

Registered company number: 3883748

Registered charity number: 1078461

Registered VAT number: 423470321

KINGSTON GRAMMAR SCHOOL



KINGSTON
GRAMMAR SCHOOL

FOUNDED 1561

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

**REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

**KINGSTON GRAMMAR SCHOOL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

CONTENTS

GOVERNORS, DIRECTORS & OFFICERS	2
ADVISERS, REGISTRATION NUMBERS & WEBSITE	3
DIRECTORS' REPORT	4
STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES	8
STRATEGIC REPORT	10
FINANCIAL REVIEW	13
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSTON GRAMMAR SCHOOL	17
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	20
CONSOLIDATED BALANCE SHEET	21
KGS SCHOOL BALANCE SHEET	22
CONSOLIDATED STATEMENT OF CASH FLOWS	23
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	24

**KINGSTON GRAMMAR SCHOOL
GOVERNORS, DIRECTORS & OFFICERS
FOR THE YEAR ENDED 31 JULY 2022**

GOVERNORS, DIRECTORS & OFFICERS

Under the Articles of Association the Governors are the charity trustees and are also the directors and members of the Company. The Governors of Kingston Grammar School who served during the year are:

<u>Name</u>	<u>Committee membership and roles</u>
Robert O'Dowd (Chair)	S&R (Chair); I (Acting Chair from Sep 21); F&GP
Lorraine Adam (Vice-Chair)	M&A (Chair); N&G (Chair); E&S
Catherine Chevallier	S&R; F&GP; N&G
Liz Dux	M&A; F&GP (to Dec 21); E&S (from Dec 21)
Andrew Evans	F&GP (Chair); AR&C; I; S&R
Jatinder Harchowal	F&GP;
Nima Khandan-Nia	E&S (to Sep 22); M&A; AR&C (from Sep 22)
Frances Le Grys	AR&C (Acting Chair from Mar 22); M&A; N&G
Julia Mikardo	E&S
Diana Rose	E&S (Chair)
Na'eem Ahmed	M&A; S&R (from Sep 22)
Ed Bowyer ²	AR&C; S&R (from Sep 22)
Nicholas Cole	E&S
Vivek Agarwal ³	F&GP; AR&C
Peter Kelk ⁴	F&GP; I

Resignation / Retirement:-

Mark Annesley ¹	A&RM (Chair); I (Chair); F&GP; S&R
----------------------------	------------------------------------

Basis of, and changes in, appointment

- ¹ Resigned as Governor on 15 September 2021
² Appointed as Governor on 23 September 2021
³ Appointed as Governor on 22 September 2022
⁴ Appointed as Governor on 22 September 2022

Committees

Staffing and Remuneration	S&R
Education & Safeguarding	E&S
Finance & General Purposes	F&GP
Investment	I
Marketing & Admissions	M&A
Nominations & Governance	N&G
Audit, Risk & Compliance	AR&C
(Committee re-named in December 21 - formerly Audit & Risk Management)	

OFFICERS

Head Master	Stephen Lehec
Director of Finance & Operations	David Leen
Deputy Head Safeguarding and Development	Sarah Humphrey
Deputy Head Academic	William Cooper
Clerk to the Governors	Dinah Coomes

**KINGSTON GRAMMAR SCHOOL GOVERNORS
ADVISERS, REGISTRATION NUMBERS & WEBSITE
FOR THE YEAR ENDED 31 JULY 2022**

ADVISERS, REGISTRATION NUMBERS & WEBSITE

Auditor:	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Bankers:	Barclays Bank plc Level 27, 1 Churchill Place Canary Wharf London E14 5HP
Investment Advisers:	CCLA Investment Management Ltd 80 Cheapside London EC2V 6DZ PMN Financial Management LLP 10 Crown Place London EC2A 4FT
Solicitors:	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA
Pension Advisers:	JLT Benefit Solutions DC Consulting South 36 Ridgmont Road St Albans Hertfordshire AL1 3AB
Insurance Brokers:	S Ellis Consulting Ltd 28 Park Road North LeighWitney Oxfordshire OX29 6RX on behalf of AON UK Limited
Principal Address & Registered Office:	70 London Road Kingston upon Thames Surrey KT2 6PY
Website:	www.kgs.org.uk
Registered Charity Number	1078461
Registered Company Number	3883748
Registered VAT Number	423470321

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

The Governors present their Annual Report for the year ended 31 July 2022. This is prepared in accordance with the Companies Act 2006 and the Charities Act 2011 and includes the Directors' Report and Strategic Report, together with the audited Financial Statements for the year. The Governors confirm that the latter comply with the requirements of the Companies Act 2006, the Company's Articles of Association and the Charities SORP 2019.

DIRECTORS' REPORT

CONSTITUTION AND OBJECTS

The Charity, Kingston Grammar School Foundation, was founded in 1561. On 22 November 1999 Kingston Grammar School was incorporated as a charitable company, limited by guarantee, registered in England No. 3883748, and is registered with the Charity Commission under Charity No. 1078461. The company is the corporate trustee of the Kingston Grammar School Foundation. The governing document is the Articles of Association, last amended 4 December 2019.

The objects of the Charity are the advancement of education generally and in particular through the provision and conduct of schools including (but not exclusively) in or near the Royal Borough of Kingston upon Thames.

In furtherance of these objects for the public benefit, the Charity has established and administers fee assistance/bursaries, grants, awards and other benefactions, and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of these Objects.

VISION, AIMS AND OBJECTIVES

At KGS, we aim to live out our motto of 'Work well & be happy' in all that we do.

We believe in achieving excellence with integrity, without compromising on individual wellbeing or our values.

- We encourage and foster personal ambition alongside the development of social conscience.
- We promote commitment and determination in all areas of school life, while highlighting the importance of care for oneself and others in striving for one's goals.
- We provide support to each individual, whilst developing their own sense of self-reliance.
- Most importantly, we aspire for our students to become the leaders of a better, kinder world.

Each of these aims is underpinned by our core values of aspiration, respect and engagement (ARE). It is in this way that we can 'Work well & be happy', and truly know what that means.

Aspiration

We want to equip our young women and men with the skills and confidence they need to pursue their chosen ambitions and pathways. We understand the importance of having the right 'currency' in the form of examination results and other outcomes, whilst also pursuing excellence in a broad range of co-curricular endeavours as goals in themselves. We enable our students to become future-ready, able to master digital technology and to build interpersonal relationships with people from all walks of life. We also recognise that success can be different for every student, and wholeheartedly aim to inspire and support each student in the pursuit of their ambitions.

Respect

We hold dear the notion that every member of the KGS community should have respect for themselves, for other people and for the world in which we live whilst embracing the concept of kindness, in all its facets. We demonstrate an absolute understanding of equality and diversity, as well as promoting sustainability at every level. Beyond this, we encourage the practice of self-kindness, learning to balance competing priorities and both developing and maintaining a positive self-image.

Engagement

We actively encourage our students to fully embrace all the opportunities available to them, including those they are familiar with and may well excel in, and those that are new and require a determined effort. We encourage collaboration with peers and adults both within and beyond the school,

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

recognising how much more can be achieved when working in partnership. We invite our students to give back to the communities of which they are a part, through their leadership and service.

In December 2021 ISI inspectors conducted their routine Regulatory Compliance Inspection. This inspection checks that a schools' policies and practices are compliant with the regulations set by the Department for Education. The school met all 8 Standards inspected.

The most recent ISI Educational Quality and Focused Compliance inspection of the School was in May 2017. The school meets all the requirements of the Education (Independent School Standards) Regulations 2014 and achieved the top category of **Excellent** for students' academic and other achievements as well as personal development. The reports were very positive noting:

- "The high levels of achievement derive significantly from the impact of a culture of all-round accomplishment for all students that is so effectively promoted by the senior leadership and governors. Students are determined to live up to the school motto '*Work well and be happy*' and in this they are conspicuously successful."
- "Without exception, those spoken to feel that this is a kind school where unkindness is never acceptable."
- "Students show great enthusiasm in their work and display excellent attitudes to their learning.... These attributes are prodigious, because they form highly supportive relationships with their teachers who inspire them to enjoy learning and do their best."
- "Students exhibit very strong study skills and are able to think for themselves and work independently, due in large part to carefully planned and well-structured lessons and a curriculum that challenges and captivates students."
- "Students have a pronounced sense of right and wrong and instinctively understand the importance of taking responsibility for their own behaviour and being mindful of its impact on others."
- "Students' success is also enhanced by the academic enrichment activities that give them opportunities to develop their learning beyond the classroom."
- "Key contributory factors to students' personal development are the strong ethos and commitment to students' well-being and the clear sense of purpose promoted by school leaders and governors, the coherent and well-planned pastoral care provision, and the strong and supportive community which values equally academic success and personal growth."
- "Success in sport is particularly notable."
- "Nearly every sport offered is available to both boys and girls, and the equality of opportunity is valued by them."
- "Students show outstanding development and display particularly mature personal qualities for their age."
- "Students possess outstanding communications skills. Their oral contributions, both spontaneous and prepared, are of a particularly high quality. They write with clarity, accuracy, fluency and imagination, often at extended length. Students greatly enjoy learning through discussions and debate. They listen well to each other."
- "Students enjoy marked success in the wide and challenging co-curricular programme that not only enables them to achieve at a high level, but also to develop their talents and interests."
- "The achievement of so many students outside the classroom is due significantly to the breadth of the co-curricular programme which caters fully for their interests and talents, and to the high levels of staff involvement and commitment."
- "Students learn to balance success and failure. They persevere with the challenges presented to them and develop strong self-reliance and independence."
- "Students creative, design and performance skills are notable and strongly displayed around the school, through their bold and sensitive artwork in many different media, the high-quality artefacts produced in design technology, and the strong performance of many musical groups and ensembles."
- "Virtually every student responding to the pre-inspection questionnaire felt they were making good progress as a result of the supportive teaching they receive, and their parents agreed."

The Inspection report made one recommendation for improvement, which was to continue to develop our strategic vision for ICT so that students' collaborative learning and preparation for higher education can be

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

enhanced further using the excellent framework of tools already in place. This recommendation has been taken forward by the Education and Safeguarding Committee.

Our objectives are set to reflect our educational aims and the vision of the School. In setting our objectives and planning our activities Governors have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on fee-charging and advancement of education. The focus of our objectives is on the development of our students, their continued high levels of academic, co-curricular achievement and pastoral wellbeing and to further widen access to the education our School provides. Our key objectives for the year, in line with our three-year School Development Plan are to:

- Attract and admit the students who have the greatest potential to benefit from an education at Kingston Grammar School.
- Recruit and retain the most suitably qualified teaching and support staff who are committed to the vision and values of the School.
- Promote and deliver an exceptional level of teaching and learning in order to achieve the best possible outcomes for our students.
- Provide unrivalled levels of pastoral care to enable all our students to fulfil their potential.
- Offer an enriching and engaging co-curricular programme that allows every student the opportunity to benefit from an enhanced educational experience.
- Maintain and grow income to enable investment in the School's long term future and to provide high quality facilities to deliver education to the highest standards.

GOVERNANCE AND MANAGEMENT

Governing Body

Membership of the Governing Body and its Committees is set out on page 1. As noted on page 1 since 31 July 2021 one Governor has stood down and three new Governors have been appointed.

Under the Articles of Association, revised in March 2020, the Governing Body is composed of no fewer than ten and not more than fifteen individuals appointed by resolution of the Board. The normal term of office is four years. A Governor may serve two consecutive terms after which, in the absence of exceptional circumstances, they are not eligible for re-election until after a year has elapsed.

Recruitment and training of Governors

New members of the Governing Body are appointed in accordance with criteria and procedures set out in an agreed Recruitment and Induction Policy, seeking to maintain an appropriate balance in terms of age, gender, ethnicity and a range of backgrounds, as well as an appropriate mixture of skills and experience. Under the Policy, the Governing Body will seek to ensure that it includes at least one governor who is a parent of a current pupil when the parent is first appointed as governor, at least one who is a former pupil of the school and at least one Governor who is involved in higher education.

New Governors are inducted into the workings of the Charity and the School, including Governing Body Policy and procedures, at meetings with the Head Master, Director of Operations & Finance, other members of the School Executive and the Clerk to the Governors. Safeguarding training is delivered annually to Governors and an internal training workshop on a topic of strategy is organised each year. In addition, Governors are encouraged to attend training courses to enhance their skills in areas relevant to their role at the school such as finance, marketing and good governance organised by external organisations. Circulation of briefing notes and newsletters from relevant organisations keep them informed and updated on current issues in the sector and regulatory requirements.

Organisational management

The Governing Body is legally responsible for the overall management and control of the School, and usually meets four times a year. The Governing Body delegates specific duties to committees and may refer particular matters to them from time to time. The committees of the Governing Body currently operated as

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

follows:

The Audit, Risk & Compliance Committee - consists of no more than four Governors. The Chair should not also be the Chair of the Finance and General Purposes Committee. The Committee usually meets twice a year. Its terms of reference, as updated in December 2021, are to receive reports from the School's auditors, to agree the form of the annual audit, to recommend to the Governing Body the adoption of the Annual Accounts, to monitor the risk management process and allocate risk management responsibilities to other committees or the Executive, to monitor Health & Safety and to oversee and review compliance generally at the School. Prior to December 2021, this committee was known as The Audit & Risk Management Committee.

The Education and Safeguarding Committee - consists of up to six Governors and usually meets three times a year. Its terms of reference are to consider all educational matters and proposed developments of the educational and safeguarding provision, to receive reports from relevant members of staff on issues of note concerning the whole educational provision of the School or raised by any member of the Governing Body, to receive and review the School's Academic, Pastoral and Co-Curricular Development Plans, to review educational Key Performance Indicators, and to monitor compliance with safeguarding requirements.

The Finance and General Purposes Committee consists of up to seven Governors and usually meets four times a year. Its terms of reference, as updated in September 2022, are to recommend revenue and capital budgets and fee levels to ensure a sound commercial operation; to monitor the financial position of the School; to explore opportunities for the development, expansion and refurbishment of the School's buildings and property; to submit proposals and to monitor the implementation of major projects; to advise on the financial implications of projects and recommendations from other committees; and to approve or recommend changes to the School's financial policies.

The Investment Committee - meets twice a year and consists of up to four members including the Chair or Vice-Chair of the Governing Body, the Chair of the Finance and General Purposes Committee and a Governor with relevant financial experience. Its terms of reference are to make recommendations on investment policy, review compliance with the policy and to monitor performance.

The Marketing and Admissions Committee - consists of up to four Governors and meets twice a year. Its terms of reference are to agree the Admission policy, to ensure a strategy for marketing and publicity and to agree the Bursary parameters.

The Nominations and Governance Committee - consists of up to four Governors including the Vice-Chair of the Governing Body, and meets at least twice a year. Its terms of reference are to lead on matters of succession planning and composition of the Governing Body; to co-ordinate and follow the required process for recruitment of new Governors; to ensure that new Governors receive a proper induction; to integrate and co-ordinate all aspects of governance and legal and regulatory compliance; to keep under review the Governors' register of interests and to advise on conflicts of interest where required.

The Staffing and Remuneration Committee - meets at least once a year and consists of the Chair of Governors, the Chair of the Finance & General Purposes Committee and up to two other Governors. Its terms of reference are to review the pay and conditions of all staff including determining the remuneration of the Head Master, the Deputy Heads, the Director of Finance and Operations and Assistant Heads; and to consider other staff related matters.

During the year 26 meetings of the Governing Body or one of the committees were held and attendance by Governors at these meetings averaged 88%.

All Governors are linked to a member of the School Executive and spend time during the year so that they can experience and understand better how the School operates. Certain Governors fulfil functional roles, relating to Health & Safety, Child Protection and Safeguarding, to ensure legal compliance.

All Governors give their time freely and no remuneration was paid in the year. Where Governors have children who are students at the school there are no special arrangements in respect of the fees payable.

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

Governor's children are eligible for means-tested fee assistance or scholarships in accordance with normal school policies and practice. Governors do not participate in decisions regarding awards of fee assistance or scholarships insofar as their own children are involved.

The day-to-day running of the School is delegated to the Officers, known collectively as the School Executive, who attend relevant meetings of the above governors' committees. The School's Executive comprises: Stephen Lehec (Head Master), David Leen (Director of Finance & Operations), Sarah Humphrey (Deputy Head - Safeguarding and Development), Will Cooper (Deputy Head - Academic), Deborah Sherwood (Assistant Head), Andy Beard (Assistant Head), Anoushka Lett (Assistant Head), Nick Hudson (Assistant Head), Alison Williams (Head of Marketing & Admissions) and Nicola Sloan (Director of Human Resources).

The framework for remuneration of the School staff is set by the Governing Body and is reviewed annually, including reference to comparisons with other independent schools to ensure the School remains sensitive to the broader issues of pay and employment conditions in the local area.

The School has developed a HMC Teacher Training programme to offer professional development to support wider education with well trained teachers in all areas. It brings an outlook of modern teaching methods at the School and provides community benefit as teachers exchange with their state school counterparts. Delivery of the School's charitable vision and purpose is primarily dependent on our key staff and their costs are the largest single element of our charitable expenditure.

Employment Policy

The School actively supports the attainment of the highest standards of education through rigorous and continuous evaluation of quality and performance, the application of best practice and a widespread desire to improve standards.

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governors (who are also directors of Kingston Grammar School for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Governors to prepare Financial Statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and charitable company 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 judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charitable company will continue in business.

The Governors are responsible for ensuring adequate accounting records are kept and are sufficient to show and explain the group and charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the group and charity's constitution. They are also responsible for safeguarding the assets of the group and charity and hence for taking reasonable

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Directors, as members of the Governing Body, at the date of approval of this report is aware there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

In preparing these Financial Statements, the Governors, having duly considered the benefits to the School of so doing, have resolved to adopt a total returns accounting approach to two of the Schools permanent endowments: the RD Finlay Bursary Fund and the KGS Bursary Fund. The following information is relevant to these funds:-

For the RD Finlay Bursary Fund:

- the initial value of the funds trust for investments was established as at 29 June 2017 when Mr RD Finlay gave the School £2,000,000 in cash;
- at that date the value of the Fund's unapplied total return was £nil; and
- It is the object of the RD Finlay Bursary Fund to fund the provision of bursaries and fee assistance for students of the School who satisfy the Fund's Bursary Policy and the Governors consider that this object is best served by maximising the capacity of the Fund to finance these bursaries and fee assistance. Consequently, it is currently the Governors policy to make annual transfers of the unapplied total return arising on the Funds trust for investment to the Funds trust for application. The resulting cash and investments held within the trust for application are subject to the same investment as apply to the trust investment.

For the KGS Bursary Fund:

- the initial value of the funds trust for investments was established as at 1 November 2017 when the School received a donation in cash of £532,221. This together with a founding contribution to the Fund of £10 established the Funds initial trust for investment of £532,231;
- at that date the value of the Fund's unapplied total return was £nil; and
- It is the object of the KGS Bursary Fund to fund the provision of bursaries and fee assistance for students of the School who satisfy the Fund's Bursary Policy and the Governors consider that this object is best served by maximising the capacity of the Fund to finance these bursaries and fee assistance. Consequently, it is currently the Governors policy to make annual transfers of the unapplied total return arising on the Funds trust for investment to the Funds trust for application. The resulting cash and investments held within the trust for application are subject to the same investment as apply to the trust investment.

STRATEGIC REPORT

MISSION STATEMENT

Kingston Grammar School aims to provide the best and broadest educational opportunities possible, in a caring and supporting environment where all are instilled with the virtues of regard, integrity and aspiration. The School also encourages all staff and students to be engaged in productive partnerships whilst fostering a high degree of independence, both now and in future life.

ACTIONS TO ACHIEVE THE PRIMARY OBJECTIVES

Following the global Covid 19 pandemic from Spring 2020, school life largely returned to normal in the 2021/22 academic year albeit with some catch of events and trips.

The School had its highest ever student roll, including expansion of the Sixth Form.

Our actions to achieve the year's objectives included:

- promoted available fess assistance and support to potential students and their families;
- maintained positive engagement with parents through various channels, including newsletters;
- monitor the entrance assessment to ensure a balanced experience despite increased numbers;
- ensured that all communication is of the highest standard with a consistent message and responded to the recommendations of the external communications review;
- used department meetings and INSET to share areas of good practice and development points that needed to be worked on/eradicated;
- celebrated student successes and achievements within an established framework of assemblies and publications, online and hard copy.

To promote high academic standards and broaden access, the School has the following specific policies:

- **Scholarships** - Our scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to our co-curricular activities. Scholarship awards are normally set at 10% but do range from honorary awards up to 40% remission of full fees at 11+, 13+ and 16+, allowing the School to provide further resources to means-tested fee assistance, whilst not increasing the burden on fee-paying parents. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary, up to a total of 100%.
- **Fee Assistance (formerly Bursaries)** - Our means-tested fee assistance, up to 100% of full fees, are used to make places available for deserving students from families who might otherwise not be able to afford school fees or to those students whose education may be at risk due to financial hardship. We also make additional awards when necessary to pay for co-curricular activities, school trips and uniform.
- **Assistance for staff** - As part of our emphasis on attracting and retaining high calibre staff, we offer a discount scheme where staff members choose to educate their children at the School.
- **Fee payment** - a monthly payment facility is available to help those who wish to fund education through regular payments.

The Governors' policy is to offer the School's educational provision to as many children as possible, regardless of means, whilst continuing to promote high academic standards. Our aim is to allow at least 35 students at any one time to be in receipt of free places or a greater number in receipt of lower levels of support. We actively promote the availability of fee assistance and scholarships in our promotional material and at all events and activities designed to recruit and attract prospective students.

We welcome students from all backgrounds and seek to ensure access to the education we offer is not restricted to those who can afford our fees as we believe our students benefit from learning within a diverse community. To be admitted to the School, we need to be satisfied that we will be able to educate and develop a prospective student to the best of their potential and in line with the general standards achieved by their peers. In addition to the sitting of entrance examinations, we interview all those prospective students where, on the evidence of their written papers, there is a possibility that we might make an offer of a place, to satisfy ourselves and parents that potential students can cope with the pace of learning and

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment.

Our fees are set at a level to ensure the financial viability of the School, at a level that is consistent with our aims of providing a first-class education to boys and girls, and at a level that balances the aim of providing wide access with the needs of full-fee paying parents.

ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Principal activities of the year

This year has again been a successful year, the School's student population averaged 870 students (2021: 856). The ratio of boys to girls was 52%:48% (2021 52%:48%).

The level of interest in joining the School remains high, as witnessed by attendance at open events, 132 candidates applied for 6th Form entry and 1,184 sat the entrance examinations in January 2022.

Governors' scholarships and fee assistance

Since the School has limited specific fee assistance or scholarship funds the provision of such grants is made in part from the School's general funds. In funding our awards, we are mindful to ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child or children's education, and those benefiting from the awards. During the year, grants totalled £1,949k (2021 £2,086k) representing 11% of our gross fees (2021: 12%). This amount comprised:

- £646k (2021: £560k) to provide scholarships for Academic studies, Music, Art, Design & Technology, Drama and Sport to 222 students (2021 187 students), with awards ranging from 10% to 40% (2021: 10% to 40%);
- Fee assistance awarded to those in need of financial assistance at the time they entered the School totalled £714k (2021: £680k) to 40 students (2021: 41 students) with awards ranging from 40% to 100% (2021: 40% to 100%), including: 20 students (2021: 22 students) with fee assistance awards of 100%.
- Hardship fees assistance awards, including Covid related hardship, totalled £200k and benefitted 10 families (2021: £146k and 14 families)
- Staff grants and other discounts accounted for £372k (2021: £280k).
- In 2021/22 the KGS Foundation supported 2 students with 100% fee assistance. Additionally, the RD Finlay Bursary Fund supported 3 students with awards of a 100% fee assistance and KGS Bursaries Fund 1 students at 100% fee assistance. The KGS College Fund supported a further student with 100% support.

Academic achievements

Academic success is the main priority at KGS. Throughout the School we strive to provide flexibility and a personalised learning programme for each student. Aspiring to, and achieving, excellence is at the heart of everything we do and this year's examination results deservedly reflect the hard work of the students and teachers.

At GCSE in 2022, students produced excellent results with 92% at grades 9-7 (2021: 90.2%), including 75% at grades 9-8 (2021: 71%). 18 students gained grade 9 in all their subjects, and over 95% of students achieved at least one 9/8 grade. Impressive results were achieved by individuals, four students with 11 x 9's, and 7 students with 10 x 9's.

At A Level 39.9% (2021: 46.6%) of all grades were A*s and 36.5% (2021: 37.5%) of all grades were As, giving a combined 76.4% (2021: 84.1%) A*-A. Of the students achieving at least an A grade in three or more subjects, 16 achieved 3 A*s (2020: 33). This was a strong set of results, even in comparison to the unprecedented TAG results of 2021.

This year 79% (2021: 94%) of the students gained a place at their first-choice university of which 81% (2021: 82%) were Russell Group universities. The most popular destinations were Nottingham (12) Birmingham (12) Durham (6) Newcastle (6) York (6) Bath (5) Warwick (5) Leeds (4) Manchester (4) Oxford. (4). In total 5 students won places at Oxford and Cambridge colleges and 1 going off to study in the US.

Outreach & Partnership Programme

KGS has worked successfully with a range of schools and local community organisations throughout the year.

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

The school has built strong partnerships with The Kingston Academy (TKA) through the 'Futures' programme which hosts events to make students aware of future opportunities and are open to the local community.

Joint events put on through the Futures programme with TKA this year have included a Higher Education and Apprenticeships event, an Oxbridge information and Preparation session, an Engineering and Technology careers event, a Medicine event, and events aimed at educating parents, one of which was hosted by Lorraine Candy (focused on making a harmonious home life) and another on mental health and self-harm.

We have also collaborated closely with St Joseph's Primary School. There has been an ongoing gardening project in which a member of our staff has worked with a group of St Joseph's students to plant and maintain green spaces in their school. We have offered further opportunities for their children by running an Art workshop and a Computer Science workshop to their year 6 children.

Our children have also taken up a number of volunteering and community service options, collaborating with these schools and the local community. Sixth Form students have read with students at St Joseph's and around 40 of our students helped to facilitate and run their sports' day. Our students have also done some Maths mentoring with students at TKA. Whilst other community service opportunities have been limited by Covid, students have helped to cook for a soup kitchen at a local church, have played piano at a care home and helped to run a sports group for those with special educational needs.

Co-curricular achievements

The 2021-22 school year witnessed the welcome return of many 'in person' co-curricular activities for the first time since the pandemic struck, as well as host of sporting fixtures both locally and nationally.

In Music and Drama:

- Three students took part in the prestigious Thames Concert launch event.
- Four students participated in the Pro Corda Chamber Music Festival.
- The Autumn Term Concert, the Carol Service, Jazz Night, Spring Term Concert, the Scholars' Concert and House Music all returned with live audiences.
- 80 parents and friends of the school took part in the KGS Choral Society Concert at St Andrew's, Surbiton, the first such concert since 2019, performing Vivaldi's Gloria.
- The school hosted a Jazz Workshop by internationally renowned Jazz artist Will Vinson and his band.
- 2021-22 saw the return of House Drama (judged by Oliver Award Winning Actress, Anne-Marie Duff and OK, Jamie Bisping) and well as House Dance in front of live audiences.
- The Junior, Middle and Senior School productions were Charlie and the Chocolate Factory, A Midsummer Night's Dream and Made in Dagenham

Rowing:

- One student was selected for the Great Junior Rowing Team and the World Championships, winning a bronze medal in the girls' quadruple scull.
- The girls' quadruple scull raced at the Henley Royal Regatta,
- Five students were part of a composite eight that won bronze medals at the British Rowing Junior Championships and four students won bronze medals at the National Schools' Regatta in the girls' quadruple sculls, B event.

Hockey:

- The boys' 1st Hockey team won a silver medal in the Tier 1 National Schools' Hockey Championship and also a bronze medal in the Independent Schools' Hockey Cup finals at Birmingham University.
- Three boys were selected to play hockey for England U16.
- Both the girls' U15 and girls' U19 Hockey teams reached the finals of the Independent Schools' Hockey Cup, with the U19 securing the silver medal.
- One girl was selected for the Great Britain U18 Elite Development Pathway squad.
- One girl played hockey for the England U18 team, one girl played hockey for England U16 and two further students were selected to take part in England U16 trials.

Other:

- The U12A cricket team was unbeaten all season.

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

- The girls' U15 football team reached the 6th round of the ESFA Cup and the girls' U13 team reached the quarter-finals of the Surrey Cup.
- In netball both the 1st VII and the U12 A team reached the Surrey Finals.
- The girls' U15 tennis team were crowned Surrey Champions, as well as winning the Springthorpe Cup at the ISTA and finishing runners-up at the Surrey Schools' Tennis Festival.
- Both the boys' U12 and U13 tennis teams reached the finals of the Surrey Schools' Competition.

Other achievements:

The Combined Cadet Force won the London District Brigade Competition at the Frimley Park. This placed the KGS CCF as the best London based contingent from the fifty-one in existence.

FINANCIAL REVIEW

Results for the year

The School endeavours to ensure financial stability and continuing solvency year on year so that it can pursue its educational aims and objectives. The Consolidated income for the year was £19,400k (2021: £16,628k), up 16.7% on last year. Fee rates increased by 5.0% (in part due to the fact that 2020/21 fees were held at 2020 rates for the first two terms as part of our Covid response plan and then increased by 3% in the last term, summer 2021). 2021/22 income also benefitted from a £1M donation to the endowment fund alongside other donations income and from the recognition of £679K of income from KGS International Limited.

Group expenditure was £16,810k (2021: £14,786k) an increase of 13.7%. Staff costs increased by £1M, up 10% comprising additional appointments (in part with the full emergence from Covid) and cost-of-living and pay-spine increases and amounts to 66.0% (2021: 68.43%) of total expenditure. Financing costs increased slightly to £623K (2021: £600k).

The net operating surplus before investment gains was £2,590k including donations of £1,209k (2021: £1,842k). The results for the year include an unrealised investment loss of £(68)k (2021: £728k gain).

The Group net operating surplus for the year totals £2,523k (2021: £2,571k) and, as a result, total funds have increased from £19,952k to £22,474k. Details of the Charity's funds are given in note 15 to 17 in these Financial Statements.

During the year, capital expenditure was £686k (2021: £517k). At the balance sheet date, the Group's borrowings with Barclays Bank totalled £6,642k (2021: £7,498k). Details of the Charity's borrowings are given in note 12.

Through effective financial planning and sensible cost control measures, we have been able to end the year with a reasonable surplus, all of which will be reinvested in the School. Student numbers remained strong.

KGS International Limited

In autumn 2021 the School, operating through its 100%-owned trading company KGS International Limited, signed a long-term agreement with the Mountain Education Group in China. This is working in an advisory capacity, supporting educational delivery with a new school based in Suzhou which opened in September 2022. These activities are overseen by the International Steering Group which reports into the Governing Body. The financial activities of KGS International Limited are consolidated into these financial statements, including note 8 to the accounts. The surpluses from this activity will support fees assistance at KGS.

Fundraising performance

The KGS Foundation has continued to make progress thanks to the many generous donations from the Old Kingstonians, parents, staff, governors and friends of the School.

Overall in our financial year to 31 July 2022, fundraising income of £1,209k was received, including the £1M to endowed funds, £141k for the KGS Foundation, £2k for prizegiving, £33k of royalty income for the RC Sherriff fund, and £8k of unrestricted donations.

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

The Governors would like to thank all donors for their generosity which is hugely appreciated and which will make a real difference in shaping the future of the School. In addition, Governors would like to thank the KGS Foundation Board, the ambassadors and KGS Friends representatives for their considerable efforts and commitment.

No professional fundraisers carried out any fundraising activities on behalf of the School during the year. The School is formally registered with the Fundraising Regulator demonstrating our commitment to 'good fundraising practices' and adheres to the Code of Fundraising Practice. There are no instances to report of the School failing to comply with fundraising standards or schemes for fundraising regulation.

Investment Policy & Performance

Details of the Charity's investment policy are given in note 1 to these Financial Statements. The Charity retains permanent endowment investment securities and recorded an unrealised market value loss of £(68)k (2021 gain: £728k). The investments continue to be closely monitored by the Investment Committee to ensure they are able to meet their bursary funding requirements.

Total Return Accounting

The School adopted Total Return Accounting for the RD Finlay Bursary and KGS Bursary permanently endowed Funds from 29 June 2017 and 1 November 2017 respectively. The initial amounts of the trust for investments are represented by the donations of £2,000k in respect of the RD Findlay Bursary Fund received in June 2017, and £532k, received in November 2017 in respect of the KGS Bursary Fund. Since inception of each fund, further donations have been received for each fund: being £1,218k and £198k respectively.

Reserves policy

The Governors regularly review the level and nature of the School's reserve funds.

The School continues to invest substantial sums into new and upgraded buildings and for the provision of educational equipment. There are no free reserves and the majority of funds are invested in the tangible fixed asset properties. The Governors continue to be satisfied that cash holdings and the opportunity to obtain external financial facilities provide an additional and adequate safety net, if it should be required.

Funds total for the Group is £22,473k at 31 July 2022 (2021: £19,952k) made up of £5,564k endowment capital, £507k restricted funds and £16,403k unrestricted funds which are all designated, mainly to the fixed asset fund.

Future Plans

The Governing Body continues to pursue the Charity's general objectives as set out earlier. Whilst the impact of the pandemic is largely behind us and although we now face economic uncertainties, notably inflation and rising energy costs, the school can nevertheless face the future with some confidence supported by record number of students on roll as at December 2022. Governors intend to continue their current strategies of maintaining the School's position in a competitive market by investing to provide high quality education for our students.

The new School Strategic Plan 2022-25 has the following strategic objectives:

Curriculum & Learning

To plan and deliver exceptional teaching and learning within a curriculum and assessment framework which gives all students both the skills and learning disposition to make continuous progress and achieve the examination results they need to follow their chosen path beyond KGS.

Wellbeing & Care Education

To deliver an unrivalled level of pastoral care, alongside a wellbeing and education programme that will enable all KGS students to take responsibility for their personal development and to practice self - kindness as well as a deep understanding of the importance of equality and diversity and kindness to our planet. Thus, promoting a positive and respectful culture for all members of the school and wider community.

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

Opportunities & Activities

To deliver a wide range of enriching and engaging co-curricular opportunities both within KGS and the wider community which ensure inclusion and collaboration

Sixth Form

To prepare our senior students to enter the world beyond school with the credentials to succeed, the confidence to adapt to a fast-changing world, and the leadership skills to create positive change.

Marketing & Admissions

To attract, admit, and retain the students who have the greatest potential to benefit from an education at KGS.

Staff Recruitment, Development & Retention

To recruit, develop and retain the best teaching and support staff who are committed to the school vision and live by the core school values.

Finance & Estate Management

To maintain and grow income to provide optimum investment in the long-term future of the school and to ensure high quality facilities to deliver education to the highest standards.

The Governing Body and School's management recognise the importance of strong cost control, seeking to contain cost increases as much as possible while ensuring that the School continues to deliver first class education and pastoral care and the requirement to meet student needs and parent requirements through major facility developments. In setting our future plans, which are financed primarily from fee income and from our reserves, Governors have tried to maintain an equitable balance ensuring our current students benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of students in the same way as our current students benefit today from the investment made in the past.

GOING CONCERN

The Governors have assessed the School's ability to continue as a going concern. The Governors have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements including the budget for 2022/23 and the projection for 2023/24 and a consideration of key risks.

The trustees therefore have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

RISK MANAGEMENT

The Governors annually consider the principal areas of the School's operations and consider the major risks faced in each of these areas. Utilising a Risk Management matrix, the School Executive and appropriate Committees identify new risks and monitor control over existing risks throughout the year. A formal review of the risk management process is undertaken by the School Executive and the Audit & Risk Management Committee on an annual basis.

The Governors are satisfied that the major risks identified have been adequately mitigated where necessary, recognising that systems can only provide reasonable, but not absolute assurance that risks have been adequately managed.

The principal risks identified are:

**KINGSTON GRAMMAR SCHOOL
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2022**

<u>Risk</u>	<u>Mitigation</u>
Inflation and associated economic pressures	F&GP overseeing the financial performance and forecasting
Effectiveness of the safeguarding policy including responsibilities of the “Prevent” duty	Appointment of Designated Safeguarding Lead; regular training of staff and governors; regular reporting to School Executive and Governors
Cyber-attack or hacking of data	Robust Acceptable Use Policy; regular backups; external testing; insurance backed disaster recovery plans
Change of VAT status on fees	Ongoing monitoring; impact assessment undertaken
Revision to the requirements of the Public Benefit test	Ongoing monitoring and recording of public benefits provided.
Parents experiencing financial difficulty and unable to afford the fees	Availability of some hardship funding. Intention to grow bursary funds

OUR COMMUNITY

The School and Governing Body greatly appreciate the important and valuable support given to the School in so many ways by the whole KGS Community, including all students, current and former parents, Old Kingstonians, and many other friends of the School. Above all, the Governing Body remains deeply grateful to the entire staff, both teaching and support, whose unstinting hard work and loyalty have enabled the School to achieve its major objectives reflected in the ISI report. We are grateful to all for their commitment, generous and continuing support and their efforts.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Kingston Grammar School on 5th December 2022, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Robert O'Dowd
Chair



Lorraine Adam
Vice-Chair

**KINGSTON GRAMMAR SCHOOL
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 JULY 2022**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSTON GRAMMAR SCHOOL

Opinion

We have audited the financial statements of Kingston Grammar School ('the charitable company') and its subsidiary ('the group') for the year ended 31 July 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Balance Sheet, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

**KINGSTON GRAMMAR SCHOOL
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 JULY 2022**

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in

**KINGSTON GRAMMAR SCHOOL
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 JULY 2022**

this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR) and Employment legislation.

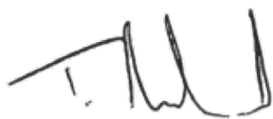
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

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



Tim Redwood
Senior Statutory Auditor
For and on behalf of Crowe U.K. LLP
Statutory Auditor - London
Date: 14 December 2022

KINGSTON GRAMMAR SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes:	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2022 £'000	2021 £'000
Income and endowments from:						
Charitable activities						
- School fees receivable	2	16,661	-	-	16,661	15,418
- Other charitable income	3a	635	-	-	635	499
Activities for raising funds:						
- Donations	3b	8	202	1,000	1,210	208
- Ancillary trading	3c	804	-	-	804	187
- Investment income	3d	20	-	64	84	64
Other activities - Other income & Grants	3e	6	-	-	6	249
Total income		18,134	202	1,064	19,400	16,625
Expenditure on:						
Raising funds						
- Ancillary trading	5	-	-	-	-	(3)
- Financing	5	(623)	-	-	(623)	(600)
- Fundraising & Development	5	(79)	-	(20)	(99)	(162)
		(702)	-	(20)	(722)	(765)
Charitable activities						
- Education and grant making	5, 15, 16	(15,931)	(68)	(89)	(16,088)	(14,024)
Total expenditure		(16,633)	(68)	(109)	(16,810)	(14,789)
Net income before transfers and investment (losses)/gains		1,501	134	955	2,590	1,836
Net (losses)/gains on investments	8	-	-	(68)	(68)	729
Transfers between funds	15, 18	12	-	(12)	-	-
Net income		1,513	134	875	2,522	2,565
Fund balances brought forward at 1 August 2021		14,882	374	4,688	19,944	17,379
FUND BALANCES CARRIED FORWARD AT 31 JULY 2022		16,395	508	5,563	22,466	19,944

All the Group operations represent continuing activities.

There were no recognised gains or losses other than those shown above.

A copy of the Statement of Financial Activities for the year ended 31 July 2021 is provided in note 24.

**KINGSTON GRAMMAR SCHOOL
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2022**

CONSOLIDATED BALANCE SHEET

	Notes:	2022 £'000	2022 £'000	2021 £'000
FIXED ASSETS				
- Tangible fixed assets	7		19,463	19,920
- Investments	8		4,399	4,423
			<u>23,862</u>	<u>24,343</u>
CURRENT ASSETS				
- Debtors	9	979		969
- Cash and short term deposits		9,389		6,618
		<u>10,368</u>		<u>7,587</u>
CREDITORS: due within one year	10	<u>(5,503)</u>		<u>(4,905)</u>
NET CURRENT ASSETS			<u>4,865</u>	<u>2,682</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			28,727	27,025
CREDITORS: due after one year	11		<u>(6,261)</u>	<u>(7,081)</u>
TOTAL NET ASSETS			<u>22,466</u>	<u>19,944</u>
THE FUNDS OF THE CHARITY				
ENDOWED FUNDS	15		5,563	4,688
RESTRICTED FUNDS	16		508	374
UNRESTRICTED FUNDS	17			
- Fixed assets fund		15,828		14,680
- Other designated funds		120		120
- KGSi		<u>447</u>		<u>82</u>
TOTAL UNRESTRICTED FUNDS			<u>16,395</u>	<u>14,882</u>
TOTAL CHARITY FUNDS			<u>22,466</u>	<u>19,944</u>

Approved and authorised for issue by the Governors on 5th December 2022 and signed on their behalf by:



Robert O'Dowd
Chair



Lorraine Adam
Vice-Chair

**KINGSTON GRAMMAR SCHOOL
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2022**

KGS SCHOOL BALANCE SHEET

	Notes:	2022 £'000	2022 £'000	2021 £'000
FIXED ASSETS				
- Tangible fixed assets	7		19,463	19,920
- Investments	8		4,399	4,423
			<u>23,862</u>	<u>24,343</u>
CURRENT ASSETS				
- Debtors	9	1,182		884
- Cash and short term deposits		8,730		6,618
		<u>9,912</u>		<u>7,502</u>
CREDITORS: due within one year	10	<u>(5,494)</u>		<u>(4,902)</u>
NET CURRENT ASSETS			<u>4,418</u>	<u>2,600</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			28,280	26,943
CREDITORS: due after one year	11		<u>(6,261)</u>	<u>(7,081)</u>
TOTAL NET ASSETS			<u>22,019</u>	<u>19,862</u>

THE FUNDS OF THE CHARITY

ENDOWED FUNDS	15		5,563	4,688
RESTRICTED FUNDS	16		508	374
UNRESTRICTED FUNDS	17			
- Fixed assets fund		15,828		14,680
- Other designated funds		<u>120</u>		<u>120</u>
TOTAL UNRESTRICTED FUNDS			<u>15,948</u>	<u>14,800</u>
TOTAL CHARITY FUNDS			<u>22,019</u>	<u>19,862</u>

Approved and authorised for issue by the Governors on 5th December 2022 and signed on their behalf by:



Robert O'Dowd
Chair



Lorraine Adam
Vice-Chair

**KINGSTON GRAMMAR SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022**

CONSOLIDATED STATEMENT OF CASH FLOWS

	2022	2021
	£'000	£'000
Cash flows from operating activities:		
Net income for the reporting period	2,522	2,564
Elimination of non-operating cash flows:		
- (Profit)/Loss on sale of tangible fixed assets	(1)	49
- Interest charged on loans and overdraft	623	600
- Investment income and bank interest received	(84)	(64)
- Amounts accrued to fees in advance	-	13
Unrealised losses/(gains) on investments added back	68	(729)
Depreciation charges added back	1,142	1,207
(Increase) in Debtors	(10)	(41)
Increase in Creditors	563	557
(Decrease)/Increase in Parent Deposits held	(148)	282
Increase in Fees in Advance Scheme	220	54
Net cash provided by operating activities	4,895	4,492
<i>Cash flows from investing activities</i>		
- Payments for tangible fixed assets	(685)	(517)
- Disposal of tangible fixed assets	-	67
- Loss/(Profit) on sale of tangible fixed assets	1	(49)
- Investment income and bank interest received	84	64
- Purchase of investments and investment costs	(44)	(311)
- Disposal of investments	-	104
Net cash (used) in investing activities	(644)	(642)
Cash flows from financing activities:		
- Interest paid on loans	(623)	(600)
- Repayment of borrowings	(857)	(789)
Net Cash (used) in financing activities	(1,480)	(1,389)
Change in cash and cash equivalents in the reporting period	2,771	2,461
Cash and cash equivalents as at 1 August 2021	6,618	4,157
Cash and cash equivalents as at 31 July 2022	9,389	6,618

ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash at bank	9,389	6,618
Total cash and cash equivalents	9,389	6,618

**KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

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

The functional currency of the school is considered to be GBP because that is the currency of the primary economic environment in which the school operates.

The Financial Statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value.

Kingston Grammar School Foundation was founded in 1561 and was registered by the Charity Commission for England and Wales under a scheme dated 14 September 1978 (Charity number 1078461). Under the Charity Commission Scheme made on 30 December 1999 the running of the School, together with all the Foundation's unendowed assets and all its liabilities were transferred to the Kingston Grammar School as corporate and trust funds, while the permanently endowed School premises remained with the Foundation.

The school is a public benefit entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 31 December 1999 (Company number 3883748).

The activities of the school's wholly owned subsidiary company, KGS International Limited, are immaterial to those of the school and consolidated accounts have, therefore, not been prepared.

1.1 Going Concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. The Governors have reviewed the position carefully with a view to ensuring the ongoing provision of schooling for the pupils as well as employment of staff. The Governors believe the School's financial resources are sufficient to ensure the School will continue as a going concern for the foreseeable future, being at least 12 months from the date the sign-off of these accounts.

1.2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgment, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affected current and future periods. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

1.3 Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, fee assistance granted by the school against those fees, but including contributions from restricted funds are accounted for in the period in which the service is provided.

1.4 Investment Income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accrual basis.

1.5 Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified

**KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

and the economic benefit to the school is considered probable. Voluntary income for the school's general purposes is accounted for as unrestricted and is credited to the General reserves. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at value to the school in the case of donated services or facilities.

1.6 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the items of expenditure to which it relates.

Governance costs comprise of the costs of complying with constitutional and statutory requirements.

1.7 Tangible Fixed Assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £10k together with any individual or bulk purchases of vehicles, IT equipment, boats and boat club equipment, office, admin or teaching equipment costing over £1k, with a life expectancy of over two years, are capitalised and carried in the balance sheet at historical cost.

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal instalments over their expected useful economic lives typically as follows: -

Freehold buildings	2%
Artificial Pitch	10%
Boats and Boat Club equipment	15%
Motor vehicles	20%
Field equipment and tractors	20%
Computers, teaching, kitchen, cleaning, office equipment	20% - 33%
Plant, Fittings & Refurbishment	3% - 20%

Note: Each asset is assessed on acquisition for appropriate useful life

1.8 Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund accordingly to the ownership of the underlying assets.

1.9 Fund Accounting

The charitable trust funds of the school are accounted for as unrestricted and restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or appeal to which they may have responded. Endowment funds are further sub-divided into permanent and expendable.

Unrestricted income belongs to the school's reserves, spendable at the discretion of the governors either to further the school's objectives or to benefit the school itself. Where the Governors decide to set aside any part of these funds to be used in the future for a specific purpose, this is accounted for by transfer to the appropriate designated fund.

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

Permanent endowed funds represent amounts donated to the School where the donor has specified that the capital is to be retained and only the income arising thereon may be spent. The income is treated as unrestricted income. The School has adopted total return accounting for two funds which results in all returns on the underlying investments whether dividends or gains being allocated to the fund and being

**KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

available for application by the Governors. The Governors will decide each year on the level of application of any unapplied total return which is recorded in the Statement of Financial Activities.

Expendable endowed funds represent capital expenditure on the School buildings on the permanently endowed land up to the date of the 1978 Scheme, subject to annual depreciation.

1.10 Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with the trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant bank accounts and used as working capital. Financial liabilities held at amortised cost comprise of all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

2. SCHOOL FEES	2022	2021
	£'000	£'000
The School's fee income comprised:		
Gross fees	18,455	17,365
Less : Total fee assistance, grants and scholarships	(1,949)	(2,086)
	16,506	15,279
Add back Bursaries paid for by RD Finlay Fund	67	60
Add back Bursaries paid for by KGS Bursaries Fund	22	40
Add back Fee Assistance paid for by KGS Fundraising	43	39
Add back Fee Assistance paid for by College Bursary	23	-
	16,661	15,418
3. OTHER INCOME		
a) Charitable activities		
- Registration	196	207
- School meals (students)	439	292
	635	499
b) Resources from raising funds		
Donations		
- Appeal fund donations for general purposes	8	-
- Donations/royalties received for endowment	1,000	125
- Donations/royalties received for specific purposes	202	83
	1,210	208
c) Activities for raising funds		
Ancillary trading		
- Lettings	5	15
- Rent from properties occupied by School staff	83	74
- KGS International Income	679	85
- Other trading income	37	13
	804	187
d) Investment income		
- Income from investment portfolio	6	6
- Bank interest	14	-
- Endowed income	64	58
	84	64
e) Other Activities		
- Sundry Income	6	106
- CJRS	-	143
	6	249
4. NET INCOME IS STATED AFTER RECOGNISING		
Auditor's remuneration - Audit	30	22
Auditor's remuneration - Tax Advice	7	3
(Profit) / Loss on disposal of fixed assets	(1)	49
Depreciation - Owned assets	1,142	1,207

KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

2022	Staff Costs £'000	Other £'000	Depreciation £'000	Total £'000
Charitable Activities				
- Teaching Costs	8,596	855	166	9,617
- Education Support	605	908	5	1,518
- Premises	620	1,013	948	2,581
- Admin Support	1,158	1,170	23	2,351
School Operating Costs	10,979	3,946	1,142	16,067
- (Profit)/Loss on disposal of FA	-	(1)	-	(1)
- Grant Awards Prizes	-	22	-	22
	10,979	3,967	1,142	16,088
Raising Funds				
- Financing	-	623	-	623
- Fund-Raising	51	48	-	99
	11,030	4,638	1,142	16,810
2021	Staff Costs £'000	Other £'000	Depreciation £'000	Total £'000
Charitable Activities				
- Teaching Costs	7,771	542	220	8,533
- Education Support	523	688	45	1,256
- Premises	587	618	935	2,140
- Admin Support	1,091	948	7	2,046
School Operating Costs	9,972	2,796	1,207	13,975
- Profit/Loss on disposal of FA	-	49	-	49
- Grant Awards Prizes	-	-	-	-
	9,972	2,845	1,207	14,024
Raising Funds				
- Ancillary Trading	-	3	-	3
- Financing	-	600	-	600
- Fund-Raising	125	37	-	162
	10,097	3,485	1,207	14,789

**KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

6. STAFF COSTS	2022	2021
	£'000	£'000
Total staff costs comprise:		
- Wages and Salaries	8,673	7,908
- Social Security costs	948	847
- Pension contributions	1,489	1,342
	<u>11,110</u>	<u>10,097</u>

No Governor received any remuneration during either the current or previous year

Governors Expenses for Courses attended including travel	<u>14</u>	<u>2</u>
--	------------------	-----------------

Aggregate employee-benefits of key management personnel (Those holding a position within the school's Executive)	<u>1,221</u>	<u>1,181</u>
---	---------------------	---------------------

The average number of employees (full time & part time) during the year

- Teaching staff (Teachers, Sports Coaches, Technicians)	140	127
- Educational Support staff (Nurse, Library, Admin)	22	19
- Premises staff (Facilities Manager, Maintenance, Cleaning)	30	31
- Admin Support staff (other secretarial & Support staff)	23	24
	<u>215</u>	<u>201</u>

Headcount of higher salary bandings

£60,000 - £70,000	30	27
£70,000 - £80,000	5	2
£80,000 - £90,000	3	2
£90,000 - £100,000	-	1
£100,000 - £110,000	3	2
£220,000 - £230,000	1	1
	<u>42</u>	<u>35</u>

37 of the above employees are in a defined benefit scheme. 4 of the above employees are in a defined contribution pension scheme.

During the year there were no redundancy payments and 1 termination payment totalling £1.9k (2021: 26.5k).

KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

7. TANGIBLE FIXED ASSETS (GROUP AND COMPANY)

	Freehold Land and Buildings	Boat Club Equipment	Equipment and Motor Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 August 2021	23,784	734	6,867	31,385
Additions	87	17	581	685
Disposals	-	-	(11)	(11)
At 31 July 2022	<u>23,871</u>	<u>751</u>	<u>7,437</u>	<u>32,059</u>
Depreciation				
At 1 August 2021	7,255	641	3,569	11,465
Charge for the Year	508	40	594	1,142
Disposals	-	-	(11)	(11)
At 31 July 2022	<u>7,763</u>	<u>681</u>	<u>4,152</u>	<u>12,596</u>
Net book value				
At 31 July 2022	<u>16,108</u>	<u>70</u>	<u>3,285</u>	<u>19,463</u>
<i>At 1 August 2021</i>	<u>16,529</u>	<u>93</u>	<u>3,298</u>	<u>19,920</u>

The School's tangible assets are all held for use by the School. The Governors are confident the market values of those assets currently in use are in excess of the value reflected in these Financial Statements.

Finance costs that are directly attributable to the construction of tangible fixed assets are capitalised as part of those assets.

**KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

8. INVESTMENTS

	2022	2021
	£'000	£'000
Stocks and Shares		
At 1 August 2021	4,423	3,487
Additions at cost	44	311
Disposals	-	(104)
Net investment (losses)/gains	(68)	729
Market value at 31 July 2022	4,399	4,423

The Governors' investment powers are governed by the Company's Memorandum and Articles of Association.

Investments comprise:	2022	2021
	£'000	£'000
Equities	3,847	4,130
Fixed Interest	493	242
Property	59	51
Market value at 31 July 2022	4,399	4,423

All investments above are held by the charity KGS Limited.

The investments above include the School's £100 investment in the share capital of each of Kingston Grammar School International Limited and KGS International Limited (note 21).

KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

9. DEBTORS

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Tuition fees from parents	235	151	235	66
Prepayments and sundry debtors	234	308	203	308
Recoverable income tax	10	10	10	10
HM Loan (note 21)	500	500	500	500
KGS International	-	-	234	-
	<u>979</u>	<u>969</u>	<u>1,182</u>	<u>884</u>

All debtors are due within one year, except for £500k for HM Loan, which is due after more than one year.

10. CREDITORS: Due within one year:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank Loans (see Note 12)	925	856	925	856
Fees paid in advance	640	558	640	558
Parental deposits	1,538	1,686	1,538	1,686
Trade creditors	799	764	799	764
PAYE/other taxation and social security	262	236	262	236
Pensions creditor	182	168	182	168
Sundry creditors and accruals	573	167	564	164
Fees in advance scheme	584	470	584	470
	<u>5,503</u>	<u>4,905</u>	<u>5,494</u>	<u>4,902</u>

KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

11. CREDITORS: Due after more than one year:	2022	2021
Group and Company	£'000	£'000
From one to two years:		
- Bank loans (see Note 12)	991	925
- Fees in advance scheme	291	204
	<u>1,282</u>	<u>1,129</u>
From two to five years:		
- Bank loans (see Note 12)	3,440	3,202
- Fees in advance scheme	254	235
	<u>3,694</u>	<u>3,437</u>
More than five years		
- Bank loans (see Note 12)	1,285	2,515
	<u>1,285</u>	<u>2,515</u>
Total	<u>6,261</u>	<u>7,081</u>

Fees in Advance scheme

Parents may enter into a contract to pay the school up to the equivalent of five years' tuition fees in advance. The money may be returned subject to specific conditions on receipt of one term's notice. Advance fees have been applied assuming students remain in the school. The balance represents the accrued liability under the contracts. Amounts received under the school's Advance Fee Scheme contracts for education not yet utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

The movements during the year were:

	2022	2022	2021
	£'000	£'000	£'000
At 1 August 2021		908	850
Funds received during the year 2021/22		1,114	705
Amounts utilised in payment of fees:			
- Prior year funds	469		459
- Current year funds	<u>424</u>		<u>188</u>
		(893)	(647)
At 31 July 2022		<u>1,129</u>	<u>908</u>

**KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

12. LOANS	2022	2021
Group and Company	£'000	£'000
Due within five years by instalments:		
- within one year	925	856
- from one to two years	991	925
- from two to five years	3,440	3,202
- more than five years	1,285	2,515
	<u>6,641</u>	<u>7,498</u>

In 2004 the Charity entered into long term arrangements to finance the development of the Queen Elizabeth II building. These arrangements provided a fixed loan totalling £12.4 million commencing in May 2010 and lasting 18 years. The loan covered £10.4 million of costs with the capitalisation of £2 million of interest arising between May 2004 and May 2010. Loan repayments commenced in November 2010. Interest is payable at a rate of 7.3%.

During the year ended 31 July 2022 the loan schedule provided for total payments of £1253k against this loan (2021: £1,253k). At 31 July 2022 the balance on this loan was £5,998k (2020: £6,765k).

In June 2006 the Charity entered into an agreement to replace an existing variable loan facility, which was expiring in October 2010, with a fixed loan totalling £2.4 million, at a fixed interest rate of 6.61% and repayment over 18 years starting in November 2010. In October 2010 the Charity drew £1.4 million of this fixed loan, terminating £1.0 million of the facility at a break cost of £174k. For the year ended 31 July 2022 the loan schedule provided for total payments of £136k (2021: £136k). At 31 July 2022 the balance on this loan was £644k (2021: £733k).

All the loans are secured on certain freehold land and buildings of the School.

13. TAXATION

No taxation liability arises on the results for the year due to the charitable status of the School.

KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

14. ALLOCATION OF NET ASSETS BETWEEN FUNDS

The net assets are held for the various funds as follows:

2022	Fixed Assets	Investments	Net Current Assets / (Liabilities)	Long Term Liabilities	Total
	£'000	£'000	£'000	£'000	£'000
Endowed Funds					
- Permanent endowment	-	4,399	1,011	-	5,410
- Expendable endowment	153	-	-	-	153
Restricted Funds	-	-	508	-	508
Unrestricted Funds	19,310	-	3,346	(6,261)	16,395
	19,463	4,399	4,865	(6,261)	22,466

2021	Fixed Assets	Investments	Net Current Assets / (Liabilities)	Long Term Liabilities	Total
	£'000	£'000	£'000	£'000	£'000
Endowed Funds					
- Permanent endowment	-	4,423	100	-	4,523
- Expendable endowment	165	-	-	-	165
Restricted Funds	-	-	374	-	374
Unrestricted Funds	19,755	-	2,208	(7,081)	14,882
	19,920	4,423	2,682	(7,081)	19,944

15. ENDOWED FUNDS

The School has three classes of Endowed Funds: the Permanent Endowment, the Expendable Endowment and the Permanent Bursary Endowment.

The Permanent Endowment was created under a Charity Commission Scheme of 14 September 1978, when the School became independent, and which has subsequently been amended by a Charity Commission Scheme of 30 December 1999 when the School was incorporated as a charitable company Limited by guarantee. The endowment comprises the endowed School land at £nil value and the invested proceeds of subsequent land disposals.

The Expendable Endowment represents capital expenditure on the School buildings on the permanently endowed land up to the date of the 1978 Scheme, subject to annual depreciation.

The Permanent Bursary Endowment is comprised of three permanent Bursary endowed funds. Of these funds, the Governors have resolved to apply a total return accounting policy to two of the funds: the RD Finlay Bursary Fund and the KGS Bursary Fund.

KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

15. ENDOWED FUNDS

The movements on the Endowed Funds not accounted for under a total return policy during the year are as follows:

2022	Permanent endowment	Expendable endowment	Permanent Bursary Endowment	Total
	£'000	£'000	£'000	£'000
Balance as at 1 August 2021	705	165	599	1,469
Investment gains	15	-	(7)	8
Transfers	-	(12)		(12)
At 31 July 2022	720	153	592	1,465

The movements on the Endowed Funds accounted for under a total return policy during the year are as follows:

2022	RD Finlay Bursary Fund Trust for Investment	Trust for Application	KGS Bursary Fund Trust for Investment	Trust for Application	Total
	£'000	£'000	£'000	£'000	£'000
Gift component of the permanent endowment as at 1 August 2021	2,218	-	730	-	2,948
Unapplied total return as at 1 August 2021	-	259	-	12	271
Total balance as at 1 August 2021	2,218	259	730	12	3,219
Movements in year:					
- Gifts of endowment funds	1,000	-	-	-	1,000
- Dividends and interest	-	49	-	15	64
- Investment (losses)	-	(64)	-	(12)	(76)
- Investment costs	-	(15)	-	(5)	(20)
Payment of bursaries & fee assistance	-	(67)	-	(22)	(89)
At 31 July 2022	3,218	162	730	(12)	4,098

Total of all Endowed Funds

At 31 July 2022 **5,563**

KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

The comparative amounts for the movements on the Endowed Funds not accounted for under a total return policy are as follows:

2021	Permanent endowment	Expendable endowment	Permanent Bursary Endowment	Total
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Balance as at 1 August 2020	598	177	514	1,289
Investment gains	105	-	85	192
Transfers	-	(12)	-	(12)
At 31 July 2021	705	165	599	1,469

The comparative amounts for the movements on the Endowed Funds accounted for under a total return policy are as follows:

2021	RD Finlay Bursary Fund Trust for Investment	Trust for Application	KGS Bursary Fund Trust for Investment	Trust for Application	Total
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Gift component of the permanent endowment as at 1 August 2020	2,093	-	730	-	2,823
Unapplied total return as at 1 August 2020	-	(122)	-	(83)	(205)
Total balance as at 1 August 2020	2,093	(122)	730	(83)	2,618
Movements in year:					
- Gifts of endowment funds	125	-	-	-	125
- Dividends and interest	-	44	-	14	58
- Investment gains	-	411	-	125	536
- Investment costs	-	(14)	-	(4)	(18)
Payment of bursaries & fee assistance	-	(60)	-	(40)	(100)
At 31 July 2021	2,218	259	730	12	3,219
Total of all Endowed Funds					
At 31 July 2021					4,688

KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

16. RESTRICTED FUNDS

The School maintains a number of Restricted Funds of which the principle funds are:

- the Prize Fund, used to finance in part the provision of prizes to the students of the School;
- the Sherriff Bequest Fund, used to finance in part the provision of capital expenditure principally in connection with rowing. Funds retained for future replacement of minibuses used by the rowing department and capital expenditure on rowing;
- the Appeal fund, which represents donations received and expended in connection with specified capital expenditure projects or to support bursaries; and
- the PSA and other School Societies Funds. These are used for the provision of specific equipment for use in the school.

The movements on the Restricted Funds during the year are as follows:

2022	Prize & Other Fund	Sherriff Bequest Fund	Appeal Fund	College Fund	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 August 2021	-	117	257	-	374
Income arising in year	2	33	140	27	202
Expenditure	(2)	-	(43)	(23)	(68)
Transfers	-	-	-	-	-
At 31 July 2022	-	150	354	4	508

The comparative amounts for the movements on the Restricted Funds are as follows:

2021	Prize & Other Fund	Sherriff Bequest Fund	Appeal Fund	PSA/ School Fund	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 August 2020	-	102	230	-	332
Income arising in year	4	16	65	-	85
Expenditure	(4)	-	(39)	-	(43)
Transfers	-	-	-	-	-
At 31 July 2021	-	118	256	-	374

KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

17. UNRESTRICTED FUNDS

The School maintains three Unrestricted Funds being:

- the Fixed Assets Fund, which represents amounts expended on tangible fixed assets required for the operation of the School, less additions financed from bank loans or from the Permanent Endowment Fund (under a recoupment order) and assets transferred to the Permanent Endowment Fund. It also retains annual surpluses generated by the School.
- the Appeal 450 Campaign Fund, which represents cash carried forward from Appeal 450 Campaign. The Appeal 450 Campaign is designated towards the refurbishment of School premises; and
- the General Fund, within which the School is operated.

The movements on the Unrestricted Funds during the year are as follows:

2022	Fixed Assets Fund	Appeal 450 Fund	KGSI Fund	General Fund	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 August 2021	14,680	120	82	-	14,882
Income arising in year	-	-	679	17,455	18,134
Expenditure	-	-	(314)	(16,319)	(16,633)
Transfers	1,148	-	-	(1,136)	12
At 31 July 2022	15,828	120	447	-	16,395

The movements on the Unrestricted Funds during the year are as follows:

2021	Fixed Assets Fund	Appeal 450 Fund	KGSI Fund	General Fund	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 August 2020	13,020	120	-	-	13,140
Income arising in year	-	-	85	16,274	16,359
Expenditure	-	-	(3)	(14,626)	(14,629)
Transfers	1,660	-	-	(1,648)	12
At 31 July 2021	14,680	120	82	-	14,882

18. TRANSFERS

Transfers represent:

- A transfer of £1,136k from the general fund to the fixed assets fund representing the purchase of additional fixed assets and depreciation.
- A transfer of £12k representing the conversion of expendable endowment funds to unrestricted funds relating to the depreciation on the buildings held in the expendable endowment.

**KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

19. FUTURE CAPITAL EXPENDITURE

Capital expenditure contracted for in 2022 was very modest as the school is currently focused on its Estates strategy and associated projects.

	2022 £'000	2021 £'000
Future capital expenditure	<u>24</u>	<u>287</u>

Funding is planned from existing funds and donations.

20. PENSION SCHEMES

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,250k (2021: £1,115k) and at the year-end £nil (2021 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

**KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

For other support staff the School also made contributions to various defined contribution pension schemes (Money Purchase) of £239k (2021: £227k) and at the year-end £nil (2021: £nil) was accrued in respect of contributions to these schemes.

**KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

22. INVESTMENT IN SUBSIDIARY

	2022	2021
	£	£
KGS International Limited	100	100
Kingston Grammar School International Limited	100	100
	<u>200</u>	<u>200</u>
Net book value at 31st July 2022	<u>200</u>	<u>200</u>

The cost of the above investment totalled £200. The School's interest is as follows:

Company	Country of incorporation	Shares held Class	%
KGS International Limited	England and Wales	Ordinary	100
Kingston Grammar School International Limited	England and Wales	Ordinary	100

The registered office of KGS International Limited (Company Number 12093612) is at the same address as the School. The principal activity of the subsidiary is to develop the Kingston Grammar school brand in overseas locations. The net assets of this company at 31st July 2022 were £447k (2021: £82k). The company's profit and loss account for the year ended 31st July 2022 showed turnover of £679k (2021: £84k) and an operating profit of £366k (2021: £82k). Gift aid relating to the year ended 31 July 2022 of £366k is scheduled to be paid post year end.

The registered office of Kingston Grammar School International Limited (Company Number 11949288) is at the same address as the School. The company was dormant during the year.

KGS INTERNATIONAL LIMITED

	2022	2021
	£'000	£'000
Income	679	85
Expenditure	(314)	(3)
Net Profit	<u>365</u>	<u>82</u>
Assets	690	85
Liabilities	(243)	(3)
Net Assets	<u>447</u>	<u>82</u>

**KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

22. RELATED PARTY TRANSACTIONS

In October 2015 the School entered into a loan agreement with the Head Master for an amount of £500k for the purchase a principal residence within a reasonable distance of the School in order to assist him in the efficient discharge of his duties. The amount is repayable within twelve months of cessation of employment with the School.

The School owns the full £100 share capital of Kingston Grammar School International Limited which is registered in England and Wales under company number 11949288. The company was registered on 16 April 2019 and is dormant during the year.

The School owns the full £100 share capital of KGS International Limited, also registered in England and Wales, with a company number of 12093612. The company was registered on 9 July 2019. The registered address for both companies is Kingston Grammar School, London Road, Kingston upon Thames, KT2 6PY.

23. POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.

KINGSTON GRAMMAR SCHOOL
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

24. PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes:	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2021 £'000	2020 £'000
Income and endowments from:						
Charitable activities						
- School fees receivable	2	15,418	-	-	15,418	14,830
- Other charitable income	3a	499	-	-	499	840
Activities for raising funds:						
- Donations	3b	-	84	124	208	217
- Ancillary trading	3c	187	-	-	187	187
- Investment income	3d	6	-	58	64	119
Other activities - Other income and Grants	3e	249	-	-	249	499
Total income		16,359	84	182	16,625	16,692
Expenditure on:						
Raising funds						
- Ancillary trading	5	(3)	-	-	(3)	(41)
- Financing	5	(600)	-	-	(600)	(649)
- Fundraising & Development	5	(144)	-	(18)	(162)	(210)
		(747)	-	(18)	(765)	(900)
Charitable activities						
- Education and grant making	5, 15, 16	(13,881)	(43)	(99)	(14,024)	(14,179)
Total expenditure		(14,628)	(43)	(117)	(14,789)	(15,079)
Net income before transfers and investment gains / (losses)		1,730	41	65	1,836	1,613
Net gains/(losses) on investments	8	-	-	729	729	(347)
Transfers between funds	15, 18	12	-	(12)	-	-
Net income		1,742	41	782	2,565	1,266
Fund balances brought forward at 1 August 2020		13,140	333	3,906	17,379	16,113
FUND BALANCES CARRIED FORWARD AT 31 JULY 2021		14,882	374	4,688	19,944	17,379