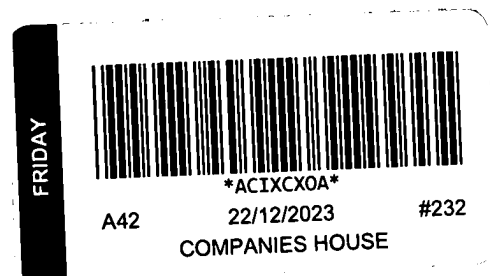


Charity Registration No. 1080641

Company Registration No. 03834841 (England and Wales)

THE KING'S SCHOOL, GLOUCESTER
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023



THE KING'S SCHOOL, GLOUCESTER

LEGAL AND ADMINISTRATIVE INFORMATION

Visitor

The Lord Bishop of Gloucester

Governors

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

Mr A.T. Brett

Mr P. Dancey (Chairman of Governors)

Mr M. Hurrell

The Reverend Canon R.J.A. Mitchell (ex-officio)
(retired 19th January 2023)

**Mr K. Wyman

Mrs S. Lewis

**Mr M. Dunkley

Mr M. Watson

Mr S. Mendel

Mrs V. Isaac

Mrs D. Innes-Turnill

**Mr P. Gordon

Mr A. Mitchell

The Reverend Canon Dr. A. Braddock (ex-officio)
(retired 8th January 2023)

Mr R.S. Dhaliwal

Miss H. Jackson
(appointed 22 November 2022)

The Reverend Canon R. Lloyd (ex-officio)
(appointed 30th October 2022)

The Reverend Canon A. Zihni (ex-officio)
(appointed 23rd April 2023)

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

THE KING'S SCHOOL, GLOUCESTER

LEGAL AND ADMINISTRATIVE INFORMATION

Officers

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

Charity number 1080641

Company number 03834841

Principal address Pitt Street
Gloucester
GL1 2BG

Registered office Pitt Street
Gloucester
GL1 2BG

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

Bankers Lloyds TSB Bank Plc
Eastgate Street
Gloucester
GL1 1NU

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

THE KING'S SCHOOL, GLOUCESTER

CONTENTS

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

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 JULY 2023

The members of The King's School, Gloucester present their Annual Report for the year ended 31 July 2023 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, together with audited financial statements for the year.

DIRECTORS' REPORT

Status and Administration

The King's School, Gloucester was established by Henry VIII by statute in 1541 following the dissolution of the monasteries. The School had originally been constituted as a charity (no. 311745) under a scheme framed by the Board of Education under the Endowed School Acts, 1869, 1873 and 1874. The scheme was approved by His Majesty King George V by way of Order of Council dated 30 July 1928.

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

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

The Reverend Canon N.M. Arthy ^

A. T. Brett *

P. Dancey ♦ # * ^ ~

M. Hurrell ~ #

K. Wyman ♦ * #

The Reverend Canon R.J.A. Mitchell ~

M. Dunkley #

S. Lewis *

M. Watson ~

S. Mendel ♦ *

V. Isaac #

D. Innes-Turnill ~

P. Gordon *

A. Mitchell ~

R. Dhaliwal ~

H. Jackson *

The Reverend Canon R. Lloyd

The Reverend Canon Dr. A. Bradnock

The Reverend Canon A. Zihni

* Member of Finance & General Purposes Committee

Member of the Strategic Marketing & Development Committee

^ Member of the Nominations Committee

~ Member of the Education & Compliance Committee

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

Structure, Governance and Management

Governing Document

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

Governing Body

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

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

The Governing Body shall not be less than 12 and not more than 21 and is comprised of not more than 6 ex-officio Governors, who shall be the Dean of the Gloucester Cathedral and not more than 5 Residentiary Canons of the Cathedral. Such ex-officio Governors shall hold office by virtue of their respective offices.

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

Organisational Management

The Governors meet as a Board at least three times a year to determine the general policy of the School and to review its overall management and control, for which they are responsible. There are four key sub-committees to the Governing Body, the first three of these committees as listed below meet at least three times a year, preceding the Board of Governors meetings, to report to the Governing Body:

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

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

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

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

Recruitment and Training of Governors

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

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

Group Structure and Relationships

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

King's School Gloucester Prize and Scholarship Fund is a linked charity of The King's School, Gloucester, whose objects are to further the education of pupils attending the School particularly (but not exclusively) by the provision of prizes and scholarships. The Restricted Funds are included within the School financial statements as a restricted fund.

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

The King's School, Gloucester is a Heads Conference (HMC) school; HMC exists to serve and support its members, to represent their views and to exemplify excellence in education. It is also a member of the Choir Schools Association which is a group of schools attached to cathedrals, churches and college chapels around the country enabling choristers to have unlimited access to a first-class schooling and musical training, giving them an excellent start in life. The School is also a member of the Independent Association of Prep Schools (IAPS), a body which exists to represent leading prep schools in the UK and overseas and supports them in achieving excellence in education and care.

Objectives, Aims and Activities

Charitable Objects

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

Public Benefit Aims and Intended Impact

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

In furtherance of these aims the Governors, as charity governors, have complied with the duty in s.17. of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under the Act.

Grant-making

This year, the value of scholarships and other awards to the School's pupils out of unrestricted funds totalled £1,554,442 (2022: £1,420,388). The Governors' policy, in line with that of other Independent Schools, is to make these awards on the basis of the individual's educational potential. As a Choir School a further £205,302 (2022: £188,725) was awarded in scholarships by the Governors to support the education of the Choristers of Gloucester Cathedral.

Further awards of £622,717 (2022: £517,925) in bursaries were made from unrestricted funds, where the aim is to relieve hardship or provide financial support for the pupil's education and future prospects.

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

So far as the Governors are aware, there is no relevant audit information of which the Charity's auditors are unaware. The Governors have each taken all of the steps that we ought to have taken as Governors in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditor

In accordance with Section 385 of the Companies Act 2006, a resolution proposing the re-appointment of Crowe U.K. LLP as auditor to the school will be put to the annual general meeting.

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

STRATEGIC REPORT

Principal Activity

The School was originally established as a boarding and day school for boys. Prior to September 1985, the School admitted junior girls up to the age of 11. With effect from September 1985, the Governors voted to admit girls throughout the entire range of 3 to 18 years on educational, social and financial grounds. Boarding has now been phased out; as such the School is now a co-educational day school for pupils aged 3 to 18.

Objectives for the Year

The focus this year, like the previous year, has been the continued delivery on the strategic plan as laid out by the Headmaster. The School, like many in this sector, continued to face pressure from inflationary price increases. Despite this, we have managed to maintain our balance of academic excellence, outstanding pastoral care and a variety of co-curricular opportunities. The school has continued to invest in its facilities during the year, completing works to generate a new science classroom, with an extension being added to the existing science building. Further work has commenced to refurbish the basement of the main Senior School building and improve the environmental properties of the Junior School building by adding insulation as part of a roof replacement scheme.

Strategies to achieve the year's objectives

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

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

Review of Activities and Achievements

Pupil numbers during the year averaged 722 (2022: 689). We believe that the continued investments the School has made, not just in facilities and technology but also in staff, significantly contributed to this continued growth in pupil numbers.

A Regulatory Compliance, Educational Quality and Material Change Inspection was carried out in September 2022. The Independent Schools' Inspectorate report stated that the School met every statutory requirement and achieved the highest possible grading of 'excellent' in all areas.

Our results were well earned by the pupils over a challenging period of schooling which involved 3 years of disruption with the pandemic. The media discussed much about this year's return to 2019 grading: it was pleasing to see that King's achieved better results than in 2019 and that our upward trend of achievement continued.

At A-level, over a quarter of results were at A*/A, with over half of all grades being A*-B. There was a 100% pass rate overall. In BTEC, all pupils achieved Distinction or starred Distinction in every part of the course, which equates to all A*/A grades at A Level.

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

It was pleasing to see pupils continuing to succeed across the very wide range of academic subjects offered at King's, with 27 subjects on offer.

The varied university destinations include pupils reading Exercise and Sports Science at Exeter; Geography at Loughborough; Biological Sciences at Warwick; Music at Southampton; and Psychology at Cardiff. In addition, this year two of our pupils received offers at prestigious international universities: the highly sought after Vassar College in the USA and McGill University in Canada.

GCSE results were outstanding and continued the upward trend of results over the past few years. King's pupils produced one of our best ever set of results. A fifth of all grades were grade 9, four times the national average, with one in three results being at grade 9 or 8. An equally positive 51% of results achieved grades 9-7 (equivalent to the old A*-A).

It is important to see beyond these statistics and consider how much time, effort and energy the pupils, with the support of their teachers, put into achieving these results. King's has a reputation for producing strong all-rounders with great character who work hard outside the classroom as well as inside it. Amongst the pupils celebrating great results at the school were a several great musicians and former choristers, some incredible musicians, first class sports men and women (including a strong group at Gloucester Rugby Academy), superb artists and many more.

At King's, academic excellence goes hand in hand with values such as kindness and compassion for our community. Even in the midst of a cost of living crisis, this year group raised £6,116 to be shared between this year's chosen House charities (The Leukaemia and Intensive Chemotherapy Fund; Gloucester Feed the Hungry; and Gloucester Deaf Association) through House activities such as non-uniform days. They also raised £9,000 for our partner school in Dornakal, India through charity days, a concert and an individual camping challenge. We also supported other local charities with sponsorship in the Gloucester 10K and the Run the Runway Challenge. A large number of pupils have taken part in the Gloucester HAF Project over the summer and we had excellent parent and pupil support at a Christmas event held at school for disadvantaged pupils within the local community.

Our pupils performed in the school productions of 'School of Rock' and 'The Brothers Grimm Spectaculathon', took part in a Sport Tour to Portugal and engaged with cultural tours to New York, Costa Rica, Paris and the Azores. We had many pupils organising their own volunteering placements in the Junior School, local schools and the Read with Me programme, but we also had lots of pupils who volunteered with the Gloucester City Holiday Activity and Food (HAF) Programme.

The Junior School, along with the EYFS at Little King's, experienced a year filled with growth and development evident in our excellent ISI inspection report. Key focal points during this year were celebrating diversity, addressing environmental concerns, and prioritising the well-being of both pupils and staff. The pupils were motivated to engage in their studies through critical thinking, self-directed learning, and an enthusiastic attitude towards every facet of their educational journey. This mindset was prominent even among our youngest pupils. We were deeply proud of their singular and joint accomplishments particularly in terms of supporting our local, regional and international communities, which encompassed efforts like the Gloucester Food Bank and City Mission, Gloucestershire Bundles, Children in Need and our partner community in Dornakal, India. In addition, we were awarded our Eco Schools Green Flag with distinction.

Financial Review and Results for the Year

The School continues to benefit from an ever-increasing pupil roll, with an FTE increase of 46 pupils year-on-year. This has helped to compensate for cost areas which have been adversely impacted by inflation, such as catering. Despite these challenges, the School has generated a surplus of £221,087 (2022: surplus £144,232). The School also continues to retain strong cash generation, with the view to strengthen its liquidity position in order to meet external financing maturity dates.

The outlook for the next 12 months for the School continues to be positive, which is evidenced by further growth in our pupil roll. The recent refurbishment of the Dulverton Sixth Form Centre remains a strong selling point. The steady upgrade of existing facilities, both to improve the overall pupil environment and to increase

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

capacity, is a clear sign that the School is planning for the future with confidence, despite the less certain political outlook. The School is also finding the recruitment and retention of high-quality staff in certain teaching and operational areas to be increasingly challenging.

The School does remain vigilant of the financial risks that we may be susceptible to over the next 12 months, specifically inflationary pressures surrounding heating, lighting and catering. We also recognise the potential impact that a change of government may have and the associated risk of the application of VAT to school fees. The School is mindful of the challenge to parental affordability this would create, and as such it is looking to drive further efficiencies to minimise the impact on school fees in future years.

Investment Policy and Objectives

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

Investments are currently held in a COIF Charities Investment Fund where it previously looked to support the Prize and Scholarship Fund, with a view to achieving an above-average annual dividend, relative to UK equities, to enable the provision of prizes and scholarships. The investments market value at the year end date was £91,703 (2022: £93,551).

Investment Performance

The investment performance for the year yielded a total return of 1%. Investments are made to maximise the total return and generate investment for the granting of prizes and scholarships. The investment performance for the year has generated an annual dividend yield of 2.8%.

Reserves Policy

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

The School's total reserves of £5.58m (2022: £5.35m) at the year end comprising £17k (2022: £17k) restricted funds and £5.56m (2022: £5.34m) unrestricted reserves. £8.73m (2022: £8.73m) represented the net book value of fixed assets. The Governors consider that given the strength of the School balance sheet, the stable cash flow from the student roll and the ongoing popularity of the School, that there is no need to build up a free reserve.

Fundraising Policy

All fundraising activities for the School are carried out by highly professional School staff with assistance from the parents and pupils. The School does not use external professional fundraisers or have any commercial participants. All fundraising activities are managed by the Headmaster, with oversight by the members of the Governing Body.

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

The School does not currently subscribe to any specific fundraising standards or schemes for fundraising regulation but considers that it has set appropriate standards for the operations and management of its fundraising activities. In particular, the School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to donate money or property.

THE KING'S SCHOOL, GLOUCESTER

ANNUAL REPORT OF THE GOVERNORS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Principal Risks and Uncertainties

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

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

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

Risk Management

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

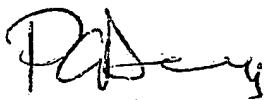
Within the locality there are seven maintained grammar schools and several independent schools. Through outstanding pastoral care, prudent structuring of the curriculum, the provision of inspiring teaching, a wide range of co-curricular activities and enhanced facilities, Governors aim to outperform local state and independent schools such that the reputation of King's continues to be enhanced.

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

Future Plans

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

This Annual report was approved by the Board of Governors of The King's School, Gloucester on 21st November 2023 including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Mr P Dancey
Chairman of Governors

THE KING'S SCHOOL, GLOUCESTER

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

Opinion

We have audited the financial statements of The King's School Gloucester ('the charitable company') and its subsidiary ('the group') for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

THE KING'S SCHOOL, GLOUCESTER

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

THE KING'S SCHOOL, GLOUCESTER

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

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

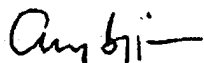
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

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



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

Date: 17 December 2023

THE KING'S SCHOOL, GLOUCESTER

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income and endowments from:					
Charitable activities					
School fees	3	10,938,777	-	10,938,777	9,835,752
Ancillary trading	6	1,254,923	-	1,254,923	689,410
Other trading activities					
Other incoming resources	6	21,040	-	21,040	44,396
Trading turnover – Serlo Enterprises	4	96,658	-	96,658	52,391
Investments					
Investment income	5	24,057	-	24,057	8,867
Voluntary sources					
Voluntary income	2	6,763	7,314	14,077	25,312
Total incoming resources		12,342,218	7,314	12,349,532	10,656,128
Expenditure on:					
Raising funds					
Serlo Enterprises trading costs	4	48,442	-	48,442	22,261
Fundraising costs – other		12,035	-	12,035	9,061
Finance costs	7	110,285	-	110,285	107,162
Total deductible costs		170,762	-	170,762	138,484
Charitable activities					
Education and grant making costs		11,948,666	7,169	11,955,835	10,372,376
Total expenditure	8	12,119,428	7,169	12,126,597	10,510,860
Net incoming/(outgoing) funds from operations before transfers and investment gains		222,790	145	222,935	145,268
Transfers		-	-	-	-
(Losses)/gains on investments	12	(1,848)	-	(1,848)	(1,036)
Net movement in funds for the year		220,942	145	221,087	144,232
<i>Fund balances as at 1 August 2022</i>		<u>5,337,833</u>	<u>16,763</u>	<u>5,354,596</u>	5,210,364
Fund balances as at 31 July 2023	17	<u>5,558,775</u>	<u>16,908</u>	<u>5,575,683</u>	5,354,596

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

THE KING'S SCHOOL, GLOUCESTER
COMPANY REGISTRATION NUMBER 03834841

BALANCE SHEETS
AS AT 31 JULY 2023

	Note	Group		School	
		2023 £	2022 £	2023 £	2022 £
Fixed assets					
Tangible assets	11	8,731,638	8,727,770	8,731,638	8,727,770
Investments	12	91,703	93,551	91,706	93,554
		<u>8,823,341</u>	<u>8,821,321</u>	<u>8,823,344</u>	<u>8,821,324</u>
Current assets					
Stocks		16,612	14,145	16,611	14,145
Debtors	13	794,044	705,414	858,006	745,379
Cash at bank and in hand		1,415,985	1,446,706	1,343,422	1,405,269
		<u>2,226,641</u>	<u>2,166,265</u>	<u>2,218,039</u>	<u>2,164,793</u>
Creditors: amounts falling due within one year	14	<u>(2,048,579)</u>	<u>(2,205,152)</u>	<u>(2,040,759)</u>	<u>(2,204,462)</u>
Net current assets / (liabilities)		178,062	(38,887)	177,280	(39,669)
Total assets less current assets / (liabilities)		9,001,403	8,782,434	9,000,624	8,781,655
Creditors: amounts falling due after more than one year	15	<u>(3,425,720)</u>	<u>(3,427,838)</u>	<u>(3,425,720)</u>	<u>(3,427,838)</u>
Net assets		<u>5,575,683</u>	<u>5,354,596</u>	<u>5,574,904</u>	<u>5,353,817</u>
Income funds					
Restricted funds	18a	16,908	16,763	16,908	16,763
General funds	18b	5,558,775	5,337,833	5,557,996	5,337,054
	17	<u>5,575,683</u>	<u>5,354,596</u>	<u>5,574,904</u>	<u>5,353,817</u>

The net results for the financial year dealt with in the financial statements of the parent charity was a surplus of £221,087 (2022: surplus £144,232).

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

21st November 2023



Mr P Dancey
Chair of Governors

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

THE KING'S SCHOOL, GLOUCESTER

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2023

	2023 £	2022
Net cash inflow from operations		
Net cash provided by operating activities (i)	425,511	770,646
Cash flows used in investing activities:		
Investment income and bank interest receivable	24,057	8,867
Payment for tangible fixed assets	(493,706)	(282,875)
Net cash used in investing activities	(469,649)	(274,008)
Cash flows from financing activities:		
Receipts from new advance fee contracts	771,573	356,064
Amounts utilised	(340,048)	(187,355)
Finance costs paid	(110,285)	(109,942)
Bank loan repaid	(307,823)	(694,567)
Bank loans utilised	-	-
Net cash used (in)/from financing activities	13,417	(635,800)
Change in cash and cash equivalents in the reporting period	(30,721)	(139,162)
Cash and cash equivalents at the beginning of the period	1,446,706	1,585,868
Cash and cash equivalents at the end of the reporting period	1,415,985	1,446,706

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

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

	2023 £	2022 £
Net incoming resources for the year	222,935	145,268
Elimination of non-operating cash flows:		
- Investment income and bank interest	(24,057)	(8,867)
- Financing costs	110,285	107,162
Loss on disposal of fixed assets	37,027	-
Depreciation of tangible fixed assets	452,810	419,961
(Increase)/decrease in stocks	(2,465)	15,362
(Increase)/decrease in debtors	(88,630)	(100,728)
Increase/(decrease) in creditors	(282,394)	192,488
Net cash inflow from operations	425,511	770,646

(ii) Analysis of changes in net debt

	At 1 August 2022 £	Cash- flows £	At 31 July 2023 £
Cash at bank	1,446,706	(30,721)	1,415,985

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

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. Accounting policies

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

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

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

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

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 6.

The financial statements present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets comprising the consolidation of the School with its wholly owned subsidiary Serlo Enterprises Limited. No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006. The School's surplus generation for the year was £221,087 (2022: £144,232).

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

Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Accounting policies (continued)

1.1 Incoming resources

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

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

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants.

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

1.2 Resources expended

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is accounted for on an accruals basis and is summarised under functional headings on a direct cost basis or, for overheads, apportioned according to management estimates. The irrecoverable element of VAT is included with the item of expenditure.

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

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

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value based on current market prices of each asset over its useful economic life, as follows:

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

Assets under construction are not depreciated until available for use.

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

Items costing less than £500 are written off as an expense when acquired.

1.4 Operating lease commitments

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

1.5 Investments

Fixed asset investments are stated at market value at the balance sheet date. Changes in the valuation of investments during the year are shown as unrealised gains or losses in the Consolidated Statement of Financial Activities. Investments in subsidiaries are valued at cost less provision for impairment.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Accounting policies (continued)

- 1.6 Stock**
Stock is valued at the lower of cost and net realisable value.
- 1.7 Taxation**
The School is a registered charity and as such is entitled to tax exemptions on all its income and gains properly applied for its charitable purposes.
- 1.8 Pensions**
The School participated in the Teachers' Pension Defined Benefits Scheme until 31 August 2021, for its teaching staff, at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme that are attributable to the School. Accordingly, under FRS 102 S28.11, the Scheme is accounted for as if it were a defined contributions scheme and the contributions are accounted for when advised as due by the Scheme Administrator.
- The School also contributes to a defined contribution pension scheme for non-teaching staff. From 1 September 2021 all teaching staff were also moved to the scheme. Employer's pension costs are charged in the period in which the salaries to which they relate are payable.
- 1.9 Unrestricted funds**
The General Funds comprise the accumulated surplus. As such the Governors consider these funds to be unrestricted funds within the definitions contained in the Charities Act in that they are funds over which they have complete discretion as to their use.
- 1.10 Restricted funds**
Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.
- 1.11 Recognition of liabilities**
Liabilities are recognised once there is a legal or constructive obligation that commits the Charitable Company to the obligation.
- 1.12 Financial Instruments**
Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised 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 trade and other debtors. A specific provision is made for debts for which recoverability is in doubt.
- Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and fees in advance.
- 1.13 Redundancy payments**
Redundancy payments occur when absolutely necessary and are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

2. Voluntary Income

	2023 £	2022 £
Donations - Restricted	7,314	12,094
Donations - Unrestricted	6,763	13,218
	<u>14,077</u>	<u>25,312</u>

3. School Fees

	2023 £	2022 £
Fees receivable consist of:		
Gross fees	13,321,238	11,794,840
Less: Total bursaries, grants and allowances	(2,382,461)	(2,127,038)
	<u>10,938,777</u>	<u>9,667,802</u>
Add back: Bursaries and other awards paid for by by restricted funds	-	167,950
	<u>10,938,777</u>	<u>9,835,752</u>

4. Trading Income

	2023 £	2022 £
Turnover	96,658	52,391
Operating expenses	(48,442)	(22,261)
Net profit from trading	<u>48,216</u>	<u>30,130</u>

Please see Note 12 for further details.

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

5. Investment Income

	2023 £	2022 £
Interest receivable from investments	<u>24,057</u>	<u>8,867</u>

6. Other Income

	2023 £	2022 £
Other ancillary activities		
Insurance claims	29,310	9,438
After school holiday and breakfast clubs	20,051	21,190
Music income	142,369	101,112
Tuition income	23,489	26,416
Trip income	473,266	169,000
Bus and transport income	325,296	156,200
Fee extras income	206,223	166,374
Summer ball	34,919	39,680
	<u>1,254,923</u>	<u>689,410</u>
Other incoming resources		
Rental income	-	13,266
Government grants	5,887	1,215
Miscellaneous receipts	15,153	29,915
	<u>21,040</u>	<u>44,396</u>

7. Finance and other costs

	2023 £	2022 £
Loan interest	106,138	103,554
Bank charges	4,147	3,608
	<u>110,285</u>	<u>107,162</u>

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

8. Analysis of expenditure

	Staff Costs £	Deprecia- tion £	Other Costs £	Total 2023 £	Total 2022 £
Charitable expenditure:					
School operating costs:					
Teaching costs	5,799,483	-	1,795,627	7,595,110	6,425,457
Welfare costs	186,660	-	-	186,660	125,746
Support costs	895,867	-	608,808	1,504,675	1,308,340
Catering	-	-	833,087	833,087	694,278
Premises	523,799	452,810	759,615	1,736,224	1,562,566
Grants, awards and prizes	-	-	7,206	7,206	180,533
Governance costs	-	-	92,873	92,873	75,456
	<u>7,405,809</u>	<u>452,810</u>	<u>4,097,216</u>	<u>11,955,835</u>	<u>10,372,376</u>
Costs of generating funds:					
Fundraising costs	-	-	12,035	12,035	9,061
School financing costs	-	-	110,285	110,285	107,162
School	<u>7,405,809</u>	<u>452,810</u>	<u>4,219,536</u>	<u>12,078,155</u>	<u>10,488,599</u>
Trading costs	<u>33,331</u>	<u>-</u>	<u>15,111</u>	<u>48,442</u>	<u>22,261</u>
Group	<u>7,439,140</u>	<u>452,810</u>	<u>4,234,647</u>	<u>12,126,597</u>	<u>10,510,860</u>

Governance costs include payments to the auditors of £20,040 (2022: £17,760) for audit services and other professional fees totalling £72,883 (2022: £57,696).

Grants, awards and prizes

	2023 £	2022 £
From Restricted Funds:		
Bursaries & Scholarships	-	167,950
Other grants and awards	7,169	10,357
	<u>7,169</u>	<u>178,307</u>
From Unrestricted Funds:		
Other grants and awards	37	2,226
	<u>7,206</u>	<u>180,533</u>

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

9. Staff Costs

	2023 £	2022 £
Wages and salaries	6,488,759	5,841,869
Social security costs	581,429	531,359
Pension contributions	368,952	378,597
	<u>7,439,140</u>	<u>6,751,825</u>

Aggregate remuneration and benefits of the 8 (2022: 9) key management personnel totalled £753,089 (2022: £797,731). This relates to the Headmaster, Deputy Head (Academic), Deputy Head (Pastoral), Bursar, Head of Junior School, Deputy Head (Staff), Assistant Deputy Head Co-Curricular and the Assistant Head of Sixth Form.

Termination payments of £8,000 (2022: £12,462) were made during the year.

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

	2023	2022
Teaching and support staff	<u>165</u>	<u>164</u>

The average number of employees during the year calculated on average head count was 213 (2022: 205).

The number of employees whose annual emoluments (salary and other taxable benefits) were £60,000 or more was:

	2023 £	2022 £
£60,001 - £70,000	5	1
£70,001 - £80,000	3	5
£80,001 - £90,000	2	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	1
£120,001 - £130,000	<u>1</u>	<u>-</u>

During the year contributions amounting to £Nil (2022: £7,153) were made for the higher paid employees to the Teacher's Pension Scheme.

10. Governors

The Governors received no remuneration or other benefits during the year, and £nil expenses were reimbursed to Governors (2022: £nil of expenses were reimbursed to Governors).

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

11a. Tangible Fixed Assets

Group and School	Land and buildings £	Assets Under Construction £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
<i>At 1 August 2021</i>	10,765,195	171,525	1,487,128	12,825	12,436,673
Additions	212,818	103,900	150,594	26,394	493,706
Transfers	171,525	(171,525)	-	-	-
Disposals	(131,376)	-	-	-	(131,376)
At 31 July 2022	11,018,162	103,900	1,637,722	39,219	12,799,003
Depreciation					
<i>At 1 August 2022</i>	2,893,742	-	802,337	12,825	3,708,904
Charge for the year	257,283	-	190,248	5,279	452,810
Disposals	(94,349)	-	-	-	(94,349)
At 31 July 2023	3,056,676	-	992,585	18,104	4,067,365
Net book value					
At 31 July 2023	7,961,486	103,900	645,137	21,115	8,731,638
<i>At 31 July 2022</i>	<i>7,871,453</i>	<i>171,525</i>	<i>684,792</i>	<i>-</i>	<i>8,727,770</i>

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

11b. Freehold and leasehold property

	Group and School	
	Accumulated Costs 2023 £	Net Book Value 2023 £
Freehold		
Old Bishop's Palace	550,802	149,482
Archdeacon Meadow	1,440,474	1,034,100
Sports Hall	2,600,856	2,030,227
Design and Technology Building	59,998	23,613
Science Lab	548,099	509,643
Mission Hall	341,735	308,517
	<u>5,541,964</u>	<u>4,055,582</u>
Long leasehold improvements to land and buildings leased from the Chapter of Gloucester Cathedral:		
Junior School Buildings on Paddock Land	2,011,494	1,184,103
Ivor Gurney Hall	683,714	574,907
Gouda Way	72,242	-
	<u>2,767,450</u>	<u>1,759,010</u>
Short leasehold improvements to land and buildings leased from the Chapter of Gloucester Cathedral and other parties:		
Finches Hall	29,160	24,495
King's School House	97,747	80,567
Little Cloister House	17,037	4,489
Wardle House	145,720	101,889
Paddock House – 5 Pitt Street	413,988	81,039
Coach House	29,682	20,373
Dulverton House (excluding furniture and fittings)	1,856,599	1,733,822
Paddock Car Park Development	141,271	128,853
Music Room – 3 & 4 Pitt Street	61,797	55,620
7 College Green	19,647	19,647
	<u>2,812,648</u>	<u>2,250,794</u>
	<u>11,122,062</u>	<u>8,065,386</u>

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

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

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Cathedral. The rent under this lease is £8,764 per annum.

12. Fixed Asset Investments

Group	2023 £	2022 £
Quoted investments at market value 1 August 2022	93,551	94,587
Unrealised (loss)/gain	(1,848)	(1,036)
Quoted investments at market value 31 July 2023	91,703	93,551
Cost	10,400	10,400
School		
Quoted investments at market value 1 August 2022	93,551	94,587
Unrealised (loss)/gain	(1,848)	(1,036)
Quoted investments at market value 31 July 2023	91,703	93,551
Shares in subsidiary trading company, at cost	3	3
	91,706	93,554
Cost	10,403	10,403

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

	2023 £	2022 £
Turnover	96,658	52,391
Cost of sales	(4,134)	(3,690)
Gross profit	92,524	48,701
Administration expenses	(44,308)	(18,571)
Operating profit	48,216	30,130
Gross covenant to The King's School, Gloucester	(48,216)	(30,130)
Retained profit for the year	-	-

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

13. Debtors

	Group		School	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	403,645	364,592	374,837	352,261
Other debtors	54,361	43,995	54,361	43,995
Prepayments and accrued income	336,038	296,827	336,038	296,827
Amounts owed by group companies	-	-	92,770	52,296
	<u>794,044</u>	<u>705,414</u>	<u>858,006</u>	<u>745,379</u>

14. Creditors: amounts falling due within one year

	Group		School	
	2023	2022	2023	2022
	£	£	£	£
Bank loan	235,442	231,421	235,442	231,421
Other loans	-	77,500	-	77,500
Trade creditors	160,989	231,754	160,989	231,754
Taxes and social security costs	157,188	148,943	157,188	148,943
Pension costs	80,383	72,996	80,383	72,996
Refundable fee deposits	278,836	274,118	278,836	274,118
Advance fee payments	396,896	197,597	396,896	197,597
Fees received in advance	338,922	478,559	338,922	478,559
Other creditors	29,332	72,265	29,331	71,605
Accruals and deferred income	370,591	419,999	362,772	419,969
	<u>2,048,579</u>	<u>2,205,152</u>	<u>2,040,759</u>	<u>2,204,462</u>

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

	Group and School	
	2023	2022
	£	£
Bank loan	1,033,526	1,267,870
Bond	1,519,300	1,519,300
Other loans	-	-
Advance fee payments	872,894	640,668
	<u>3,425,720</u>	<u>3,427,838</u>

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

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

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

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

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

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

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

Other loans are due to a School Trustee. Interest is charged at 3%. The loan was repaid in the year.

Maturity of loans	Group and School	
	2023 £	2022 £
Due within one year		
Bank loans	235,442	231,421
Other loan	-	77,500
Due within one to two years		
Bank	220,328	235,442
Due within two to five years		
Bank loan	300,210	338,718
Bond	1,519,300	-
Due in more than five years		
Bank loan	512,988	693,710
Bond	-	1,519,300
	2,788,268	3,096,091

16. Advance Fee Payments

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

	2023 £	2022 £
Greater than 5 years	87,540	129,241
Within 2 to 5 years	345,166	359,046
Within 1 to 2 years	440,188	152,381
	872,894	640,668
Within 1 year	396,896	197,597
	1,269,790	838,265

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

	£
Balance at 1 August 2022	838,265
New payments	771,573
Amounts accrued to contracts as debt-financing costs	30,343
	1,640,181
Amounts refunded	(6,078)
Amounts utilised in payment of fees	(364,313)
Balance at 31 July 2023	1,269,790

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

17. Analysis of Net Assets Between Funds – Current year

	Unrestricted funds £	Restricted funds £	Total £
Group			
Tangible fixed assets	8,731,638	-	8,731,638
Investments	91,703	-	91,703
Net current assets	161,154	16,908	178,062
Long term liabilities	(3,425,720)	-	(3,425,720)
	<u>5,558,775</u>	<u>16,908</u>	<u>5,575,683</u>

	Unrestricted funds £	Restricted funds £	Total £
School			
Tangible fixed assets	8,731,638	-	8,731,638
Investments	91,706	-	91,706
Net current assets	160,372	16,908	177,280
Long term liabilities	(3,425,720)	-	(3,425,720)
	<u>5,557,996</u>	<u>16,908</u>	<u>5,574,904</u>

Analysis of Net Assets Between Funds - Prior year

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

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

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

18a. Restricted Funds: Movements in the Year

	Balance as at 1 August 2022 £	Income £	Expenditure £	Gains on Investments/t ransfers £	Balance as at 31 July 2023 £
Prize & Scholarship fund	3,411	325	(373)	-	3,363
Bursary fund	-	278	-	-	278
Sports fund	-	1,080	(1,000)	-	80
Computer Science Equipment	41	-	-	-	41
Annual Fund	-	335	-	-	335
Art Scholars Fund	7,478	-	(1,222)	-	6,256
Alumni Electronic Archive	-	1,025	(217)	-	808
Art fund	5,200	-	-	-	5,200
E-Readers	270	-	-	-	270
Classroom Accessories	187	4,271	(4,232)	-	226
Wardle House Garden	176	-	(125)	-	51
School and Group restricted funds	16,763	7,314	(7,169)	-	16,908

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

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

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

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

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

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

The Alumni Electronic Archive fund is to be used for the electronic archiving of previous School yearbooks.

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

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

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

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

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

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

Restricted Funds: Movements in the Prior year

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

18b. Unrestricted Funds: Movements in the Year

	Balance as at 1 August 2022 £	Income £	Expenditure £	Transfers £	Balance as at 31 July 2023 £
General funds	5,337,054	12,245,560	(12,024,618)	-	5,557,996
School funds	5,337,054	12,245,560	(12,024,618)	-	5,557,996
Non charitable trading funds	779	96,658	(96,658)	-	779
Group funds	5,337,833	12,342,218	(12,121,276)	-	5,558,775

Unrestricted Funds: Movements in the Prior Year

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

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

19. Pension Scheme

On 31 August 2021 the School opted to withdraw from the Teachers' Pension Scheme ("the TPS") and so going forward, contributions will no longer be payable to the TPS. The pension charge for the year includes contributions payable to the TPS of £Nil (2022: £68,370). From September 2021 the School moved to an AVIVA aptis scheme, for both non-teaching staff and teachers. Employer contributions to this scheme during the year totalled £367,557. At the end of the year £80,383 was accrued in respect of July's payroll.

20. Operating Lease Commitments

At 31 July 2023, the School had future minimum commitments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Other		
Expiring within one year	95,833	97,897
Expiring between one and five years	297,433	209,828
Total	<u>393,266</u>	<u>307,725</u>

21. Related Party Transactions

In 2022, the School charged £33,331 (2022: £11,731) to Serlo Enterprises Limited for the provision of staff and the administrative services. The balance owed to the School at 31 July 2023 was £92,770 (2022: £52,283).

The spouse of a governor received a salary of £18,117 (2022: £21,878) for their employment as a teacher by the school.

During the financial year the School undertook the following transactions where a Governor, or a close relation to the Governor, is also listed as a Director of the company:

- Debbie Innes, £100 for safeguarding and consultancy services.
- Miles Dunkley, £1,584 charged by Synlatex Ltd, a company under his control, for pin badges.

A number of governors are also trustees of the Chapter of Gloucester Cathedral and the School enters into a number of arms length transactions with the Cathedral.

Bond options are still retained by Governors and Senior Management totalling a value of £521,300, generating interest payable of £5,963, of which £4,838 has been gifted back to the School. Additionally, a separate loan of £77,500 for the Dulverton redevelopment with a Governor had been settled during the year, this loan generated £2,131 interest payable during the year, this was settled at the point of redemption.

22. Capital commitment

At 31 July 2023 the School had outstanding authorised contractual commitments in respect of capital projects totalling £301,352 (2022: £199,784).

THE KING'S SCHOOL, GLOUCESTER

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

23. Comparative SOFA

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Income and endowments from:			
Charitable activities			
School fees	9,835,752	-	9,835,752
Ancillary trading	689,410	-	689,410
Other trading activities			
Other incoming resources	44,396	-	44,396
Trading turnover – Serlo Enterprises	52,391	-	52,391
Investments			
Investment income	8,867	-	8,867
Voluntary sources			
Voluntary income	13,218	12,094	25,312
Total incoming resources	10,644,034	12,094	10,656,128
Expenditure on:			
Raising funds			
Serlo Enterprises trading costs	22,261	-	22,261
Fundraising costs – other	9,061	-	9,061
Finance costs	107,162	-	107,162
Total deductible costs	138,484	-	138,484
Charitable activities			
Education and grant making costs	10,194,069	178,307	10,372,376
Total expenditure	10,332,553	178,307	10,510,860
Net incoming funds from operations before transfers and investment gains	311,481	(166,213)	145,268
Transfers	48,960	(48,960)	-
Gains on investments	-	(1,036)	(1,036)
Net movement in funds for the year	360,441	(216,209)	144,232
Fund balances as at 1 August 2021	4,977,392	232,972	5,210,364
Fund balances as at 31 July 2022	5,337,833	16,763	5,354,596