in funds	7,668	6,465
Net gain on revaluation of investment property	35,538	-
Fund balances b/fwd	452,318	445,853
Fund balances c/fwd	495,524	452,318
The assets of the subsidiary were:	2021 £	2020 £
Fixed assets	170,000	134,462
Current assets	325,524	317,856
Total net assets	495,524	452,318

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

8. NET INCOME

The net income for the year is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of assets		
- owned assets	530,831	578,563
Hire of plant and machinery	90,489	74,033
Interest payable on bank loans	51,662	49,807
Pension finance costs	3,000	5,000
Pension provision movement	(72,000)	(68,000)
Auditor's remuneration:		
Fees payable to the Group's auditors for the audit of King's School, Bruton	14,550	14,750
Fees payable to the Group's auditors in respect of:		
The auditing of the financial statements of the subsidiaries	5,150	4,800
All other services	8,475	10,375

No Governors or persons connected with them received any remuneration in the year (2020: nil).

No Governor received reimbursement for travel and other expenses during the year totalling £nil (2020: one governor received £350).

9. STAFF COSTS

	2021 £	2020 £
Wages and salaries	7,523,727	7,819,286
Social security costs	665,473	709,723
Pension contributions	1,147,756	1,210,542
Severance costs	21,621	-
	<u>9,358,577</u>	<u>9,739,551</u>

Severance staff costs were paid during the year of £21,621 (2020: £nil) in order to achieve the appropriate staffing for the schools. Staff costs includes the cost of peripatetic staff of £292,805 (2020: £242,155). These staff are excluded from the employee numbers below.

The number of employees in the year, including part time staff and excluding Governors, is broken down into the following categories:-

	Average Number of Employees	
	2021 Number	2020 Number
Trading company	2	1
Teaching	157	159
Welfare	113	115
Premises	30	27
Support	45	48
	<u>347</u>	<u>350</u>

The number of employees whose total annual emoluments (excluding pension contributions) fell within the following bands were:-

	2021 Number	2020 Number
£60,000 - £70,000	3	4
£70,001 - £80,000	1	3
£90,001 - £100,000	1	-
£100,001 - £110,000	-	2
£120,001 - £130,000	1	-

The total employee benefits paid to key management personnel of the school is disclosed in note 26 to these financial statements.

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

10. ANALYSIS OF EXPENDITURE

	Staff Costs	Other Costs	Depreciation	Total 2021	Total 2020
	£	£	£	£	£
Raising funds:					
Financing costs under advance fees	-	2,701	-	2,701	5,609
Pension scheme finance costs	3,000	-	-	3,000	5,000
Crown and Dolphin Enterprises Limited	30,833	425	-	31,258	104,020
	33,833	3,126	-	36,959	114,629
Charitable activities:					
Teaching	6,258,275	298,134	171,220	6,727,629	7,150,562
Welfare	1,535,734	974,951	7,500	2,518,185	2,478,655
Premises	522,725	1,010,959	352,111	1,885,795	2,246,183
Support	1,008,010	912,559	-	1,920,569	2,021,421
	9,324,744	3,196,603	530,831	13,052,178	13,896,821
Total for the Group	9,358,577	3,199,729	530,831	13,089,137	14,011,450

Expenditure of £55,673 (2020: £197) relates to restricted expenditure with the remainder being unrestricted.

Analysis of support costs

	Educational	Marketing	Governance	Total 2021	Total 2020
	£	£	£	£	£
Staff costs	904,315	103,695	-	1,008,010	1,111,254
Finance and administration	402,693	83,717	-	486,410	535,870
ICT infrastructure	222,713	-	-	222,713	237,794
Travel costs	114,813	-	-	114,813	110,828
Restricted expenditure	55,673	-	-	55,673	197
Governor costs	-	-	2,772	2,772	11,500
Audit and accountancy	-	-	30,178	30,178	13,978
	1,700,207	187,412	32,950	1,920,569	2,021,421

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

11. TANGIBLE FIXED ASSETS (GROUP AND SCHOOL)

	Freehold land and buildings £	Assets under construction £	Furniture, fixtures, fittings computers & equipment £	Motor vehicles £	Total £
Cost:					
At 1 July 2020	23,449,301	50,374	4,573,674	197,422	28,270,771
Additions	652,361	4,075	-	6,995	663,431
Transfer	54,449	(54,449)	-	-	-
At 30 June 2021	24,156,111	-	4,573,674	204,417	28,934,202
Depreciation:					
At 1 July 2020	3,820,932	-	3,688,850	174,976	7,684,758
Charged in the year	313,381	-	205,918	11,532	530,831
At 30 June 2021	4,134,313	-	3,894,768	186,508	8,215,589
Net Book Value:					
At 30 June 2021	20,021,798	-	678,906	17,909	20,718,613
At 30 June 2020	19,628,369	50,374	884,824	22,446	20,586,013

All tangible fixed assets are used in the direct furtherance of the school's objectives.

The legal title of freehold land and buildings with a net book value of £801,790 (2020: £801,790) is held in the name of the incorporated School, King's School, Bruton (Charity No. 1071997). The legal title to the remainder of the freehold land and buildings is held by the unincorporated charity, King's School, Bruton Trust (Charity No. 1071997 - 1).

12. FIXED ASSET INVESTMENTS

	Group 2021 £	School 2021 £	Group 2020 £	School 2020 £
Listed investments	56,071	56,071	48,670	48,670
Shares in subsidiary company	-	2	-	2
Investment property	170,000	-	134,462	-
	226,071	56,073	183,132	48,672

a) Listed investments

	2021 £	2020 £
Market value brought forward	48,670	48,108
Unrealised gain	7,401	562
Market value carried forward	56,071	48,670
Book cost carried forward	5,075	5,075

All investments held are listed in the UK.

Shareholdings represent shares held with the Charities Official Investment Fund.

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

12. FIXED ASSET INVESTMENTS *(continued)*

b) Shares in subsidiary company

	2021 £	2020 £
Shares in Crown and Dolphin Enterprises Limited	1	1
Shares in King's School Bruton International Limited	1	1

The registered office of both subsidiaries above is King's School, Bruton, Somerset, BA10 0ED. King's School Bruton International Limited is dormant.

c) Investment property

	Investment property £
Cost or fair value:	
At 1 July 2020	134,462
Revaluations	35,538
At 30 June 2021	170,000
Impairment:	
At 1 July 2020	-
At 30 June 2021	-
Net Book Value:	
At 30 June 2021	170,000
At 30 June 2020	134,462

The investment property was received through legacy during the year ended 30 June 2019. The investment property has been revalued to £170,000 during the year based on the current market price for similar properties in the area. The trustees therefore deem this to be an accurate valuation.

The investment property is held within the group. The school holds no investment property.

13. STOCKS

	Group 2021 £	School 2021 £	Group 2020 £	School 2020 £
Finished goods and goods for resale	38,415	29,062	43,962	33,169

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

14. DEBTORS: falling due within one year

	Group 2021	School 2021	Group 2020	School 2020
	£	£	£	£
Fees	142,274	142,274	187,179	187,179
Other debtors	986	936	197,025	196,455
Prepayments and accrued income	172,884	172,859	266,961	266,961
Other amounts due from group undertakings	-	35,548	-	166,391
	<u>316,144</u>	<u>351,617</u>	<u>651,165</u>	<u>816,986</u>

15. CREDITORS: Amounts falling due within one year

	Group 2021	School 2021	Group 2020	School 2020
	£	£	£	£
Bank loans and overdrafts	236,596	236,596	2,678,707	2,678,707
Trade creditors	529,347	527,905	211,635	211,633
Taxation and social security	178,941	178,941	176,907	176,593
Amounts due to pension schemes	142,095	142,095	146,883	146,883
Other creditors	235,281	235,281	192,032	192,032
Accruals and deferred income	690,910	681,604	1,165,987	1,161,006
Advance fees scheme (see note 18)	-	-	231,540	231,540
Other amounts due to group undertakings	-	325,525	-	324,815
	<u>2,013,170</u>	<u>2,327,947</u>	<u>4,803,691</u>	<u>5,123,209</u>

Included within the group's accruals and deferred income is £70,448 (2020: £nil) in relation to school fees paid in advance and £5,500 (2020: £500) in relation to deposits for future events.

16. CREDITORS: Amounts falling due after more than one year (GROUP AND SCHOOL)

	2021 £	2020 £
Bank loans	2,727,418	-
Parents' deposits	575,175	557,556
	<u>3,302,593</u>	<u>557,556</u>

The first secured bank loan was taken out in March 2009 to finance new builds and maintenance work at both King's School & Hazlegrove. It is repayable in equal termly instalments over 10 years from draw down and was repaid during the prior year. Interest on the loan was repayable at bank base rate plus 1.75% and later renegotiated to a new interest rate of 1.15% over base rate. It was repaid in the year.

A further secured bank loan was taken out in December 2013 to part finance the new Teaching and Learning Centre at Hazlegrove, the Fitzjames. It is repayable in equal termly instalments over 10 years from draw down. Interest on the loan is payable at bank base rate plus 2%. Changed to 1.15% over base rate.

An additional secured loan was taken out in May 2016 to finance the Arion Coach House. It was repayable in equal termly instalments over five years from draw down. Interest on the loan was payable at bank base rate plus 2%. Changed to 1.15% over base rate.

A secured bank loan was taken out in February 2018 to part finance The Rectory/Glebe. It is repayable in equal termly instalments over 25 years from draw down. Interest on the loan is payable at bank base rate plus 1.45%.

A secured bank loan was taken out in February 2018 to part finance The Music School. It is repayable in equal termly instalments over 20 years from draw down. Interest on the loan is payable at 2.5%.

A new secured loan was taken out in December 2020 to purchase 1 Wellesley Green for living accommodation for the House Mistress. It is repayable in instalments over 25 years from draw down. Interest on the loan is payable at 1.66%.

All loans are secured by way of a debenture comprising a fixed and floating charge over the school's assets and undertakings.

The group's loans were reclassified as repayable in one year in the prior year due to a technical breach of the financial covenants schedule relating to the loans.

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

17. BORROWINGS (GROUP AND SCHOOL)

	2021 £	2020 £
Bank loans	2,964,014	2,678,707
	<u>2,964,014</u>	<u>2,678,707</u>
Payable within one year	236,596	2,678,707
Payable after one year	2,727,418	-
	<u>2,964,014</u>	<u>2,678,707</u>
Greater than five years payable by instalments	2,485,993	-
	<u>2,485,993</u>	<u>-</u>

See note 16 for details of bank loans.

18. ADVANCE FEES SCHEME (GROUP AND SCHOOL)

	2021 £	2020 £
Shown as:		
Amounts due within one year (note 15)	-	231,540
	<u>-</u>	<u>231,540</u>

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

	£	£
Balance brought forward	231,540	289,668
New contracts	-	199,703
Amounts accrued to contracts as debt-financing costs	2,701	5,609
	<u>234,241</u>	<u>494,980</u>
Amount utilised in payment of fees	(234,241)	(203,919)
Capital repaid	-	(59,521)
	<u>-</u>	<u>(59,521)</u>
Balance carried forward	-	231,540
	<u>-</u>	<u>231,540</u>

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

19. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR

Group
2021

	Balance at 30 June 2020 £	Income £	Expenditure £	Gains/(losses) Transfers £	Balance at 30 June 2021 £
School - general fund	17,403,578	13,624,503	(12,997,345)	-	18,030,736
KSB Foundation - general fund	62	8,319	(8,381)	-	-
Martin Barber Trust - general fund	(11,944)	1,000	(1,000)	-	(11,944)
Group charity fund	17,391,696	13,633,822	(13,006,726)	-	18,018,792
Non-charitable trading funds	1	10,017	(35,831)	-	(25,813)
	17,391,697	13,643,839	(13,042,557)	-	17,992,979
Eliminated on consolidation	188,153	(9,381)	9,093	-	187,865
Group	17,579,850	13,634,458	(13,033,464)	-	18,180,844

2020

	Balance at 30 June 2019 £	Income £	Expenditure £	Gains/(losses) Transfers £	Balance at 30 June 2020 £
School - general fund	17,529,273	13,776,988	(13,902,683)	-	17,403,578
KSB Foundation - general fund	84,307	2,459	(86,704)	-	62
Martin Barber Trust - general fund	(11,978)	2,434	(2,400)	-	(11,944)
Group charity fund	17,601,602	13,781,881	(13,991,787)	-	17,391,696
Non-charitable trading funds	1	277,177	(277,177)	-	1
	17,601,603	14,059,058	(14,268,964)	-	17,391,697
Eliminated on consolidation	103,774	(173,332)	257,711	-	188,153
Group	17,705,377	13,885,726	(14,011,253)	-	17,579,850

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

20. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

<u>2021</u>	Balance brought forward £	Income £	Expenditure £	Investment gains/ (losses) & transfers £	Balance carried forward £
The Scholarship and Prize Fund	46,093	1,577	-	7,401	55,071
Courtyard works - Fitzjames	16,000	-	-	-	16,000
Fitzjames Theatre	5,238	-	-	-	5,238
2019 Commemoration Fund	22,092	2,845	(1)	-	24,936
Arnold Hayward Stevenson Bursary	350,000	43,931	-	-	393,931
John Davie Room Refurbishment	3,029	-	-	-	3,029
Old Brutonian Golf Society	697	-	-	-	697
Art Gallery	14,508	-	-	-	14,508
Sports Pavilion	117,256	86,360	-	-	203,616
The 2021 Covid Impact Fund	-	70,550	(55,000)	-	15,550
HZG Science Block Donation	-	127,500	-	-	127,500
All other funds less than £1,000	2,032	-	-	-	2,032
School	576,945	332,763	(55,001)	7,401	862,108
KSB Foundation funds for:					
John Davie Room Refurbishment	890	-	-	-	890
Fitzjames Extension	6,068	122	-	-	6,190
	6,958	122	-	-	7,080
Martin Barber Trust	12,636	8,340	(672)	-	20,304
	12,636	8,340	(672)	-	20,304
Eliminated on consolidation	(188,153)	-	-	-	(188,153)
Group	408,386	341,225	(55,673)	7,401	701,339

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

20. RESTRICTED FUNDS: MOVEMENTS IN THE YEAR *(Continued)*

<u>2020</u>	Balance brought forward £	Income £	Expenditure £	Investment gains/ (losses) & transfers £	Balance carried forward £
The Scholarship and Prize Fund	43,950	1,581	-	562	46,093
Courtyard works - Fitzjames	16,000	-	-	-	16,000
Fitzjames Theatre	5,238	-	-	-	5,238
2019 Commemoration Fund	-	21,235	857	-	22,092
Arnold Hayward Stevenson Bursary	350,000	-	-	-	350,000
John Davie Room Refurbishment	3,029	-	-	-	3,029
Old Brutonian Golf Society	697	-	-	-	697
Art Gallery	14,508	-	-	-	14,508
Sports Pavilion	-	117,256	-	-	117,256
All other funds less than £1,000	2,032	-	-	-	2,032
School	435,454	140,072	857	562	576,945
KSB Foundation funds for:					
John Davie Room Refurbishment	890	-		-	890
Fitzjames Extension	5,946	122		-	6,068
	6,836	122	-	-	6,958
Martin Barber Trust	6,205	7,485	(1,054)	-	12,636
	6,205	7,485	(1,054)	-	12,636
Eliminated on consolidation	(103,774)	(84,379)		-	(188,153)
Group	344,721	63,300	(197)	562	408,386

The Scholarship and Prize Fund was set up from donations received to provide income for pupil scholarships and prizes.

The Fitzjames Theatre Fund comprises gifts restricted by donors to the Foundation for making improvements to the stage and auditorium of the theatre at King's School, Bruton.

The 2019 Commemoration Fund was established for fund raising for the school's Five Hundredth Anniversary celebrations.

The Arnold Hayward Stevenson Bursary Fund was set up from donations received to enable a gifted pupil with potential to further education in art or architecture or the history of art or architecture, to attend the school as an Art or Art History Scholar, who might otherwise not be able to afford to do so.

The John Davie Room Refurbishment Fund was established to raise monies towards the costs of refurbishment of the John Davie Room, the next stage in the Memorial Hall Refurbishment Project.

The Old Brutonian Golf Society Fund is set up to contribute to the cost of golf tuition for King's School pupils.

The Art Gallery fund comprises gifts to the Foundation restricted by donors to build a gallery in the school Design Centre (King's Bruton) for exhibitions of students' art and the work of artists in the local community.

The 2021 Covid Impact Fund was set up through donations from Old Brutonians in order to support families specifically affected by the pandemic who otherwise would not have been able to continue to afford to send their children to the school.

The Hazlegrove Science Block fund is a donation specifically for the refurbishment and purchase of equipment for the Science facilities at Hazlegrove.

The Fitzjames Extension fund comprises gifts to the Foundation restricted by donors to provide a purpose-built fitness suite and gymnasium and separate these activities from the school theatre (King's Bruton) which is housed in the same building.

The Martin Barber Trust was set up in the prior year to fund scholarships or bursaries for children living within the boundaries of the parish of Bruton, Somerset, or a child of a former pupil of King's School, Bruton, to enable them to be educated at King's School, Bruton.

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

21. ENDOWMENT FUNDS: MOVEMENTS IN THE YEAR (GROUP AND SCHOOL)

<u>2021</u>	Balance brought forward £	Income £	Expenditure £	Investment gains/ (losses) & transfers £	Balance carried forward £
Permanent endowment - endowment properties	156,419	-	-	-	156,419
Martin Barber Trust	451,626	-	-	35,538	487,164
	<u>608,045</u>	<u>-</u>	<u>-</u>	<u>35,538</u>	<u>643,583</u>
<u>2020</u>	Balance brought forward £	Income £	Expenditure £	Investment gains/ (losses) & transfers £	Balance carried forward £
Permanent endowment - endowment properties	156,419	-	-	-	156,419
Martin Barber Trust	451,626	-	-	-	451,626
	<u>608,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,045</u>

Certain School properties have been identified as permanent endowment assets and are shown separately as a permanent endowment fund.

22. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

<u>2021</u>	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	20,562,194	-	156,419	20,718,613
Investments	-	56,071	170,000	226,071
Current assets	3,209,413	645,268	317,164	4,171,845
Liabilities	(5,590,763)	-	-	(5,590,763)
	<u>18,180,844</u>	<u>701,339</u>	<u>643,583</u>	<u>19,525,766</u>
<u>2020</u>	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	20,295,132	-	290,881	20,586,013
Investments	-	183,132	-	183,132
Current assets	2,989,965	225,254	317,164	3,532,383
Liabilities	(5,705,247)	-	-	(5,705,247)
	<u>17,579,850</u>	<u>408,386</u>	<u>608,045</u>	<u>18,596,281</u>

King's School, Bruton

(COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

23. OPERATING LEASE COMMITMENTS

At 30 June 2021 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due in one year	86,169	78,554
Amounts due between one and five years	87,007	121,435
	=====	=====

24. CAPITAL COMMITMENTS

Prior to the year end the school committed and paid a deposit for a science refurbishment of £77,634 which is due to be started in July 2021.

25. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income	929,485	(61,862)
Non-operating cashflows eliminated:		
Interest received	(8,676)	(21,431)
Interest payable	51,662	49,807
Gain on investments	(7,401)	(562)
Depreciation	530,831	578,563
Profit on disposal of fixed assets	-	(10,906)
Gain on revaluation of investment property	(35,538)	-
Finance cost pension provision	3,000	5,000
Pension provision movement	(72,000)	(68,000)
Decrease in stocks	5,547	19,221
Decrease/(increase) in debtors	335,021	(27,435)
(Decrease) in creditors	(333,492)	(580,197)
	=====	=====
	1,398,439	(117,802)

26. RELATED PARTY TRANSACTIONS

The key management personnel of the school and Group are detailed in the Governors' Report. The total remuneration for these personnel in the year was £753,243 (2020: £748,015).

Transactions with group undertakings (School)

During the year the school gave a £2,575 (2020: £2,325) donation to its subsidiary KSB Foundation which was used against the audit fees. During the year the school received a donation of £4,806 from KSB Foundation (2020: £86,704). At the year end there were no outstanding balances (2020: £nil).

During the year the school received £nil (2020: £149,482) from its subsidiary Crown & Dolphin Enterprises Limited, which is included in unrestricted donations. The school also recharged £35,787 (2020: £66,570) to this entity in the year for payroll costs and £nil (2020: £19,125) for management and rental costs. At the year end the school was due £35,260 (2020: £166,392).

During the year the school received £8,340 (2020: £9,919) on behalf of its subsidiary The Martin Barber Trust in respect to donations made to them and paid £672 (2020: £3,454) of legal and maintenance fees on their behalf. £325,524 (2020: £317,856) is due to the subsidiary at the year end.

Other Transactions with Governors

The school received donations from Governors amounting to £nil (2020: £2,450).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

27. PENSION SCHEMES

The school participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £954,334 (2020: £943,543) and at the year-end £112,695 (2020: £115,578) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. Membership is automatic for teachers. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. The school has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out below the information available on the scheme.

Valuation of the Teachers' Pensions Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).

The next valuation result is due to be implemented from 1 April 2023.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. King's School, Bruton has accounted for its contributions to the scheme as if it were a defined contribution scheme. King's School, Bruton has set out above the information available on the scheme.

With effect from 1 September 2021 the school left the TPS.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

27. PENSION SCHEMES (*Continued*)

The TPT Retirement Solutions

Non-academic staff are entitled to contribute to a pension scheme known as The TPT Retirement Solutions. This is a multi-employer pension plan and in most respects is a money purchase arrangement, although it has in the past included certain guarantee elements as described below. The same scheme has been used for Auto Enrolment (staging date February 2014) although at lower contribution levels (as below).

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

The school paid contributions at a rate of 8.75% (2% for Auto Enrolment) of member salaries during the year. The cost for the year was £263,735 (2020: £266,999) and the outstanding contributions at the balance sheet date were £29,100 (2020 £31,305.)

As at the balance sheet date there were 158 (2020: 140) active members of the Plan employed by the school, of whom 50 (2020: 43) were in the Auto Enrolment scheme. The school continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. In accordance with FRS 102 the plan is accounted for as defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

27. PENSION SCHEMES (*Continued*)

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the school has agreed to a deficit funding arrangement the school recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed below. The unwinding of the discount rate is recognised as a finance cost and any periodic re-estimation of the deficit funding is recognised directly in income and expenditure:

	Group 2021 £	School 2021 £	Group 2020 £	School 2020 £
Pension provision	275,000	275,000	344,000	344,000
	275,000	275,000	344,000	344,000

Reconciliation of pension provision

	Group 2021 £	School 2021 £	Group 2020 £	School 2020 £
Provision at the start of the period	344,000	344,000	407,000	407,000
Unwinding of discount factor	3,000	3,000	5,000	5,000
Utilised in year	(72,000)	(72,000)	(68,000)	(68,000)
Provision at the end of the period	275,000	275,000	344,000	344,000

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

The scheme is classified as a 'last-man standing arrangement'. Therefore the school is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. The participating employers are therefore, jointly and severally liable for the deficit in respect of TPT Retirement Solutions.