

KING'S SCHOOL, ROCHESTER

England & Wales · Charity number 1084266

Details

Status Registered

Legal form Charitable company

Company number [03791543](#)

Registered 2000-12-22

Register [View on the Charity Commission register](#)

Contact

Address Satis House
Boley Hill
Rochester
Rochester
Kent
ME1 1TE

Phone 01634888555

Email bursar@kings-rochester.co.uk

Website www.kings-rochester.co.uk

Activities

Objects: TO ADVANCE THE EDUCATION OF THE BOYS AND GIRLS BY THE PROVISION AND CONDUCT OF A SCHOOL IN ROCHESTER IN THE COUNTY OF KENT AND THE SURROUNDING NEIGHBOURHOOD AT WHICH SCHOOL RELIGIOUS INSTRUCTION SHALL BE GIVEN IN ACCORDANCE WITH THE PRINCIPLES AND DOCTRINES OF THE CHURCH OF ENGLAND.

Activities: TO ADVANCE THE EDUCATION OF THE BOYS AND GIRLS BY THE PROVISION AND CONDUCT OF A SCHOOL IN ROCHESTER IN THE COUNTY OF KENT AND THE SURROUNDING NEIGHBOURHOOD AT WHICH SCHOOL RELIGIOUS INSTRUCTION SHALL BE GIVEN IN ACCORDANCE WITH THE PRINCIPLES AND DOCTRINES OF THE CHURCH OF ENGLAND.

Classification

- **How:** Other Charitable Activities
- **What:** Education/training, Other Charitable Purposes
- **Who:** Children/young People, The General Public/mankind

Geography

- **Area of benefit:** ROCHESTER, KENT.
- Medway

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£12,668,026	£12,371,634	£15,142,441	270
2023-08-31	£11,683,566	£11,377,236	£14,613,841	253
2022-08-31	£10,942,824	£10,325,445	£14,378,419	246
2021-08-31	£9,171,188	£9,684,460	£13,752,682	255
2020-08-31	£9,374,636	£9,675,583	£14,042,003	262

Trustees

Name	Role	Appointed
John Maas	Chair	2022-12-06
Alex Marlow		2023-03-21
Dr Stephen Jones		2025-06-24
Harriet Jane Davies-Mullan		2025-10-07
Kirsty Louise Handel		2024-06-25
Mark Daniel Dawson Chaloner		2024-06-25
Matthew Hebden		2025-03-18
Matthew Mason		2024-10-08
Nikki Michelle Cagan		2024-06-25
Patricia Mary Catherine Stewart		2022-08-31
Paul Brenden Coen		2021-09-01
Philip Darby		2024-10-08
ROSEMARY ANN OLLEY		2017-12-06
Rev Christopher David Dench		2018-10-08
Rev Gordon John Giles		2020-09-13
Thomas Berner		2024-01-27
Wayne Smith		2023-03-22

Linked charities

- ROCHESTER CATHEDRAL KING'S SCHOOL EDUCATION TRUST (1084266-1)
- GEOFFREY HARMSWORTH CHARITABLE TRUST (1084266-2)

KING'S SCHOOL, ROCHESTER

England & Wales - Charity number 1084266

Accounts

King's School, Rochester
Annual Report
for the year ended 31 August 2024

Company Number: 03791543

Registered Charity Number: 1084266

King's School, Rochester

Annual Report

For the year ended 31 August 2024

Contents	Pages
Trustees and Advisers	2
Report of the Trustees	3 – 15
Report of the Auditors	16 – 18
Consolidated Statement of Financial Activities	19
Balance sheets	20
Consolidated Cash Flow Statement	21
Notes to the Financial Statements	22 - 39

Company Number: 03791543

Registered Charity Number: 1084266

TRUSTEES AND ADVISERS***Patron***

The Lord Bishop of Rochester

Chair of Governors

Air Cdre J D Maas, CBE, MSc

Vice Chair of Governors

The Very Rev'd Canon Dr P J Hesketh AKC DL

Governors and Trustees

Mr T Berner (appointed 27 Jan 2024)

The Rev'd Canon S Brewer

Mrs N Cagan (appointed 25 June 2024)

Mr M Chaloner (appointed 25 June 2024)

Mr M J Chesterfield Esq (resigned 25 June 2024)

Mr P B Coen, MBA, FCCA, FPFs*

The Rev'd Canon C Dench

The Rev'd Canon Dr G Giles, PhD(Middx), MLitt (Cantab), BA

Hons(Lancaster), CTM, ARSM

Dr A C Gower, MEd, MBA, MPhil, PhD*

Mrs Kirsty Handel (appointed 25 June 2024)

Mr A Marlow, BSc (Hons) March MSt, RIBA SCA*

Mrs R A Olley, CED

Mrs G B Opara, MSc, IS (Resigned 25 June 2024)

Mrs J E Shilling, BA (Hons) (resigned 15 August 2024)

Mr W E Smith, BA Dip.Ed.

Mrs P M C Stewart, MSc, LLM, BSc

Ms E Whitlam, MSc (resigned 12 March 2024)

****Chair or Acting Chair of Sub-Committees***

Membership of the Board is determined under the Articles of Association. The Governors shall consist of:

- The Dean as an ex-officio Governor;
- Four Canons Residentiary;
- Four Nominative Governors appointed by the Dean and Canons Residentiary and approved by the Chairman and Principal of King's School Rochester and Headmaster of the Senior School;
- One Nominative Governor to be appointed by the Diocesan Board of Education and approved by the Chairman and Principal of King's School Rochester and Headmaster of the Senior School; and
- Up to eight Co-optative Governors.

Every year one-fifth of the Nominative and Co-optative Governors retire from office. Retiring Governors may be re-appointed.

KEY MANAGEMENT PERSONNEL

Principal: Mr B P H Charles, BA (Hons), PGCE, Universities of Exeter and Durham

Members of the Key Management Team

Mr T H Morgan, BMus (Hons) RCM

Mrs K Crozer (Ed), Bed Hons Greenwich

Miss D J Godwin, BA (Hons), FCMA

Mr D Faries

Estates (May 10 2024, onwards)

Mr N Ball

Mrs K Simmons (nee Petts) CIPFA

Headmaster of the Preparatory School

Headmistress of the Pre-Preparatory School

Bursar (resigned 3 January 2024)

Interim Bursar (until 14 April 2024); Interim Director of

Bursar (15 April 2024 onwards)

Director of Operations (Resigned 9 May 2024)

REGISTERED OFFICE

Satis House

Boley Hill, Rochester, Kent

ME1 1TE

ADVISORS***Auditors***

HaysMac LLP

10 Queen Street Place

London, EC4R 1AG

Solicitors

VWV

Narrow Quay House, Narrow Quay

Bristol BS1 4QA

Bankers

National Westminster Bank PLC

2nd Floor, 3 High Street, Maidstone, Kent ME14 1HJ

Investment managers

Ruffers, 80 Victoria Street, London, SW1E 5JL

James Hambro & Partners, 45 Pall Mall,, London SW1Y

5JG

REPORT OF THE TRUSTEES

The Trustees present their annual report and audited financial statements for the year ended 31 August 2024 which comply with the requirements of the Charities Act 2011, Companies Act 2006, the Articles of Association and the Charities SORP (FRS102) – Second Edition.

AIMS AND OBJECTIVES

King's School Rochester (King's) is the oldest choir school and the second oldest school in the UK. There has been unbroken education at King's since the establishment of a monastic school in 604AD. The School offers an exceptional day and boarding education for 670 pupils aged 3 to 18. With a distinguished Christian foundation and strong links to Rochester Cathedral, King's provides a contemporary 21st century holistic education in an inspiring setting, developing in all pupils' skills and interests beyond the classroom.

Strategic Aims

Futureproofing King's for a Sustainable Future

- Stewardship of the ancient foundation of this School combined with our responsibility towards the environment and the planet.

King's as One School

- The whole community (pupils, staff, parents, Governors & alumni) working together as one to bring us closer together to celebrate the diversity and inclusivity of this unique place.

King's as a School for Life

- Preparing the pupils for a life beyond King's whilst ensuring they remain in touch once they have left.

Strategies to Achieve Objectives

The overarching aims above lead to the six key strands of strategy set out below which define the School's operational plan:

Maximising pupil potential through excellence in teaching and learning:

- By 2026 the quality of teaching and learning, supported by confident middle leadership, will be consistently excellent.
- We will be confident, creative and efficient in teaching and learning thanks to a whole school approach which encourages innovation and shares best practice through training.
- We will seek to establish a broad and rounded curriculum which benefits all our pupils so that they are prepared for a globalised future.

A whole school approach to the co-curriculum

- By 2026 the school's quality of co-curricular provision will be consistently exceptional.
- We will establish a co-curricular programme that is coherent and demonstrates a synergy with the school's ethos, curriculum and educational aims.

Pupil and staff wellbeing in a fast-changing world

- By 2026 a culture for pupils and staff will have been created in which the balance between 'work hard, play hard and look after each other' has been firmly established.

A prioritised programme of building, refurbishment of facilities and financial infrastructure

- By 2026 we will have further improved our teaching and co-curricular environment and created outstanding new facilities.
- We will have in progress a medium to long-term programme of phased development which has been carefully prioritised to allow the school to deliver an outstanding educational experience at all stages.

A fully integrated approach to marketing and admissions

- By 2026 a fully integrated approach to admissions and marketing will have enabled us to increase our market share of prospective families and to make our recruitment into the Nursery, Pre-Prep, Prep and Senior Schools robust and secure.

A dynamic programme of Outreach and Partnership

- By 2026 we will have fully developed the school's approach to outreach and partnerships with local maintained sector schools, set up a Development Office, refreshed our programme of events for alumni and donors, grown our alumni database, and successfully launched a long-term bursary fundraising campaign designed to expand our provision of means-tested support.

The Governors and Executive are reframing the Strategic Plan for academic year 2024/25.

Charitable Objects

The objects of the School, as set out in the Memorandum of Association, are the provision and conduct of a day school for boys and girls aged 3-18 and the provision of boarding facilities for boys and girls aged 11-18. In setting the objectives the Governors have given careful consideration to the Charity Commissions' general guidance on public benefit.

Principal Activities of the Year

The School provides and conducts a day school for boys and girls aged 3-18 and the provision of boarding facilities for boys and girls aged 11-18.

Grant-making Policy

The value of scholarships, exhibitions, bursaries and other awards totalled £1,791,186 in the year, 13.38% of gross fee income. The policy is to make awards on the basis of an individual's educational potential or to relieve hardship where the pupil's education and future prospects would otherwise be at risk. This year the value of prizes made to the School's pupils out of restricted funds held by Rochester Cathedral King's School Endowment Trust, Geoffrey Harmsworth Trust, Lord Chadlington and Henry Oldfield funds amounted to £151,595. The policy for distribution follows the conditions imposed by the original donor. Full details of the awards are published annually in a booklet "Scholarships and Bursaries".

Designated Funds

The Bursary Fund was set up several years ago; the income continues to be reinvested until it has reached sufficient size to make a worthwhile contribution to bursaries for pupils. Details of the above Funds are contained in Note 14 to the Financial Statements.

Volunteers

There are two thriving parental groups operating: The Friends of King's School and The Pre-Prep Supporters' Group who fund-raise for the School. The Governors would like to take this opportunity to say how much it appreciates their continuing and valuable support for the School's work.

Public Benefit

In pursuance of the School's long-held objective in offering public benefit to the community, and to ensure compliance with recent legislation, an Annual Public Benefit Review is undertaken internally. Set out below is a summary of the public benefit actions undertaken by the School:

- **Bursaries and Scholarships.** Our primary purpose is the provision of educational services to young people aged 3 to 18, drawn from a wide cross section of the public as possible. The School welcomes pupils from all backgrounds and access to the education offered is not restricted to those that can afford the fees. The School offers a range of scholarships that come with a standard fee remission and additional further means tested assistance where required. These include Academic, Music, Drama, Art and Sports scholarships available to external candidates. The School was proud to offer both 'Chadlington Scholarships' and bursarial supported places for Ukrainian pupils under the 'HMC Projects in Central and Eastern Europe' this year, thanks to Lord Chadlington and to Mr Oldfield. These places cover 100% of fees and expenses for a total of six pupils from local maintained schools and the Ukraine. The School promotes its means tested scholarships and bursaries to pupils from the maintained sector through various channels including the school's website, media relations and encourages parents to apply. Bursarial support is provided for existing pupils where there is a change of circumstance and a number of 100% bursaries supporting children in particular need.

- **Cathedral Choristerships.** With the assistance of the Dean and Chapter of Rochester Cathedral, we educate the Rochester Cathedral Choristers who are drawn from vocally and musically able boys and girls from a wide cross section of the community. All of the Cathedral Choristers are pupils of the School (except for some of the older girls) and sing for the public in services and concerts in the cathedral. The School provides financial assistance by way of a fee remission to Choristers attending the School with some receiving further financial assistance through means-tested bursaries.
- **Schools Together Partnership Activities.** The School has established a number of links with local maintained Schools and has offered pupils from diverse backgrounds the opportunity to work together in joint activities, particularly in drama, music and sport.

This year the Drama Department has provided opportunities for pupils from eight local state schools to broaden their experience of the performing arts by watching live theatre, attending performances of the Preparatory School ("The Lion, the Witch and the Wardrobe") and the Senior School ("Romeo and Juliet") main stage shows. Tickets to these shows were also offered to pupils studying GCSE and A-Level Drama/Theatre Studies in local state Senior Schools.

While our Music outreach has been more limited this year, we have hosted an Orchestra Day for local schools and each term Music Scholars visit Morden College, a charity which has been providing residential care in Blackheath, London, for over 300 years.

This summer the Games Department hosted a Cricket Festival for pupils from local primary schools providing coaching from specialist Sports teachers on batting and bowling skills and facilitating an afternoon of matches. Pupils were introduced to the basics of "Paired Cricket" and they were able to practice their skills during the matches.

- **Learning Support Programme.**

The Learning Support Department coordinates support for pupils with Special Educational Needs and Disabilities (SEND) and English as an Additional Language (EAL). With regard to the SEND Code of Practice 2015 and the Equality Act 2010, the Department works to ensure that pupils' learning support needs are identified and met and that, where necessary, reasonable adjustments are put in place.

King's embraces Quality First Teaching, which is under-scored by adaptive and inclusive provision. This is predicated on the understanding that "every teacher is a teacher of special educational needs" (SEND Code of Practice 2015). In this context, the Department provides support and guidance to teachers across the school to ensure that pupils' needs are supported in the classroom. It also provides one-to-one and small group support sessions outside the classroom, tailored to pupils' individual needs.

Access arrangements for public examinations are administered by the Department, in line with Joint Council for Qualifications and Cambridge Assessment International Education regulations. The Department liaises closely with academic and pastoral staff across the school to ensure a joined-up and consistent approach.

- **King's School Premises.** The School runs and maintains a former council owned sports centre which it fully refurbished and is currently used 85% of the time by the local community, including local maintained sector schools. The King's Rochester Sports Centre provides subsidised access to high quality sporting and exercise facilities to the local community. Many local sports groups use the indoor and outdoor facilities at community rates, along with a local cardio rehab group.

The Swimming Pool is used by three local primary schools enabling their pupils from Years 4,5 and 6 to have regular swimming lessons and School staff volunteer to teach group swimming lessons, swimming clubs and lifesaving courses to the public. The pool is also used for free by a small number of cadet groups prior to their summer season of outdoor water sports training. This is so the Cadet training teams can swim test all cadets and train them in water safety skills. We host swimming galas for local schools giving children the experience and opportunity to race in a competitive environment.

Via a partnership with a local school, the pool and a teaching room is used by the Greenacre Sports Partnership to deliver a Swim England Teachers Course. This enables 12 teachers from across Medway to learn how to teach swimming to their school pupils.

The Chadlington House Sports Hall and its cricket nets have been used regularly throughout the non-playing season by local cricket clubs.

The School's playing fields have been used pro bono by local schools, school aged pupils from a local rugby club as part of a collaborative arrangement and also by local cricket clubs and the TA.

- **King's School Pupil Charitable Giving.** Each of the three Schools nominate a charity each year that works in the local area, some of the Lower Sixth organise fundraising events throughout the year to raise money to support the work of the nominated charity. Additionally, there was a co-ordinated whole school campaign during 2023-2024. All are supervised by members of King's School Staff.

Each of the three departments of the School organised regular events to raise money for their chosen charities each year. In 2023-2024 the charities were:

Pre-Preparatory School	Cool Earth
Preparatory School	Evelina Hospice, Oxfam, Open House & JDFR UK Diabetes
Senior School	Cobbes Meadow Riding School for the Disabled
Whole School	Medway African & Caribbean Association

- **Sport.** By competing in regular sports fixtures for both boys and girls against state and independent schools, King's School pupils are integrated in the local sports scene, encourage a familiarity with King's and generally contribute to the success of community events.
- **Worship.** The School actively promotes the Christian faith and principles (with study of RS to GCSE for all pupils) with cathedral services open to members of the public. The School also promotes equality and integration.
- **The Cathedral Choristers.** The School has provided musical outreach and produced a number of concerts and services that are held in the Cathedral and are made available at no charge to the local community. The school works closely with the Cathedral on numerous joint events, offering cultural, musical and spiritual opportunities.
- **Teacher Training.** King's offers placements to trainee teachers from Kent Medway Teacher (KMT) Training SCITT. We also have offered 1 placement from University of Greenwich. We currently have 1 trainee teacher in Biology with KMT and 1 trainee in PE from the University of Greenwich (until the end of Michaelmas term only). We have 4 trainee teachers completing their contrasting B placement with us in January - February 2025. The subject areas for the contrasting B placement are: Biology; History; Geography and DT. We have requested 3 unsalaried trainee teachers for September 2025 in the following subject areas: English; Religious Studies and PE. Our Director of Digital Learning (Chris Coetzee) has also provided support and training for Computer Science teachers at maintained schools across the county and beyond. The professional Tutor for ITT & ECT (Ingrid Coetzee) also delivers a professional development study session for KMT trainee teachers.
- **Local Community.** The school is part of the Medway Cultural Partnership and an active participant in the Medway Champions Programme to promote Medway as a place to live, visit, work and learn which contributes to developing the economy of the local community. We also work with Kent Women in Business, wHoo Cares CIC and the Rochester High Street Forum in events and activities to assist their members.

King's is taking a lead role in the Medway Education Partnership. We are committed to strengthening the effectiveness of the school system in Medway and facilitating a sector led system that enables every child to realise their full potential. The relationship between schools, academy trusts, school leaders' associations (MELA, MSHA), and the local authority, working alongside the Regional Schools Commissioner and teaching schools, are key to 'achieving more together' with co-production supporting the outcomes we seek.

As part of the Senior School programme, every Friday afternoon pupils do volunteer work with local charities and primary schools. We also arrange termly partnership events in sports with local primary schools to assist in the development of sporting enjoyment and teamwork, and we allow visiting primary schools to use our indoor swimming pool. In total King's has engaged in 34 different activities and events with its community and education partners in the 2023/24 reporting year engaging with over 1,850 participants.

- **Economic Impact and Savings to the Public Purse.** King's School currently educates 670 children relieving pressure on local state schools and with no claim on the State for the subsidy provided for each place at a maintained school (The School does not currently reclaim any VAT charged on its purchase of supplies and services).

The School employs over 230 people locally at all levels of employment and the School also buys as many of our goods and services locally as possible contributing further significant financial impact indirectly.

Fundraising Approach and Performance

Throughout the year the School community of staff, pupils and parents undertake charity fundraising activities including quiz nights, classroom competitions, sport events, open mic nights and other fundraising events with supporter contact in line with the Fundraising Code of Practice set by Fundraising Regulator. Our fundraising promise is:

'When you support you can be sure of the following:

- *We will never sell your contact details to anyone;*
- *We will only contact you if you have expressed an interest in our work;*
- *If we phone you, we will always check you are happy to take the call;*
- *If you ask us to change how we communicate with you, or stop, we will respect that;*
- *We do not engage in cold-calling, door to door or street fundraising;*
- *We try hard to ensure no one ever feels pressurised to support our work; and*
- *All our activities are open, fair, honest and legal.*

We have robust policies in place when dealing with vulnerable people and do not put any pressure on our donors. We do not use professional fundraisers. No complaints about fundraising activity were received in the year. We are also registered with the Fundraising Regulator.

Overall fundraising performance during the year

£8,555	East Africa Charities (Maasai school, Magnet in Nairobi, MAPED);
£325	Save the Children
£395	Open House
£114	Macmillan Support
£866	Papyrus
£4,015	Visions of Glory

Group Structure and Relationships

Uniting Directions have been issued by the Charities Commission allowing the combination of financial information for King's School Rochester, Rochester Cathedral King's School Endowment Trust ('RCKSET') and the Geoffrey Harmsworth Charitable Trust.

Rochester Cathedral King's School Endowment Trust is a subsidiary of the Charity whose income is used to fund prizes.

A subsidiary charity was established in 2009 in the name of an Old Roffensian who died during that year. The Geoffrey Harmsworth Charitable Trust provides financial support to families suffering financial hardship.

Roffa Limited is a subsidiary company whose activities are detailed in the Accounts at Note 3. Where applicable the company transfers taxable profits by Gift Aid to the School.

STRATEGIC REPORT**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR****Operational Performance of the School**

A Level examination produced another good year of results. The overall pass rate was 93.27% with 44.1% obtaining A*-B results. 45.7% of GCSE grades were at 9-7 and over 44% of the cohort gained at least half of their grades at 9-7. The principal destination for leavers has again been universities.

We continue to implement curriculum changes to create a responsive curriculum which blends the traditional with the contemporary. The newly integrated Remove 'Futures' course culminated in a brilliant presentation event where pupils were asked to look into the geopolitical and economic impact of sustainability initiatives. The Sixth Form electives programme has broadened the experience of senior pupils, and the uptake of the Extended Project Qualification (EPQ) has been significant and brilliantly marshalled by Mrs McIntyre.

Next year sees the introduction of A-Level Sociology and BTEC Sport into the Sixth Form curriculum; there will be an increase in the teaching of Drama, Music, DT and Outdoor Learning lower down the School and the further development of STEM subjects, the Green Curriculum and the diploma for Yrs 7 and 8. In line with recommendations from the ISI inspection, implementation of a new approach to academic tracking and monitoring of pupil progress is a priority for next year, and, of course, inspired by another link to 1961 and the first ever double-winning team in Tottenham Hotspur (sorry Arsenal fans), we are introducing Football within our Sports programme.

The Academic Scholarship Programme has taken on more rigour this year and we are grateful to Mr Medhurst for keeping the Zetounes Society at the centre of our academic stretch and challenge. Scholars have heard talks as varied as:

"Careers in Scientific Entrepreneurship" by Llewellyn Cox, OR, Professor at the Keck School of Medicine, University of Southern California.

"Napoleonic Wars: tactics and weapons of the time" by Mr Ronald Brighthouse.

As a school, we have also marked Black History Month last October, Pride Month in June, Safer Internet Week, Anti-bullying Week and Boarding Schools' Association Celebration of Boarding Week. It's important that pupils are given the opportunity to understand broader global perspectives through a range of events and activities.

Sport

We are proud of the developments we have made to provide a sporting and Health and Fitness Pathway for our pupils. Participation of senior school pupils in our Sports Pathway leading to competitive fixtures against other schools has been outstanding -

Remove - 90% of pupils have represented the school

Lower 5th - 88% of pupils have represented the school

Upper 5th - 90% of pupils have represented the school

Lower 6th - 80% of pupils have represented the school

Upper 6th - 85% of pupils have represented the school

This year we have been particularly keen to track the commitment of our pupils and we celebrated their roundness and dedication to sport by presenting the 20 Cap Awards.

Individual and team success includes:

- County representation in Hockey, Rugby Netball, Athletics, Tennis
- A Highly successful netball season for our junior girls - the U14A going undefeated and the U15A winning 9/10.

- The re-introduction of Rugby 7s in the Senior School meant we had four age groups competing at the Kent Schools' Sevens last term; the 1st VII played at Rosslyn Park National Schools' 7s competition for the first time in 10 years. The senior boys toured the Isle of Man again at the end of last year and had a great time in the wind and the rain.
- The continued growth of Rowing with over 50 Pupils who took part in the National Junior Indoor Rowing Competitions at the Copper Box in London. Our Lower 6th Team came third in the national competition - an amazing achievement given there were over 2,000 competitors taking part.
- The 1st XI Cricket Team beat the OR Side with 11 balls to spare including a stand of over 130 runs by two Lower Fifth Pupils!
- Saif Sorour, an Upper Sixth boarder, returned from the International Gymnastics Federation's open men's competition in London with an incredible six medals.
- Saha Kapilasena in the Lower Fifth took part in the Tennis Europe Tournament in Estonia, making it to the last 16 in the Singles and the quarter finals of the Doubles competition.
- Erin Heddershaw represented Kent County Netball Club in the Under 16 England National Club Finals in Sunderland
- Nathaneal Matarutse and Daisy Kidd are now on academy pathways with professional clubs; Saracens Rugby and Brighton and Hove Albion.

Music

Concerts have been extraordinary. The Christmas Concert, the Carol Service and last week's Summer Concert were epic in scale and standard. In between, the evening Scholars' recitals have showcased our young soloists to a very high degree.

In February, over 160 musicians put on a remarkable performance of Bach's St. Matthew Passion here in the Cathedral. Members of Rochester Choral Society, King's Senior Choir, the Rochester Cathedral Choir, members of staff and Old Roffensians joined forces with 25 members of Aurum Vocale Instrumental collective and six professional soloists to perform the piece that narrates Jesus's betrayal, arrest and crucifixion, all in German. It was an astonishing performance and one that will live long in the memory for all those who were there that night.

More recently, the choir tour to Barcelona during the Easter break was a tremendous success with pupils enjoying the opportunity of singing in concerts and services, including at the Sagrada Familia, Gaudi's architectural masterpiece.

Individual congratulations go to:

- Charlie Binney, a Music Scholar in Remove, made his debut concert with the National Children's Orchestras of Great Britain, Main Orchestra and the Kent County Youth Orchestra. His Grade 8 distinction result was also an extraordinary effort.
- Elizabeth Knowles (L6) won the Rotary National Young Musician Vocalist of the Year 2024 for Great Britain and Northern Ireland
- The King's Rochester Piano Trio (Charlie Binney, Isla Morgan and Hugh Davies) won their category at the Rochester and North Kent Music and Drama Festival, earning the prestigious Arthur Newton Cup.
- Bobby Langfield has released his new album.
- Alex Scott has auditioned successfully for the National Youth Concert Band.
- Chris Nutt and Lucas Rushton have acted as Choral Scholars in the Cathedral Choir.
- John Fadare was awarded the Arts Award by the Medway Afro-Caribbean Association (an organisation with whom we have built fantastic relationships in the last two years).

Drama

A young cast worked exceptionally hard to prepare for the Senior School production of Romeo and Juliet. Staged in traverse, the show was an exciting and creative venture into the world of Shakespeare with standout performances from Joseph Adenle, Ludo Temple, Yasmin Holland, Melissa Cagan, Bryer Lowe and Claire Franks. Earlier in the year, 14 pupils from the Upper Sixth received Merit or Distinction in their Grade 8 LAMDA Public Speaking Exams. These results are not only testament to the hard work of the pupils involved but also provide valuable UCAS points that contribute to their University Applications.

A group of L5th pupils put on an excellent production of Dennis Kelly's 'DNA' back in May. Grateful thanks to Karen Hebden and her team for bringing these productions together for the benefit and experience of the pupils.

CCF/DofE/outdoor pursuits

Over the year, 31 pupils have completed their Bronze DofE, 11 Silver. The Gold award culminates in a visit to Buckingham Palace and congratulations to the following current pupils have achieved this:

Ruben Gordon, Nathan Dickin, Nik Hebden, Fraser Shimmins, Elizabeth Caithness.

Other notable events and activities this year:

Satis House

The 450th anniversary of Queen Elizabeth I's visit to Satis House was a reminder of our heritage. We held an event back in September at which we were delighted to welcome local dignitaries (Deputy Mayor), local historians, ORs and friends and neighbours.

Visit of the Archbishop of York

In the same month, a special Evensong for the marking of the shrines of St Paulinus and St Ithamar up at the High Altar took place. The School was honoured to be included in the event which was attended by the Archbishop of York.

Chadlington Lecture

In January, pupils and parents joined us for the Chadlington Lecture. At a time when young people are more engaged than ever in global issues of equality and justice, The Rt Hon Patricia Scotland KC, the Commonwealth Secretary-General, delivered a thought-provoking talk and interactive Q&A session with the audience.

Charitable work

The whole school went 'Green' as part of Mental Health awareness week. Pupils also took part in the largest Dance Party to ever be held on the Paddock; the whole school Colour Run to raise money for Cancer Research UK - in memory of those we have lost this year raised £2k. As part of our annual Field Day, Lower Sixth Pupils spent a day volunteering at the Royal British Legion and we helped make the RBL's poppy wreaths last Autumn.

A huge amount of work has gone into preparing the pupils for their visit to Kenya and to Tanzania this summer. The School has raised almost £10,000 for various projects in those countries.

Partnerships

We launched the KSR Partnerships initiative this year. The objective is to enable the School's facilities and expertise to be used for the development and benefit of the members of the local community.

This year, these include cricket and rugby experience days for local Primary School children, hosting 250 children for the production of Romeo and Juliet and weekly musical outreach activities. Our work with the Medway African Caribbean Association is also first rate.

Trips

We've already mentioned Barcelona and the Isle of Man but the rounded experience we seek to provide at King's has been enhanced by a variety of trips this year.

Parties from King's School have been visiting Ypres since 1992 and this year over sixty pupils from Year 8 and the Lower Fifth once again made the trip to the battlefields of Flanders.

Trips to the Cambridge Computer Science Centre, Politics trip to Norwich, concert trips, theatre trips and even a trip to the zoo help to enrich the lives of the pupils here. Thank you to all the staff who run these for all your hard work in laying them on.

Ukrainian Pupils

We are lucky that our school is enriched by all the pupils in our care. The 'King's Mix' makes this place what it is, and we are incredibly proud that we continue to build a unique community made up of children from all backgrounds, all faiths, all demographics, all nations. Two of our departing 6th Form pupils who have hugely enriched the life of King's are Anastasiia Smilianets and Mariana Pryanchuk. Both girls came to us from Ukraine in September 2022 - with the full support of the Henry Oldfield Trust - but under extraordinarily difficult circumstances. Their country had been invaded earlier that year, their families had been displaced and the reality of war was a real and significant prospect for them. Providing a home and place of refuge for them has been, therefore, a privilege and we are delighted that Mariana and Siia have enjoyed their time at the school. Both of them returned to Ukraine in the summer and so we send them our love and best wishes as their future remains one of uncertainty.

The Preparatory School maintains a broad curriculum throughout the school, allowing pupils to experience a range of academic, sporting, musical and dramatic subjects. In addition, the school achieved outstanding 11+ grammar school entry results and the use of InCAS and MidYIS data from on-line tests serviced by CEM at the University of Durham Centre allows for close monitoring of pupil performance, ensuring that pupils' aspirations exceed their baseline. Pupil numbers reflect the excellent education and pastoral care in the Preparatory School and have remained stable.

The Pre-Preparatory School, including Nursery, continues to offer an exciting and varied curriculum throughout the school. This means pupils enjoy a huge range of opportunities and are able to shine wherever their interests lie. They experience a range of subjects including Music, Sport and French as well as core learning right from the start. The school tracks pupils using assessments produced and analysed by CEM at the University of Durham Centre. In Nursery, ASPECTS is used to show how each child has progressed during their time in the setting. In Reception, BASE is used to benchmark our children's performance against national averages and demonstrates the progress that each child has made during the year. Year 1 - 3 use InCAS data which tracks pupils' performance year on year and provides age-standardised and age-equivalent scores each year ensuring progress is made. Ballet, ABRSM music and LAMDA exams have all taken place with pleasing results.

ISI Inspection

The School underwent an ISI inspection under a new Framework at the end of April 2024. The published report is now public and - despite the blandness of the language - we have met all the standards across the board. At the Inspection wash-up meeting, inspectors were highly impressed by the way in which our core values - the 'HEART' of King's - have been adopted by the school community and by the ways in which outcomes for the pupils are increased through their academic and personal development here at King's.

In contrast to the somewhat monotone nature of the ISI report, the Good Schools' Guide review of the Senior School is gloriously colourful, capturing many of the characteristics that make attending King's a unique experience.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors report that the consolidated activities of the School had a surplus of £296,392 before investment revaluations in the 12 months to 31 August 2024 (2023: surplus £306,330).

Income increased by 8.4% and expenditure increased by 8.7%. Investment in marketing, admissions and development was prioritised and improvements to the School's building fabric and computer facilities remained a primary focus during the year.

Roffa Ltd's trading performance during the year improved on the previous year due to increased turnover relating to trading activities.

Future Plans

The Strategic Business Plan for 2022-2026 was reviewed, updated and approved by the Governors in the previous financial year. Under the leadership of the Chair of Governors, the strategy is due to be reviewed again to develop a new strategic vision for the next 5 years.

Current key operational plans are:

1. To identify the curriculum needs of all our pupils;
2. To implement a whole school approach to Digital Strategy including the further development of Google Classroom;
3. To enhance our provision for Careers across the whole school;
4. To develop a programme of whole school co-curricular events to enhance the 'King's as One School' model;
5. To develop a programme of super-curricular activities to complement the school's teaching and learning;
6. To introduce a dynamic programme of wellbeing development;
7. To increase the range of leadership opportunities for pupils;
8. To adapt schemes of work to reflect our responsibility for diversity, inclusion and sustainability;
9. To ensure that building projects are in line with the school's commitment to sustainability;
10. To develop a coherent plan for partnerships with local maintained schools;
11. To ensure the data available in the Development Office provides a firm foundation for future alumni relations and fundraising aspirations;
12. To evaluate the transformative experience provided by the KSR bursary programme;
13. To introduce an Arts Festival as part of our outreach programme; and
14. To increase King's regional and national profile.

Acknowledgement

The Governors wish to express their appreciation to the Principal, Heads of each School, teachers and all School staff for their loyalty and dedication, continuing hard work and support.

Reserves Policy

The Group has total reserves of £15,042,536, these include Endowed Funds of £2,925,149; Restricted Funds of £33,883 and Unrestricted Funds of £12,083,504.

The Reserves Policy of the School has been based on the School's objectives. Its main features are:

- a) To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the management of the School's buildings maintenance programme; and
- b) To provide resources to fund the School to provide cover for unexpected or unavoidable items of expenditure.

In order to meet the criteria in (a) and (b) above, the Governors consider that the minimum targeted level of reserves desired is as follows:

Working capital of £1.8m, or two months' expenditure. This should be represented by liquid resources.

When certain fixed assets totalling £9.8m are deducted from unrestricted funds this gives rise to free reserves of £825k. The policy is therefore to maintain building up reserves of annual operating surpluses at the current level of two months expenditure, subject to the prior demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

The School's Bursary Fund, which currently stands at £1,448,283 (Designated Fund), was established with the objective of generating investment income to support the families of existing pupils suffering financial hardship and to enrol pupils who would otherwise be unable to afford to attend the school. The fund to date has reinvested all income generated. Its medium-term objective is to increase the Fund to enable it to generate an annual income in support of the above objectives.

Investment Policy and Objectives

The Board aims to maximise the total investment return within the objectives of maintaining income without taking undue risk, while continuing to preserve the real value of endowed investments and to maximise income on invested restricted funds. The management of the School's funds to be reviewed regularly by Governors. The Governing Body reviews the performance of the investment portfolio each term against the movement in the FTSE 100 index.

The school's primary investment manager Ruffer took a cautious and defensive investment strategic position during the year given their view on the worldwide economy and political uncertainty in the UK. Their investment approach is long term and their strategy is to hold a wide range of mostly conventional assets. Actual market performance on returns were in line with relevant market indices. Investment gains were incurred during the year due to positive market performance.

Risk Management

King's School Board of Governors is responsible for the management of the risks faced by the School and to ensure that adequate controls are in place to identify, assess and mitigate against such risks. Detailed considerations of risk are delegated to the Audit and Risk Committee (ARC), assisted by the Executive Board. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis, with specific risks assessed on a rolling termly basis.

The major potential risks identified are addressed by Governor sub-committee meetings. During the year these risks are discussed in detail and monitored for action as necessary. Each sub-committee reports in detail to the Governing Body.

The Governors consider the major potential risks to the School are:

- Threats due to changes in the political climate regarding Independent Schools and the impact of any new Government mandates involving changes for the Independent School sector such as the imposition of VAT on school fees (from 01/01/2025), removal of all charitable tax reliefs and removal of business rates charitable relief (from 01/04/2025);
- Challenges of the current economic situation, including higher inflation and interest rates, falling birth rates, pressure on salaries, parents facing cost pressures when considering fees,
- Affordability issues for parents which affect pupil numbers, fee and expense levels and greater pressure on bursary/hardship funds;
- Further increases to pension contribution rates and changes to deficit repayments, along with changes of provision;
- Competition from both independent and state schools for pupils;
- Safeguarding and Inspections in an increasingly regulated environment;
- Risk management of Data Protection and cybersecurity; and
- Risk management of Health and Safety.

The key controls used by the School to mitigate risks include:

- Comprehensive strategic planning, budgeting, forecasting and management accounting;
- Formal agendas for all Committee and Board activity to ensure all Governors and SMT are fully aware of and consider the risks regularly;
- Risk Register identifies all known risks;
- The Audit & Risk Committee regularly review risks and mitigating strategies then report to Governing Body;
- Scenario planning to provide a series of competitive commercial cost structures, which model the impact of reduced pupil numbers, as a consequence of crystallised political risks – the introduction of VAT on independent school fees and the removal of charitable rates relief - and sector wide changes;
- Teachers' Pension Scheme membership reviewed regularly;
- Curriculum Review underway;
- Health & Safety committee to consider current risks;
- Investment in the school's marketing and communications functions to support pupil recruitment and clearly define the school's ethos and USP;
- Established organisational structure and lines of reporting;
- Updating of formal written policies and annual adherence monitoring as appropriate;
- Clear authorisation and approval levels;
- Bursary Policy & Debtors Policy in place;
- GDPR compliant and constant investment in IT resources;
- Safer recruitment as required by law for the protection of the vulnerable; and
- Well trained designated staff, robust systems, whole school staff training on Child Protection and Safeguarding.

Through the risk management processes established by the School, King's School Rochester Governors are satisfied that the major risks have been identified and adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

STATUS AND ADMINISTRATION

The origin of the School dates back to the foundation of a monastery by St Justus in 604 AD. King's School emerged as a distinct entity in 1542 when Henry VIII dissolved the Monastery and re-founded the Cathedral Grammar School. The Foundation has been amended during subsequent years. The liability of the members is Limited by Guarantee. Details of the Charity's Governors and executive officers are listed on page 2. The Charity's addresses and particulars of the Charity's professional advisors are given on page 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Memorandum and Articles of Association, adopted on 11 October 2000 as amended by Special Resolution on 9 November 2015.

Appointment and re-Appointment of Governors

The Scheme approved by the Charity Commission provides for a maximum of 18 Trustees who are Governors of the School, one-fifth of the Nominative and Co-optative Governors retire each year.

The Governors would like to take this opportunity to thank Ms E Whitlan (who resigned in March 2024), Mrs G B Opara (who resigned in June 2024), Mr M J Chesterfield (who resigned in June 2024) and Mrs J E Shilling (who resigned in August 2024) for their hard work, dedication and support.

Recruitment and Training of Governors

The Charity's elected Governors are appointed at the first ordinary Meeting of the Governors following their nomination or co-option and a visit to the School. Prospective Governors are supplied with a pack of information as recommended by AGBIS (Association of Governing Bodies of Independent Schools). This includes AGBIS Guidelines for Governors, the Charity Commission handbook CC3 "Responsibilities of Charity Trustees", the School's Articles of Association, key School Policies, dates of upcoming Governors' Meetings and Committees and a map of the School. Governors are given access to a shared Governor drive with key strategic documents and minutes of previous Governors' Meetings and Committees. During their first year, and annually thereafter, Governors are invited to attend courses sponsored by AGBIS and others. In addition, ad hoc strategic planning sessions are held when appropriate, as well as annual safeguarding training.

Organisational Management

The Governors, as trustees of the Charity, are legally responsible for the overall management and control of the School, and meet at least four times a year. Five Committees, each chaired by a Governor, serve to review, monitor and advise the Governing Body on their respective strands of work. **The Finance and General Purposes Committee**, chaired by Mr Paul Coen meets four times per year and has responsibility to recommend the budget, prioritise budgets for proposed future undertakings and finalise the audited accounts and annual report for approval by the Board. **The Estates Sub-Committee** of the Finance and General Purposes Committee is chaired by Mr Markham Chesterfield and meets four times a year to develop and monitor current estates projects and oversee the buildings, grounds, vehicles and plant, and ensure compliance with health and safety. **The Education and Pastoral Committee** chaired by Canon C Dench meets termly; it reviews educational matters and Inspection findings. **The Audit and Risk Committee**, chaired by Dr Andrew Gower meets termly to advise, and scrutinise, in relation to financial controls and statutory obligations including safeguarding; equality and diversity; and health and safety. The Chairs of each Committee form **The Governance, Nominations and Strategy Committee**, which meets four times a year and is chaired by the Chair of Governors and is responsible for the strategic direction of the School and overseeing Governance. The remit of each of the Committees has been drawn up and agreed by the Governing Body. Each of the Committees reports in detail to the Governing Body.

The day to day running of the School during 2023-2024 was delegated to the Senior Management of the School, details of which are listed on page 2. Senior Management members attend meetings of the Governing Body and the Sub-Committees.

Key Management Pay Policy

Management pay policy is determined in conjunction with the Governors, Principal and Bursar and takes into account current market demand for pupils in the School's catchment areas, the financial performance of the School, the economic outlook and the 'going rate of remuneration' for senior management remuneration in both the state sector and the independent school's market in the southeast of England. The key management roles are detailed in note 6 of the accounts.

Employment Policy

The school is an equal opportunities employer and positively encourages applications from suitably qualified and eligible candidates regardless of sex, age, ethnic origin, sexual orientation, belief, religion, disability or membership of a professional or trade union.

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. Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to apprise staff of current issues.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors for the company) are responsible for preparing the annual report and the financial statements in accordance with applicable law and UK GAAP.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees 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 company and the Group and of the income and expenditure of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

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

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report, which incorporates the Strategic Report, was approved by the Board of Governors on^{06/01/}..... 2025 and signed on their behalf by:



John Maas
Governor



Paul Coen
Governor

Registered Office

Satis House
Boley Hill
Rochester, Kent, ME1 1TE

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KING'S SCHOOL, ROCHESTER****Opinion**

We have audited the financial statements of Kings School, Rochester for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of 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 and parent charitable company's affairs as at 31 August 2024 and of the group and parent charitable company's net movement in funds, including the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (which includes the strategic report and the directors' 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 Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' 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 accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) Regulation 2014, employment law, safeguarding regulations, health and safety requirements, GDPR and Charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, Charities SORP and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to recognition of income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws, regulation, and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.



Tracey Young (Senior statutory auditor)
for and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

24 January
.....2025

COMPANY NO. 03791543

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2024 £	Total 2023 £
INCOME AND ENDOWMENTS						
FROM:						
Income from charitable activities						
School fees receivable	2	11,745,797	-	-	11,745,797	10,814,286
Other educational income		94,747	-	-	94,747	91,560
Other trading activities						
- Rent and commission receivable		80,471	-	15,410	95,881	114,768
- Trading income		365,333	-	-	365,333	322,463
Investment income		184,641	-	27,074	211,715	89,170
Donations and grants		-	145,066	30	145,096	144,953
Legacies		-	-	-	-	106,366
Other income		9,457	-	-	9,457	-
Total Income		12,480,446	145,066	42,514	12,668,026	11,683,566
EXPENDITURE ON:						
Costs of raising funds						
Trading expenses		441,117	-	-	441,117	406,187
Charitable activities						
- Education		6,993,253	-	-	6,993,253	6,669,998
- Premises		1,848,534	-	19,614	1,868,148	1,655,189
- Welfare		885,223	-	-	885,223	849,959
- Support of schooling (including governance costs)		2,037,654	-	20	2,037,674	1,648,212
- Grants, awards and prizes		3,232	129,340	13,647	146,219	147,691
Total charitable expenditure		11,767,896	129,340	33,281	11,930,517	10,971,049
Total expenditure	6	12,209,013	129,340	33,281	12,371,634	11,377,236
Net income before investment gains/(losses)		271,433	15,726	9,233	296,392	306,330
Net investment gains/(losses)	8	165,886	-	68,696	234,582	(98,319)
NET MOVEMENT IN FUNDS		437,319	15,726	77,929	530,974	208,011
Reconciliation of funds						
Fund balances at 1 September 2023		11,646,185	18,157	2,847,220	14,511,562	14,303,551
FUND BALANCES AT 31 AUGUST 2024	14	12,083,504	33,883	2,925,149	15,042,536	14,511,562

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the Statement of Financial Activities. The comparative year's Statement of Financial Activities is included in note 19. No separate Income and Expenditure account has been produced because the Net Income for Companies Act purposes is the same as the Net Movement in Funds on the Unrestricted Funds.

The notes on pages 22 to 39 form part of these financial statements.

BALANCE SHEETS
AT 31 AUGUST 2024

Company Number: 03791543

	Notes	GROUP 2024 £	GROUP 2023 £	SCHOOL 2024 £	SCHOOL 2023 £
FIXED ASSETS					
Tangible assets	7	11,143,227	10,949,092	10,859,476	10,632,902
Investments	8	3,263,670	2,962,131	3,661,120	3,359,481
		14,406,897	13,911,223	14,520,596	13,992,383
CURRENT ASSETS					
Stocks		4,622	3,270	-	-
Debtors	9	532,871	504,263	494,908	501,594
Cash at bank and in hand		4,628,015	3,227,050	4,575,893	3,197,775
		5,165,508	3,734,583	5,070,801	3,699,369
CURRENT LIABILITIES:					
Creditors: amounts falling due within one year	10	(2,994,002)	(2,243,055)	(2,913,089)	(2,186,722)
NET CURRENT ASSETS		2,171,506	1,491,528	2,157,712	1,512,647
LONG TERM LIABILITIES					
Creditors: amounts falling due after more than one year	11	(1,535,867)	(891,189)	(1,535,867)	(891,189)
TOTAL NET ASSETS	13	15,042,536	14,511,562	15,142,441	14,613,841
Representing:					
Unrestricted Funds	14a	12,083,504	11,646,185	12,183,409	11,748,464
Restricted Funds	14b	33,883	18,157	33,883	18,157
Endowed Funds					
- Expendable Endowment Funds	14c	1,322,924	1,249,176	1,322,924	1,249,176
- Permanent Endowment Funds	14c	1,602,225	1,598,044	1,602,225	1,598,044
TOTAL FUNDS		15,042,536	14,511,562	15,142,441	14,613,841

King's School, Rochester has taken the exemption from presenting its School statement of financial activities under section 408 of the Companies Act 2006. The net movement in funds of the School was a surplus of £528,600 (2023: surplus of £235,422).

The notes on pages 22 to 39 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors on 06/01/2025 and were signed below on its behalf by:



John Maas
Governor



Paul Coen
Governor

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2024**

	2024 £	2023 £	
Net cash inflow from operating activities			
Net movement in funds	530,974	208,011	
Investment income and interest receivable	(211,715)	(89,170)	
Depreciation	398,640	395,984	
(Gains) / losses on sale of fixed assets	(9,457)	1,710	
(Gains) / losses on investments	(234,582)	98,319	
(Increase)/decrease in stocks	(1,352)	(494)	
Decrease/(increase) in debtors	(28,608)	35,411	
Increase in creditors	1,410,434	275,395	
(Decrease) in pension deficit	(14,809)	(55,738)	
Net cash provided by operating activities	1,839,525	869,428	
Cash flow from investing activities			
Investment income and interest received	211,715	89,170	
Purchase of tangible fixed assets	(593,384)	(439,803)	
Proceeds from sale of tangible fixed assets	10,066	-	
Purchase of fixed asset investments	(66,957)	(629,387)	
Sale of fixed asset investments	-	139,129	
Net cash used in investing activities	(438,560)	(840,891)	
Net change in cash and cash equivalents in the year	1,400,965	28,537	
Cash and cash equivalents at the beginning of the year	3,227,050	3,198,513	
Cash and cash equivalents at the end of the year	4,628,015	3,227,050	
Analysis of cash and cash equivalents			
Cash at bank	528,015	330,010	
Deposits	4,100,000	2,897,040	
	4,628,015	3,227,050	
Analysis of changes in net funds	At start of year £	Cash Flows £	At end of year £
Cash at bank	330,010	198,005	528,015
Deposits	2,897,040	1,202,960	4,100,000
	3,227,050	1,400,965	4,628,015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024**1 ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed assets investments at market value and certain freehold land and buildings at revalued amounts. The format of the financial statements has been presented to comply with the Companies Act 2006, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* the Statement of Recommended Practice for Charities (SORP) (Second Edition, effective 1 January 2019). Figures are presented in sterling and rounded to the nearest pound. The Charity is a Public Benefit Entity as defined by FRS102.

Going Concern

Having reviewed the school's budgets and forecasts with the expected ongoing demand for places at the school, the Trustees consider that there are no material uncertainties which would cast doubt on the School's ability to continue as a going concern.

Against a background of political and economic uncertainty, the Trustees have re-visited their business plans, forecasts and cash flows to cover a period up to 31st August 2026 and introduced further sensitivity analysis in order to assess the ongoing financial implications for the School. Particular focus and modelling has been undertaken on a potential reduction in pupil numbers due to the impact of VAT on school fees.

Forecasts for going concern assessment have considered reduced pupil numbers and associated income, increased cost base due to current inflation levels, increased employer National Insurance contributions along with reduced fundraising opportunities for future cash flow projections. With interest rates expected to remain above the recently historically low level, prudent assumptions have been used to estimate investment and dividends income for the period.

However, the School has no current loans in place and governors are also taking steps to address uncertainties with increased resources for the marketing function and a cost reduction focus through to August 2026. Given the school has sufficient reserves, the Trustees consider that there are no material uncertainties which would cast doubt on the School's ability to continue as a going concern.

Group Accounts

These financial statements consolidate the results of the charity and its wholly owned subsidiary Roffa Limited on a line-by-line basis. A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

General Information

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 03791543) and a charity registered in England and Wales (charity number: 1084266). The School was converted from its classification as Rochester Cathedral (King's) School, an Unincorporated Body to Limited Company status and began trading as King's School, Rochester on 1 September 2000.

Significant Estimates and Judgements

In preparing these financial statements the trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are key areas subject to estimation uncertainty or judgement where depreciation, bad debt provision and investment property valuation.

Income

All income is included in the Statement of Financial Activities when the Charity is entitled to the income, its receipt is probable, and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations are accounted for on a received basis. Legacies are recognised on a receivable basis, when the conditions of entitlement, probability and measurement are met. Where the probability and/or measurement criteria for legacies and donations are not satisfied as at the balance sheet date but subsequent events resolve the uncertainty such that the criteria are met, an adjustment is made to recognise the income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024**Income (continued)**

Fees receivable includes both general tuition fees and other fees and recharges, net of scholarships and remissions, is accounted for in the period in which the service is provided. General tuition fees comprise all amounts in relation to tuition, boarding and lunches.

Investment income is accounted for in the period in which the charity is entitled to receipt.

Rent and interest is accounted for on an accrual's basis.

Expenditure

Expenditure are accounted for on an accrual's basis. Expenditure is allocated to expense headings on a direct cost basis except for central costs which are apportioned on the basis of the Trustees' estimate of time spent on the relevant functions. Redundancy and termination costs are accounted for on an accrual's basis.

Expenditure on raising funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and finance costs.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs represent staff and other costs incurred in directly supporting the teaching function and general running of the School. Governance costs include expenditure on compliance with constitutional and statutory requirements. These are included within support costs.

Grants and Bursaries

Grants and bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and allowances from unrestricted funds towards school fees at the Schools are treated as a reduction in those fees.

Tangible Fixed Assets and Depreciation

Freehold and leasehold land and buildings are included in the balance sheet at a valuation by Messrs Burkill Johnson and Messrs Michael Rogers, Chartered Surveyors at incorporation on 1 September 1999, with additions since that date being included at cost.

Expenditure on repairs and alterations which do not add value to the premises is charged to the Statement of Financial Activities in the financial year in which it is incurred.

Depreciation of Freehold buildings is provided on a straight-line basis over 10, 20, 30 and 50 years.

Depreciation of leasehold buildings is provided on a straight-line basis over the unexpired portion of the leases, the remaining useful life of each building, or 50 years, whichever is shortest.

Expenditure on furniture and equipment, fixtures and fittings and vehicles with a minimum project value of £1,000, which have an expected useful life in excess of one year, are included in the balance sheet at cost. Depreciation is provided on a straight-line basis at rates varying between 5% and 25%. Expenditure on smaller items is charged to the Statement of Financial Activities in the year of acquisition.

Investment Property

The investment property is included at fair value at a trustees' valuation. The trustees believe that the current fair value is not materially different to the professional valuation completed by TWD (Chartered Surveyors) on 19 November 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024**Financial Instruments**

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Investments

Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Fee in advance scheme

The School has an advance fees scheme whereby parents and others make advance payments, which together with the discount accruing thereon, provide for a set contribution each term towards the pupils' fees. The capital portion outstanding is recognised as a liability and the amount of discount crystallised in the year is included in the Statement of Financial Activities.

Stocks

Consumable stocks, provisions, stationery and schoolbooks are charged to the Statement of Financial Activities in the year of purchase. Stocks of goods for resale are stated at the lower of cost and net realisable value.

Pensions

The School operates three pension schemes to provide retirement benefits for certain staff members. The pension costs charged to the Statement of Financial Activities are determined as follows:

The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The Pensions Trust Scheme is a multi-employer defined benefit scheme for which the School's share of the underlying assets and liabilities cannot be separately identified. This scheme is therefore accounted for as a defined contribution scheme in accordance with section 28 of FRS102 and agreed pension deficit funding payments are provided for on a discounted basis.

The Legal and General Work Save Pension Plan is a defined contribution scheme open to academic staff.

Operating Leases

Rentals for operating leases are charged to the Statement of Financial Activities as they are incurred.

Funds

Unrestricted funds are those available to further the School's charitable objects at the discretion of the governors.

Restricted funds are monies that are subject to restrictions by the donors.

Permanent endowed funds are funds where the original capital must be maintained.

Expendable endowment funds are funds where the original capital can be converted into income for spending at the Trustees' own discretion.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

2 FEES RECEIVABLE

	2024	2023
	£	£
Gross Fees	13,385,388	12,193,885
Less bursaries and discounts	(1,791,186)	(1,527,347)
	11,594,202	10,666,538
Bursaries and scholarships funded by restricted fund	151,595	147,748
Fees Receivable	11,745,797	10,814,286

3 NET EXPENDITURE FROM TRADING SUBSIDIARY

Trading activities not connected with the Charity's purpose are carried out by Roffa Ltd (company number 02235699), a wholly owned subsidiary company. The company transfers taxable profits by Gift Aid to the School.

	2024	2023
	£	£
Turnover		
Trading Income	491,612	368,795
Cost of sales	418,616	380,386
Operating costs recharged by King's School	38,400	44,975
Trading Expenses	457,016	425,361
Gross Profit / (Loss)	34,596	(56,566)
Administrative costs	(32,128)	(31,655)
Operating Profit / (Loss)	2,468	(88,221)
Interest receivable	8	5
Retained Profit / (Loss) for the year	2,476	(88,216)
Balance Sheet		
Fixed Assets	283,752	316,190
Stock	4,622	3,270
Debtors	68,624	14,896
Cash at bank	52,121	29,275
Creditors due < 1 year	(111,572)	(68,560)
Creditors due > 1 year	(1,100,000)	(1,100,000)
Net liabilities	(802,453)	(804,929)
Share capital and reserves		
Share capital	100	100
Profit and loss account	(802,553)	(805,029)
Equity shareholders' funds	(802,453)	(804,929)

£38,400 (2023: £44,996) of turnover and £38,400 (2023: £44,996) of cost of sales relate to transactions with King's School, Rochester. These have been eliminated on consolidation. £87,878 of Roffa Limited income has been allocated to Rent and Commission Receivable on the SOFA.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

4 NET MOVEMENT IN FUNDS

	2024	2023
	£	£
Net movement in funds is stated after charging:		
Depreciation charge for the year		
Tangible fixed assets owned	398,640	395,984
Operating lease payments		
King's School, Rochester	136,124	111,012
Roffa Limited	23,285	20,000
(Gain) / Loss on sale of fixed assets	(9,457)	1,710
Auditors' remuneration for audit services		
- King's School, Rochester	20,000	18,200
- Roffa Limited	6,350	5,750
Auditors' remuneration for other services	2,500	6,170

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

5 EMPLOYEE INFORMATION

The average weekly number of employees during the year was made up as follows:

	2024 Number	2023 Number
Teaching Staff	111	105
Other Staff	138	124
Roffa Limited	21	24
	270	253
Employee		
Staff costs		
Salaries and wages	6,908,292	6,538,643
Social security costs	584,490	591,617
Pension contributions	838,351	811,414
	8,331,133	7,941,674

During the year no redundancy payments were made by the School (2023: £16,892). No termination payments were made by Roffa Limited during the year (2023 £Nil).

The number of employees earning over £60,000 in the year were:

	2024 Number	2023 Number
£60,001 - £70,000	6	7
£70,001 - £80,000	3	1
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

Three (2023: two) of the employees earning more than £60,000 are members of the Teachers' Pension Scheme. One of the employees earning more than £60,000 are members of a scheme run by Legal & General, one (2023: one) is a member of a scheme run by the Independent Schools' Pension Scheme and one (2023: one) is a member of a private scheme.

Key management personnel

The key management roles in the school were the trustees, who are not paid, the Principal, Headmaster of the Preparatory School, Headmistress of the Pre-preparatory School and the Bursar & Clerk to the Governors, Director of External Relations and the Director of Operations. Their total emoluments including benefits and employer's pension and national insurance contributions paid was £698,851 (2023: £604,768).

Transactions with Governors

None of the Governors received any remuneration during the period (2023: £Nil). The aggregate amount of expenses reimbursed to Governors during the year was £1,550 - travel expenses for two Governors (2023: £1,625 – travel expenses for one Governor). Two children of one Governor (2023: Two children of one Governor) attended King's School and they received some assistance towards payment of school fees on an arms-length basis.

Donations totalling £2,750 (2023: £3,945) were received from Governors during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

6 ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Other £	Depreciation £	2024 £
Charitable activities				
<i>School operating costs:</i>				
Education	6,090,732	817,050	85,471	6,993,253
Premises	501,419	1,113,441	253,288	1,868,148
Welfare	466,187	396,424	22,612	885,223
Support	1,108,671	891,545	4,934	2,005,150
Governance costs	-	32,524	-	32,524
Grants, awards and prizes	-	146,219	-	146,219
Total for charity	8,167,009	3,397,203	366,305	11,930,517
Trading costs of the subsidiary	164,124	244,658	32,335	441,117
Total for group	8,331,133	3,641,861	398,640	12,371,634

Comparative Analysis of Total Expenditure:

	Staff costs £	Other £	Depreciation £	2023 £
Charitable activities				
<i>School operating costs:</i>				
Education	5,876,257	711,505	82,236	6,669,998
Premises	473,821	930,860	250,508	1,655,189
Welfare	435,037	395,766	19,156	849,959
Support	999,835	607,465	6,842	1,614,142
Governance costs	-	34,070	-	34,070
Grants, awards and prizes	-	147,691	-	147,691
Total for charity	7,784,950	2,827,357	358,742	10,971,049
Trading costs of the subsidiary	156,724	212,221	37,242	406,187
Total for group	7,941,674	3,039,578	395,984	11,377,236

Analysis of other support costs:

	2024 £	2023 £
Administration	458,743	276,448
Lectures and courses	94,355	40,318
Travel and entertainment	41,695	36,349
Advertising and public relations	129,484	139,977
Other	167,268	114,373
	891,545	607,465

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

7 SCHOOL AND GROUP TANGIBLE ASSETS

Group	Freehold land and buildings £	Leasehold buildings £	Vehicles and equipment £	Total £
Cost or valuation				
At 1 September 2023	13,283,935	2,400,719	2,760,664	18,445,318
Additions	373,661	80,304	139,419	593,384
Disposals	-	(504)	(285,410)	(285,914)
Transfers between classes	-	(1,708)	1,708	-
At 31 August 2024	13,657,596	2,478,811	2,616,381	18,752,788
Depreciation				
At 1 September 2023	4,100,815	1,154,702	2,240,709	7,496,226
Providing during year	171,702	69,366	157,572	398,640
Disposals	-	(504)	(284,801)	(285,305)
Transfers between classes	-	3,051	(3,051)	-
At 31 August 2024	4,272,517	1,226,615	2,110,429	7,609,561
Total net book value At 31 August 2024	9,385,079	1,252,196	505,952	11,143,227
Total net book value At 1 September 2023	9,183,120	1,246,017	519,955	10,949,092
School				
	Freehold land and buildings £	Leasehold buildings £	Vehicles and equipment £	Total £
Cost or valuation				
At 1 September 2023	13,283,935	1,813,493	2,678,862	17,776,290
Additions	373,661	80,304	139,419	593,384
Disposals	-	-	(278,654)	(278,654)
At 31 August 2024	13,657,596	1,893,797	2,539,627	18,091,020
Depreciation				
At 1 September 2023	4,100,815	875,197	2,167,376	7,143,388
Providing during year	171,702	40,046	154,557	366,305
Disposals	-	-	(278,149)	(278,149)
At 31 August 2024	4,272,517	915,243	2,043,784	7,231,544
Total net book value At 31 August 2024	9,385,079	978,554	495,843	10,859,476
Total net book value At 1 September 2023	9,183,120	938,296	511,486	10,632,902

None of the buildings or land are held for investment purposes.

On the formation of the Company, certain endowed properties were retained by a separate charity, Rochester Cathedral King's School Endowment Trust (Charity Number 307922).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

8 FIXED ASSET INVESTMENTS

	Investment Property	Group Quoted investments	Total
	£	£	£
Market value 1 September 2023	275,000	2,687,131	2,962,131
Additions	-	66,957	66,957
Unrealised gains	-	234,582	234,582
Market value 31 August 2024	275,000	2,988,670	3,263,670

	Investment in subsidiary (unquoted)	Investment Property	School Quoted investments	Total
	£	£	£	£
Market value 1 September 2023	397,350	275,000	2,687,131	3,359,481
Additions	-	-	66,957	66,957
Impairment	100	-	-	100
Unrealised gains	-	-	234,582	234,582
Market value 31 August 2024	397,450	275,000	2,988,670	3,661,120

The investment in the subsidiary, Roffa Limited represents 100% of the company's share capital and £1,100,000 of Redeemable Shares. Following losses in Roffa Limited and an impairment review performed by Trustees, the Redeemable Shares have been written down to the Trustees' estimate of their recoverable amount. Roffa Limited was incorporated in March 1988, its principal activities being the external hiring of a sports centre, letting of school premises and related facilities and the sale of confectionery and snacks.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

9 DEBTORS

	Group		School	
	2024	2023	2024	2023
	£	£	£	£
Fees	60,705	139,546	60,705	139,546
Sundry debtors	17,099	80,592	17,099	80,592
Prepaid expenses	455,067	284,125	386,336	269,229
Roffa Limited – intercompany	-	-	30,768	12,227
	<u>532,871</u>	<u>504,263</u>	<u>494,908</u>	<u>501,594</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		School	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	295,152	195,678	295,152	195,678
Prepaid fees	750,187	758,240	750,187	758,240
Fees in advance (note 12)	986,283	601,096	986,283	601,096
Pupil deposits	45,700	36,170	45,700	36,170
Taxation and social security	250,265	147,182	250,265	147,182
Pension deficit reduction contributions (note 16)	52,646	51,112	52,646	51,112
Other creditors	407,348	198,020	341,824	159,026
Deferred income	1,200	84,992	1,200	84,992
Accrued expenses	205,221	170,565	189,832	153,226
	<u>2,994,002</u>	<u>2,243,055</u>	<u>2,913,089</u>	<u>2,186,722</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		School	
	2024	2023	2024	2023
	£	£	£	£
Pension deficit reduction contributions (note 16)	329,850	346,193	329,850	346,193
Fees in advance (note 12)	822,270	187,589	822,270	187,589
Pupil deposits	383,747	357,407	383,747	357,407
	<u>1,535,867</u>	<u>891,189</u>	<u>1,535,867</u>	<u>891,189</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

12. FEES IN ADVANCE

Parents have the option of paying school fees in advance for either part of or the whole time that the pupil is at the school. The money is returned if the child is withdrawn from the School, after any outstanding fees are deducted and amounts owing are added. Assuming pupils will remain in the School, advanced fees will be applied as follows:

	2024 £	2023 £
Within one year	<u>986,283</u>	<u>601,096</u>
Within one to two years	335,729	187,589
Within two to five years	433,434	-
More than five years	53,107	-
	<u>822,270</u>	<u>187,589</u>
	<u>1,808,553</u>	<u>788,685</u>
The movements during the year were:		
Balance at 1 September 2023	788,685	644,228
Additions to scheme	1,652,856	642,054
Payments of fees	<u>(632,988)</u>	<u>(497,597)</u>
Balance at 31 August 2024	<u>1,808,553</u>	<u>788,685</u>

13 ALLOCATION OF NET ASSETS

	Tangible assets £	Investments £	Net current assets £	Long term liabilities £	Total £
At 31 August 2024					
Unrestricted funds	9,809,503	1,928,711	1,981,062	(1,535,867)	12,183,409
Restricted	-	-	33,883	-	33,883
Expendable Endowment	-	1,110,881	212,043	-	1,322,924
Permanent Endowment	1,049,973	621,528	(69,276)	-	1,602,225
School total	<u>10,859,476</u>	<u>3,661,120</u>	<u>2,157,712</u>	<u>(1,535,867)</u>	<u>15,142,441</u>
Subsidiary	283,751	(397,450)	13,794	-	(99,905)
Group total	<u>11,143,227</u>	<u>3,263,670</u>	<u>2,171,506</u>	<u>(1,535,867)</u>	<u>15,042,536</u>

Comparative Allocation of Net Assets:

	Tangible assets £	Investments £	Net current assets £	Long term liabilities £	Total £
At 31 August 2023					
Unrestricted funds	9,568,492	1,741,462	1,329,699	(891,189)	11,748,464
Restricted	-	-	18,157	-	18,157
Expendable Endowment	-	1,015,110	234,066	-	1,249,176
Permanent Endowment	1,064,410	602,909	(69,275)	-	1,598,044
School total	<u>10,632,902</u>	<u>3,359,481</u>	<u>1,512,647</u>	<u>(891,189)</u>	<u>14,613,841</u>
Subsidiary	316,190	(397,350)	(21,119)	-	(102,279)
Group total	<u>10,949,092</u>	<u>2,962,131</u>	<u>1,491,528</u>	<u>(891,189)</u>	<u>14,511,562</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

14 FUNDS

14a Unrestricted Funds

Unrestricted Funds – Group	Balance at 31 August 2023	Income	Expenditure	Investments gains/ losses) and transfers	Balance at 31 August 2024
	£	£	£	£	£
General fund	11,107,104	12,153,513	(11,822,843)	-	11,437,774
Bursary Fund	1,344,110	-	(61,713)	165,886	1,448,283
	12,451,214	12,153,513	(11,884,556)	165,886	12,886,057
Subsidiary funds	(805,029)	326,933	(324,457)	-	(802,553)
	11,646,185	12,480,446	(12,209,013)	165,886	12,083,504
Unrestricted Funds – School					
General fund	10,404,354	12,153,513	(11,822,843)	102	10,735,126
Bursary Fund	1,344,110	-	(61,713)	165,886	1,448,283
	11,748,464	12,153,513	(11,884,556)	165,988	12,183,409

The Bursary Fund income continues to be reinvested until it has reached sufficient size to make a worthwhile contribution to bursaries for pupils.

Comparative 2023	Balance at 31 August 2022	Income	Expenditure	Investments gains/ losses) and transfers	Balance at 31 August 2023
	£	£	£	£	£
Unrestricted Funds – Group					
General fund	10,837,483	11,107,400	(10,837,779)	-	11,107,104
Bursary Fund	1,358,708	20,834	-	(35,432)	1,344,110
	12,196,191	11,128,234	(10,837,779)	(35,432)	12,451,214
Subsidiary funds	(716,813)	278,748	(366,964)	-	(805,029)
	11,479,378	11,406,982	(11,204,743)	(35,432)	11,646,185
Unrestricted Funds – School					
General fund	10,195,538	11,107,400	(10,837,779)	(60,805)	10,404,354
Bursary Fund	1,358,708	20,834	-	(35,432)	1,344,110
	11,554,246	11,128,234	(10,837,779)	(96,237)	11,748,464

14b Restricted Funds – Group and School

	Balance at 31 August 2023	Income	Expenditure	Transfers	Balance at 31 August 2024
	£	£	£	£	£
Restricted Funds					
Grand Piano Fund	6,920	-	-	-	6,920
Other scholarships	11,237	145,066	(129,340)	-	26,963
	18,157	145,066	(129,340)	-	33,883

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

Comparative 2023	Balance at 31 August 2022	Income	Expenditure	Transfers	Balance at 31 August 2023
	£	£	£	£	£
Restricted Funds					
Grand Piano Fund	6,920	-	-	-	6,920
Lord Chadlington Scholarships	-	44,541	(44,541)	-	-
Henry Oldfield Bursaries	-	80,000	(80,000)	-	-
Other scholarships	-	20,382	(9,145)	-	11,237
	6,920	144,923	(133,686)	-	18,157

14 FUNDS (continued)**14c Endowment Funds – Group and School**

Endowment Funds	Balance at 31 August 2023	Income	Expenditure	Investments gains/ losses)	Balance at 31 August 2024
	£	£	£	£	£
Expendable Endowment Fund					
Geoffrey Harmsworth Trust	1,072,490	42,484	(16,824)	50,077	1,148,227
Augustine Carnell Fund	69,377	-	-	-	69,377
RCKSET	107,309	30	(2,019)	-	105,320
	1,249,176	42,514	(18,843)	50,077	1,322,924
Permanent Endowment Funds					
Original Endowment	995,135	-	(14,438)	-	980,697
The Sir Geoffrey and Lady Isobel Barnett Scholarship Fund	602,909	-	-	18,619	621,528
	1,598,044	-	(14,438)	18,619	1,602,225
Endowment Funds Total	2,847,220	42,514	(33,281)	68,696	2,925,149

Comparative 2023

Endowment Funds	Balance at 31 August 2022	Income	Expenditure	Investments gains/ losses)	Balance at 31 August 2023
	£	£	£	£	£
Expendable Endowment Fund					
Geoffrey Harmsworth Trust	1,089,066	21,579	(20,521)	(17,634)	1,072,490
Augustine Carnell Fund	69,377	-	-	-	69,377
RCKSET	126,217	3,716	(3,847)	(18,777)	107,309
	1,284,660	25,295	(24,368)	(36,411)	1,249,176
Permanent Endowment Funds					
Original Endowment	1,009,574	-	(14,439)	-	995,135
The Sir Geoffrey and Lady Isobel Barnett Scholarship Fund	523,019	106,366	-	(26,476)	602,909
	1,532,593	106,366	(14,439)	(26,476)	1,598,044
Endowment Funds Total	2,817,253	131,661	(38,807)	(62,887)	2,847,220

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

Purpose of funds:

The Original Permanent Endowed Funds comprise a number of properties used by the School.

The Sir Geoffrey and Lady Isobel Barnett Scholarship Fund. The net income of the fund is to be applied to scholarships, bursaries or maintenance allowances to persons who need financial assistance, travel grants to persons to assist in the furtherance of their education or otherwise furthering their education. Any unspent income in the year to be treated as expendable endowment to be applied, at the discretion of the Trustees, as income in future years.

The Expendable Endowment Funds comprises:

- the RCKSET fund which consists of bequests for prizes;
- the Geoffrey Harmsworth Trust which consists of a legacy received for the relief of hardship; and
- the Augustine Carnell Fund to be used to provide travel prizes to sixth form pupils.

The Lord Chadlington and Henry Oldfield restricted funds are to be applied to scholarships and bursaries for Ukrainian students respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

15 FINANCIAL COMMITMENTS

The total of the future minimum lease payments at the end of the year are:

	2024 Total £	2024 Land and Buildings £	2024 Other £
Not later than 1 year	326,442	131,785	194,657
Later than 1 year and not later than			
5 years	560,213	93,140	467,073
Later than 5 years	1,995,294	1,969,523	25,771
	2,881,949	2,194,448	687,501

	2023 (as Restated) Total £	2023 (as restated) Land and Buildings £	2023 (as restated) Other £
Not later than 1 year	179,337	134,297	45,040
Later than 1 year and not later than			
5 years	250,091	93,140	156,951
Later than 5 years	2,044,349	1,992,808	51,541
	2,473,777	2,220,245	253,532

16 PENSION CONTRIBUTIONS

The company operates two pension schemes, both of which provide benefits based on a final pensionable salary.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes total employee and employer contributions payable to the TPS of £758,549 (2023: £764,242) and at the year-end £57,472 (2023: £61,006) 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 2020 and the Valuation Report was published in October 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

16 PENSION CONTRIBUTIONS (continued)

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation has valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Independent Schools' Pension Scheme (operated by the Pensions Trust)

Some support and administrative staff are members of a defined benefit pension scheme run by Verity Trustees Limited. Verity is the Trustee of the Pensions Trust for Charities and Voluntary Organisations; the pension scheme has become part of The Independent Schools' Pension Scheme (ISPS), a scheme within the Trust. The employee rate of contribution in the year was 8.35%, the School's contribution was 10.95%. The ISPS scheme is a multi-employer defined benefit scheme with guaranteed benefits for current and former employees of the former scheme based on 1/80th of final salary.

The School would have a liability if it ceased to participate in the ISPS which at 30 September 2023 was calculated as £1,711,331. The next valuation was due at 30 September 2024. As the School currently has no plans to leave the scheme, this contingent liability has not been provided for in the accounts, and as the Actuary is unable to identify its share of the underlying assets and liabilities at 31 August 2024, the scheme has been accounted for as a defined contribution scheme as permitted by FRS102, and contributions are accounted for when due. Any agreed pension deficit funding payments are provided for on a discounted basis.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers to the scheme as follows:

Deficit contributions

From 1 September 2024 to 30 June 2032	£2,687,000 per annum (payable monthly and increasing by 3% each on 1st September)
---------------------------------------	--

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

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The annual amount due by the school from 1 September 2024 to 30 June 2032 is £52,646 (payable monthly and increasing by 3% each on 1st September).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

16 PENSION CONTRIBUTIONS (continued)

Independent Schools' Pension Scheme (operated by the Pensions Trust) (continued)

	2024	2023
	£'000	£'000
Reconciliation of opening and closing provisions:		
Provision at start of period	397	453
Unwinding of discount factor (interest expense)	21	18
Deficit contribution paid	(51)	(51)
Remeasurements – impact of any change in assumptions	15	(23)
	<hr/>	<hr/>
Provision at end of period	382	397
	<hr/> <hr/>	<hr/> <hr/>
Split as follows:		
Due within one year	53	51
Due after one year	329	346
	<hr/>	<hr/>
	382	397
	<hr/> <hr/>	<hr/> <hr/>

ASSUMPTIONS

	31 August 2024	31 August 2023	31 August 2022
Rate of discount - % per annum	4.68	5.79	4.31

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

17 CONNECTED CHARITIES

Under a scheme approved by the Charity Commission on 16 November 2000, the endowment funds in the charity known as Rochester Cathedral Grammar School were retained in the charity under the new name 'Rochester Cathedral Kings School Endowment Trust' and the non-Endowment Funds were transferred to Kings School Rochester. The School is the trustee of the Endowment Trust.

The terms of the Scheme stipulate that the properties and investments in the Endowment Trust are held for the benefit of King's School Rochester. Accordingly, no rent is charged by the Endowment Trust to the School while the School undertakes to maintain and manage the assets of the Endowment Trust.

Uniting Directions have been issued by the Charities Commission allowing the combination of financial information for King's School Rochester, Rochester Cathedral King's School Endowment Trust ('RCKSET') and the Geoffrey Harmsworth Charitable Trust.

18 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose in the current or prior year other than those disclosed in note 5.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

19 STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2023 £
INCOME AND ENDOWMENTS				
FROM:				
Income from charitable activities				
School fees receivable	10,814,286	-	-	10,814,286
Other educational income	91,560	-	-	91,560
Other trading activities				
- Rent and commission receivable	104,865	-	9,903	114,768
- Trading income	322,463	-	-	322,463
Investment income	73,808	-	15,362	89,170
Donations and grants	-	144,923	30	144,953
Legacies	-	-	106,366	106,366
Total Income	11,406,982	144,923	131,661	11,683,566
EXPENDITURE ON:				
Costs of raising funds				
Trading expenses	406,187	-	-	406,187
Charitable activities				
- Education	6,669,998	-	-	6,669,998
- Premises	1,630,992	-	24,197	1,655,189
- Welfare	849,959	-	-	849,959
- Support of schooling	1,647,607	-	605	1,648,212
- Grants, awards and prizes	-	133,686	14,005	147,691
Total charitable expenditure	10,798,556	133,686	38,807	10,971,049
Total expenditure	11,204,743	133,686	38,807	11,377,236
Net income/(expenditure) before				
Investment gains	202,239	11,237	92,854	306,330
Net investment gains	(35,432)	-	(62,887)	(98,319)
NET MOVEMENT IN FUNDS	166,807	11,237	29,967	208,011
Reconciliation of funds				
Fund balances at 1 September 2022	11,479,378	6,920	2,817,253	14,303,551
FUND BALANCES AT 31 AUGUST				
2023	11,646,185	18,157	2,847,220	14,511,562

KING'S SCHOOL, ROCHESTER

England & Wales - Charity number 1084266

Accounts

King's School, Rochester
Annual Report
for the year ended 31 August 2023

Company Number: 3791543

Registered Charity Number: 1084266

King's School, Rochester

Annual Report For the year ended 31 August 2023

Contents	Pages
Trustees and Advisers	2
Report of the Trustees	3 – 12
Report of the Auditors	13 – 15
Consolidated Statement of Financial Activities	16
Balance sheets	17
Consolidated Cash Flow Statement	18
Notes to the Financial Statements	19 - 35

Company Number: 3791543

Registered Charity Number: 1084266

TRUSTEES AND ADVISERS

Patron

The Lord Bishop of Rochester

Chair of Governors

The Very Rev'd Canon Dr P J Hesketh, PhD, BD, AKC
(Resigned 6 December 2022)
Air Cdre J D Maas, CBE, MSc (Appointed and Chair from
6 December 2022)

Vice Chair of Governors

The Very Rev'd Canon Dr P J Hesketh AKC DL (Deputy Chair from 6
December 2022)
Mrs R A Olley, CEEd (Stepped down 6 December 2022)

Governors and Trustees

Mr M J Chesterfield Esq*
Mr B A Bell, BSc (Hons), CIMDIP, FCIM (Resigned 31 August 2023)
The Rev'd M J Rushton, MA (Oxon), MA (Resigned 5 March 2023)
The Rev'd Canon S Brewer
The Rev'd Canon C Dench*
The Rev'd Canon Dr G Giles, PhD(Middx), MLitt (Cantab), BA
Hons(Lancaster), CTM, ARSM
Ms E Whitlam, MSc

Mrs J E Shilling, BA (Hons)
Mr P B Coen, MBA, FCCA, FPFs*
Dr A C Gower, MEd, MPhil, PhD, PGCE, FHEA*
Mrs G B Opara, MSc, IS (Appointed 31 August 2022)
Mrs R A Olley, CEEd
Mrs P M C Stewart, MSc, ILM, BSc (Appointed 31 August 2022)
Mr A Marlow, BSc (Hons) March MSt, RIBA SCA (Appointed 21 March 2023)
Mr W E Smith, BA Dip.Ed. (Appointed 22 March 2023)

**Chair or Acting-chair of Committees & Sub-Committees*

Membership of the Board is determined under the Articles of Association. The Governors shall consist of:

- The Dean as an ex-officio Governor;
- Four Canons Residentiary;
- Four Nominative Governors appointed by the Dean and Canons Residentiary and approved by the Chairman and Principal of King's School Rochester and Headmaster of the Senior School;
- One Nominative Governor to be appointed by the Diocesan Board of Education and approved by the Chairman and Principal of King's School Rochester and Headmaster of the Senior School; and
- Up to eight Co-optative Governors.

Every year one-fifth of the Nominative and Co-optative Governors retire from office. Retiring Governors may be re-appointed.

KEY MANAGEMENT PERSONNEL

Principal: Mr B P H Charles, BA (Hons), PGCE, Universities of Exeter and Durham

Members of the Key Management Team

Mr T H Morgan, BMus (Hons) RCM
Mrs K Crozer (Ed), Bed Hons Greenwich
Miss D J Godwin, BA (Hons), FCMA
Mr D Faries
Mrs K Simmons (nee Petts) CIPFA

Headmaster of the Preparatory School
Headmistress of the Pre-preparatory School
Bursar (resigned 3 January 2024)
Interim Bursar (Appointed 2nd January 2024)
Director of Operations

Registered Address

Satis House, Boley Hill
Rochester, Kent ME1 1TE

ADVISORS

Auditors

Haysmacintyre LLP
10 Queen Street Place
London, EC4R 1AG

Solicitors

VWV
Narrow Quay House, Narrow Quay
Bristol BS1 4QA

Bankers

National Westminster Bank PLC
2nd Floor, 3 High Street, Maidstone, Kent ME14 1HJ

Investment Managers

Ruffer, 80 Victoria Street, London, SW1E 5JL
Schroders, 31 Gresham Street, London EC2V 7QA
James Hambro, 45 Pall Mall, London SW1Y 5JG

REPORT OF THE TRUSTEES

The Trustees present their annual report and audited financial statements for the year ended 31 August 2023 which comply with the requirements of the Charities Act 2011, Companies Act 2006, the Articles of Association and the Charities SORP (FRS102) – Second Edition.

AIMS AND OBJECTIVES

King's School Rochester (King's) is the oldest choir school and the second oldest school in the UK. There has been unbroken education at King's since the establishment of a monastic school in 604AD. The School offers an exceptional day and boarding education for 660 pupils aged 3 to 18. With a distinguished Christian foundation and strong links to Rochester Cathedral, King's provides a contemporary 21st century holistic education in an inspiring setting, developing all pupils' skills and interests beyond the classroom.

Strategic Aims

Futureproofing King's for a Sustainable Future

- Stewardship of the ancient foundation of this School combined with our responsibility towards the environment and the planet.

King's as One School

- The whole community (pupils, staff, parents, Governors & alumni) working together as one to bring us closer together to celebrate the diversity and inclusivity of this unique place.

King's as a School for Life

- Preparing the pupils for a life beyond King's whilst ensuring they remain in touch once they have left.

Strategies to Achieve Objectives

The overarching aims above lead to the six key strands of strategy set out below which define the School's operational plan:

Maximising pupil potential through excellence in teaching and learning:

- By 2026 the quality of teaching and learning, supported by confident middle leadership, will be consistently excellent.
- We will be confident, creative and efficient in teaching and learning thanks to a whole school approach which encourages innovation and shares best practice through training.
- We will seek to establish a broad and rounded curriculum which benefits all our pupils so that they are prepared for a globalised future.

A whole school approach to the co-curriculum

- By 2026 the school's quality of co-curricular provision will be consistently exceptional.
- We will establish a co-curricular programme that is coherent and demonstrates a synergy with the school's ethos, curriculum and educational aims.

Pupil and staff wellbeing in a fast-changing world

- By 2026 a culture for pupils and staff will have been created in which the balance between 'work hard, play hard and look after each other' has been firmly established.

A prioritised programme of building, refurbishment of facilities and financial infrastructure

- By 2026 we will have further improved our teaching and co-curricular environment and created outstanding new facilities.
- We will have in progress a medium to long-term programme of phased development which has been carefully prioritised to allow the school to deliver an outstanding educational experience at all stages.

A fully integrated approach to marketing and admissions

- By 2026 a fully integrated approach to admissions and marketing will have enabled us to increase our market share of prospective families and to make our recruitment into the Nursery, Pre-Prep, Prep and Senior Schools robust and secure.

A dynamic programme of Outreach and Partnership

- By 2026 we will have fully developed the school's approach to outreach and partnerships with local maintained sector schools, set up a Development Office, refreshed our programme of events for alumni and donors, grown our alumni database, and successfully launched a long term bursary fundraising campaign designed to expand our provision of means-tested support.

Charitable Objects

The objects of the School, as set out in the Memorandum of Association, are the provision and conduct of a day school for boys and girls aged 3-18 and the provision of boarding facilities for boys and girls aged 11-18. In setting the objectives the Governors have given careful consideration to the Charity Commissions' general guidance on public benefit.

Principal Activities of the Year

The School provides and conducts a day school for boys and girls aged 3-18 and the provision of boarding facilities for boys and girls aged 11-18.

Grant-making Policy

The value of scholarships, exhibitions, bursaries and other awards totalled £1,527,347 in the year, 12.53% of gross fee income. The policy is to make awards on the basis of an individual's educational potential or to relieve hardship where the pupil's education and future prospects would otherwise be at risk. This year the value of prizes made to the School's pupils out of restricted funds held by Rochester Cathedral King's School Endowment Trust, Geoffrey Harmsworth Trust, Lord Chadlington and Henry Oldfield funds amounted to £147,748. The policy for distribution follows the conditions imposed by the original donor. Full details of the awards are published annually in a booklet "Scholarships and Bursaries".

Designated Funds

The Bursary Fund was set up several years ago; the income continues to be reinvested until it has reached sufficient size to make a worthwhile contribution to bursaries for pupils. Details of the above Funds are contained in Note 15 to the Financial Statements.

Volunteers

There are two thriving parental groups operating: The Friends of King's School and The Pre-Prep Supporters' Group who fund-raise for the School. The Governors would like to take this opportunity to say how much it appreciates their continuing and valuable support for the School's work.

Public Benefit

In pursuance of the School's long-held objective in offering public benefit to the community, and to ensure compliance with recent legislation, an Annual Public Benefit Review is undertaken internally. Set out below is a summary of the public benefit actions undertaken by the School:

- **Bursaries and Scholarships.** Our primary purpose is the provision of educational services to young people aged 3 to 18, drawn from a wide cross section of the public as possible. The School welcomes pupils from all backgrounds and access to the education offered is not restricted to those that can afford the fees. The School offers a range of scholarships that come with a standard fee remission and additional further means tested assistance where required. These include Academic, Music, Drama, Art and Sports scholarships available to external candidates. The School was proud to offer both 'Chadlington Scholarships' and bursarial supported places for Ukrainian pupils under the 'HMC Projects in Central and Eastern Europe' this year, thanks to Lord Chadlington and to Mr Oldfield. These places cover 100% of fees and expenses for a total of six pupils from local maintained schools and the Ukraine. The School promotes its means tested scholarships and bursaries to pupils from the maintained sector through various channels including the school's website, media relations and encourages parents to apply. Bursarial support is provided for existing pupils where there is a change of circumstance and a number of 100% bursaries supporting children in particular need.
- **Cathedral Choristerships.** With the assistance of the Dean and Chapter of Rochester Cathedral, we educate the Rochester Cathedral Choristers who are drawn from vocally and musically able boys and girls from a wide

cross section of the community. All of the Cathedral Choristers are pupils of the School (except for some of the older girls) and sing for the public in services and concerts in the cathedral. The School provides financial assistance by way of a fee remission to Choristers attending the School with some receiving further financial assistance through means-tested bursaries.

- **Schools Together Partnership Activities.** The School has established a number of links with local maintained Schools, and has offered pupils from diverse backgrounds and teachers the opportunity to work together in joint activities such as PHSE, Latin, Science, German, Athletics, Politics, Drama and INSET events, activities and workshops, many involving visiting and virtual speakers.

The Drama Department provides opportunities for a local schools' consortium of Drama teachers, focusing on GCSE & A Level Drama, sharing good practice and moderating drama coursework.

Pupils from five local state schools broadened their experience of the performing arts by watching live theatre, attending performances of the Preparatory School and the Senior School.

The Politics department and DIA opens up all speaker events to local state schools (they are mostly Zoom calls). The invitation has also been extended to some deprived schools in Hertfordshire. Speakers are former Cabinet ministers, current MPs and leading academics.

The music department partners with local primary schools to deliver workshops to develop the vocal and rhythmic skills of their pupils. King's School Rochester work with 150 pupils in total from years 4 to 6. The aim is to increase their enjoyment of music and also to raise their awareness of playing instruments such as the clarinet, saxophone, violin, piano and trumpet. A small group of King's Senior School pupils have been trained to deliver vocal/body percussion/rhythm workshops and to teach songs.

Our music department puts on a number of performances which are open to members of the public, free of charge, performed by pupils of the School. We are also delivering Music Outreach Programme to two primary schools, visiting each one fortnightly to encourage involvement with singing and uptake of musical instruments.

The Games Department hosts Rugby Festivals for pupils from local primary schools providing coaching from specialist Sports teachers on rugby skills and facilitating an afternoon of matches. Pupils were introduced to experiencing the basics of Tag Rugby and able to practice their skills during the matches.

- **Learning Support Programme.**

The Learning Support Department coordinates support for pupils with Special Educational Needs and Disabilities (SEND) and English as an Additional Language (EAL). With regard to the SEND Code of Practice 2015 and the Equality Act 2010, the Department works to ensure that pupils' learning support needs are identified and met and that, where necessary, reasonable adjustments are put in place. Considering the statement that 'every teacher is a teacher of special educational needs' (SEND Code of Practice 2015), the Department provides support and guidance to teachers across the school to ensure that pupils' needs are supported in the classroom. It also provides one-to-one and small group support sessions outside the classroom, tailored to pupils' individual needs. Access arrangements for public examinations are administered by the Department, in line with Joint Council for Qualifications and Cambridge Assessment International Education regulations. The Department liaises closely with academic and pastoral staff across the school to ensure a joined-up approach.

- **King's School Premises.** The School runs and maintains a former council owned sports centre which is currently used by the local community, including local maintained sector schools. The King's Rochester Sports Centre provides subsidised access to high quality sporting and exercise facilities to the local community. Many local sports groups use the indoor and outdoor facilities at community rates, along with a local cardio rehab group.

The Swimming Pool is used by three local primary schools enabling their pupils from Years 4,5 and 6 to have regular swimming lessons and School staff volunteer to teach group swimming lessons, swimming clubs and lifesaving courses to the public. The pool is also used for free by a small number of cadet groups prior to their

summer season of outdoor water sports training. This is so the Cadet training teams can swim test all cadets and train them in water safety skills. We host swimming galas for local schools giving children the experience and opportunity to race in a competitive environment.

Via a partnership with a local school, the pool and a teaching room is used by the Greenacre Sports Partnership to deliver a Swim England Teachers Course. This enables 12 teachers from across Medway to learn how to teach swimming to their school pupils.

The Chadlington House Sports Hall and its cricket nets have been used regularly throughout the non-playing season by local cricket clubs.

The School's playing fields have been used pro bono by local schools, school aged pupils from a local rugby club as part of a collaborative arrangement and also by local cricket clubs and the TA.

- **King's School Pupil Charitable Giving.** Each of the three Schools nominate a charity each year that works in the local area, some of the Lower Sixth organise fundraising events throughout the year to raise money to support the work of the nominated charity. Additionally, there was a co-ordinated whole school campaign during 2022-2023. All are supervised by members of King's School Staff.

Each of the three departments of the School organised regular events to raise money for their chosen charities each year. In 2022/23 the charities were:

Pre-Preparatory School	Cool Earth
Preparatory School	Evelina Hospice, Oxfam, Open House & JDFR UK Diabetes
Senior School	Cobbes Meadow Riding School for the Disabled
Whole School	Medway African & Caribbean Association

- **Sport.** By competing in regular sports fixtures for both boys and girls against state and independent schools, King's School pupils are integrated in the local sports scene, encourage a familiarity with King's and generally contribute to the success of community events.
- **Worship.** The School actively promotes the Christian faith and principles (with study of RS to GCSE for all pupils) with cathedral services open to members of the public. The School also promotes equality and integration.
- **The Cathedral Choristers.** The School has provided musical outreach and produced a number of concerts and services that are held in the Cathedral and are made available at no charge to the local community. The school works closely with the Cathedral on numerous joint events, offering cultural, musical and spiritual opportunities.
- **Teacher Training.** King's offers placements to trainee teachers from Canterbury Christ Church University. Our Director of Digital Learning has also provided support and training for Computer Science teachers at maintained schools across the county and beyond.
- **Local Community.** The school is part of the Medway Cultural Partnership and an active participant in the Medway Champions Programme to promote Medway as a place to live, visit, work and learn which contributes to developing the economy of the local community.

King's is taking a lead role in the Medway Education Partnership. We are committed to strengthening the effectiveness of the school system in Medway and facilitating a sector led system that enables every child to realise their full potential. The relationship between schools, academy trusts, school leaders' associations (MELA, MSHA), and the local authority, working alongside the Regional Schools Commissioner and teaching schools, are key to 'achieving more together' with co-production supporting the outcomes we seek.

As part of the Senior School programme, every Friday afternoon pupils do volunteer work with local charities and primary schools.

- **Economic Impact and Savings to the Public Purse.** King's School currently educates 680 children relieving pressure on local state schools and with no claim on the State for the subsidy provided for each place at a maintained school (The School does not reclaim any VAT charged on its purchase of supplies and services).

The School employs over 240 people locally at all levels of employment and the School also buys as many of our goods and services locally as possible contributing further significant financial impact indirectly.

Fundraising Approach and Performance

Throughout the year the School community of staff, pupils and parents undertake charity fundraising activities including quiz nights, classroom competitions, sport events, open mic nights and other fundraising events with supporter contact in line with the Fundraising Code of Practice set by Fundraising Regulator. Our fundraising promise is:

When you support you can be sure of the following:

- *We will never sell your contact details to anyone;*
- *We will only contact you if you have expressed an interest in our work;*
- *If we phone you, we will always check you are happy to take the call;*
- *If you ask us to change how we communicate with you, or stop, we will respect that;*
- *We do not engage in cold-calling, door to door or street fundraising;*
- *We try hard to ensure no one ever feels pressurised to support our work; and*
- *All our activities are open, fair, honest and legal.*

We have robust policies in place when dealing with vulnerable people and do not put any pressure on our donors. We do not use professional fundraisers. No complaints about fundraising activity were received in the year.

Overall fundraising performance during the year

£7,700	Senior School Charity - Cobbes Meadow Riding School for the Disabled;
£1,569	Whole School Charity -- Medway African & Caribbean Association
£ 340	Prep Charity (Evelina Hospice)
£ 933	Prep Charity (Oxfam)
£ 866	Prep Charity (Open House)
£ 159	Prep Charity (JDFR UK Diabetes)
£1,263	Pre-preparatory School Charity – Cool Earth

Group Structure and Relationships

Uniting Directions have been issued by the Charities Commission allowing the combination of financial information for King's School Rochester, Rochester Cathedral King's School Endowment Trust ('RCKSET') and the Geoffrey Harmsworth Charitable Trust.

Rochester Cathedral King's School Endowment Trust is a subsidiary of the Charity whose income is used to fund prizes.

A subsidiary charity was established in 2009 in the name of an Old Roffensian who died during that year. The Geoffrey Harmsworth Charitable Trust provides financial support to families suffering financial hardship.

Roffa Limited is a subsidiary company whose activities are detailed in the Accounts at Note 4. Where applicable the company transfers taxable profits by Gift Aid to the School.

STRATEGIC REPORT**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR****Operational Performance of the School**

A Level examination produced another excellent year of results. The overall pass rate was 98.47% with 25.8% obtaining A*-B results. 52.7% of GCSE grades were at 9-7 and over 53% of the cohort gaining at least half of their grades at 9-7. The principle destination for leavers has again been universities. Concerts, fixtures, productions, visits and outdoor pursuits have all taken place during the year, enhancing the experience of our pupils. A programme of super-curricular activities has been developed to complement the School's teaching and learning. The School's commitment to diversity has also made significant progress via the Diversity and Inclusion Alliance which enhances the School's pastoral care and safeguarding responsibilities.

The Preparatory School maintains a broad curriculum throughout the school, allowing pupils to experience a range of academic, sporting, musical and dramatic subjects. The excellence and breadth of the curriculum was evidenced in the last ISI Inspection in January 2020 where all areas of the school were judged to be 'Excellent'. The school achieved outstanding 11+ grammar school entry results and the use of InCAS and MidYIS data from on-line tests serviced by CEM at the University of Durham Centre allows for close monitoring of pupil performance, ensuring that pupils' aspirations exceed their baseline. Pupil numbers reflect the excellent education and pastoral care in the Preparatory School and have remained stable with a pupil count of 217 in January 2024.

The Pre-Preparatory School, including Nursery, continues to offer an exciting and varied curriculum throughout the school. This means pupils enjoy a huge range of opportunities and are able to shine wherever their interests lie. They experience a range of subjects including Music, Sport and German as well as core learning right from the start. The school tracks pupils using assessments produced and analysed by CEM at the University of Durham Centre. In Nursery, ASPECTS is used to show how each child has progressed during their time in the setting. In Reception, BASE is used to benchmark our children's performance against national averages and demonstrates the progress that each child has made during the year. Year 1 - 3 use InCAS data which tracks pupils' performance year on year and provides age-standardised and age-equivalent scores each year ensuring progress is made. Ballet, ABRSM music and LAMDA exams have all taken place with pleasing results.

ISI Inspection

In our last ISI Inspection in January 2020, King's School Rochester was found to be "Excellent in all areas" across the School. King's Nursery, Pre-Preparatory School, Preparatory School and Senior School were scrutinised for the quality of their work with pupils, academic achievement and personal development and well-being and findings in every section were first-class.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors report that, the consolidated activities of the School had a surplus of £306,330 before investment revaluations in the 12 months to 31 August 2023 (2022: surplus £617,379) this figure includes £106,366 of permanent endowment legacy donations which have been added to the endowment fund during the year.

Income increased by 6.7% and expenditure increased by 10.2%. Investment in marketing, admissions and development was prioritised and improvements to the School's building fabric and computer facilities continued to be a primary focus during the year.

Roffa Ltd's trading performance during the year deteriorated on the previous year due to slightly reduced Turnover.

Future Plans

The Strategic Business Plan for 2022-2026 was reviewed, updated and approved by the Governors in the previous financial year. Under the leadership of the Chair of Governors, the strategy is due to be reviewed again to develop a new strategic vision for the next 5 years.

Current key operational plans are:

1. To identify the curriculum needs of all our pupils;
2. To implement a whole school approach to Digital Strategy including the further development of Google Classroom;
3. To enhance our provision for Careers across the whole school;
4. To develop a programme of whole school co-curricular events to enhance the 'King's as One School' model;

5. To develop a programme of super-curricular activities to complement the school's teaching and learning;
6. To introduce a dynamic programme of wellbeing development;
7. To increase the range of leadership opportunities for pupils;
8. To adapt schemes of work to reflect our responsibility for diversity, inclusion and sustainability;
9. To ensure that building projects are in line with the school's commitment to sustainability;
10. To develop a coherent plan for partnerships with local maintained schools;
11. To ensure the data available in the Development Office provides a firm foundation for future alumni relations and fundraising aspirations;
12. To evaluate the transformative experience provided by the KSR bursary programme;
13. To introduce an Arts Festival as part of our outreach programme; and
14. To increase King's regional and national profile.

Acknowledgement

The Governors wish to express their appreciation to the Principal, Heads of each School, teachers and all School staff for their loyalty and dedication, continuing hard work and support.

Reserves Policy

The Group has total reserves of £14,511,562, these include Endowed Funds of £2,847,220; Restricted Funds of £18,157 and Unrestricted Funds of £11,646,185.

The Reserves Policy of the School has been based on the School's objectives. Its main features are:

- a) To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the management of the School's buildings maintenance programme; and
- b) To provide resources to fund the School to provide cover for unexpected or unavoidable items of expenditure.

In order to meet the criteria in (a) and (b) above, the Governors consider that the minimum targeted level of reserves desired is as follows:

Working capital of £1.8m, or two months' expenditure. This should be represented by liquid resources.

When certain fixed assets totalling £9.8m are deducted from unrestricted funds this gives rise to free reserves of £1.8m. The policy is therefore to maintain building up reserves of annual operating surpluses at the current level of two months expenditure, subject to the prior demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

The School's Bursary Fund which currently stands at £1,344,110 (Designated Fund) was established with the objective of generating investment income to support the families of existing pupils suffering financial hardship and to enrol pupils who would otherwise be unable to afford to attend the school. The fund to date has reinvested all income generated. Its medium term objective is to increase the Fund to enable it to generate an annual income in support of the above objectives.

Investment Policy and Objectives

The Board aims to maximise the total investment return within the objectives of maintaining income without taking undue risk, while continuing to preserve the real value of endowed investments and to maximise income on invested restricted funds. The management of the School's funds to be reviewed regularly by Governors. The Governing Body reviews the performance of the investment portfolio each term against the movement in the FTSE 100 index.

The school's primary investment manager Ruffer took a cautious investment strategic position during the year given their view on the worldwide economy and political uncertainty in the UK. Their investment approach is long term and their strategy is to hold a wide range of mostly conventional assets. Actual market performance on returns were in line with relevant market indices. Investment losses were incurred during the year amount due to market performance.

Risk Management

King's School Board of Governors is responsible for the management of the risks faced by the School and to ensure that adequate controls are in place to identify, assess and mitigate against such risks. Detailed considerations of risk are delegated to the Finance and Estates Sub-Committee, assisted by the Executive Board. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis.

The major potential risks identified are addressed by Governor sub-committee meetings. During the year these risks are discussed in detail and monitored for action as necessary. Each sub-committee reports in detail to the Governing Body.

The Governors consider the major potential risks to the School are:

- Threats due to changes in the political climate regarding Independent Schools and the impact of any new Government mandates involving changes for the Independent School sector such as the imposition of VAT on school fees (expected to be 20%), removal of all charitable tax reliefs and removal of business rates charitable relief;
- Challenges of the current economic situation, including higher inflation and interest rates, pressure on salaries, parents facing cost pressures when considering fees,
- Affordability issues for parents which affect pupil numbers, fee and expense levels and greater pressure on bursary/hardship funds;
- Further increases to pension contribution rates and changes to deficit repayments, along with changes of provision;
- Competition from both independent and state schools for pupils;
- Safeguarding and Inspections in an increasingly regulated environment;
- Risk management of Data Protection and cybersecurity; and
- Risk management of Health and Safety.

The key controls used by the School to mitigate risks include:

- Comprehensive strategic planning, budgeting, forecasting and management accounting;
- Formal agendas for all Committee and Board activity to ensure all Governors and SMT are fully aware of and consider the risks regularly;
- Risk Register identifies all risks;
- A newly formed Audit & Risk Committee to regularly review risks and mitigating strategies then report to Governing Body;
- Scenario planning to provide a series of competitive commercial cost structures, which model the impact of reduced pupil numbers, as a consequence of perceived political risks and sector wide changes;
- Teachers' Pension Scheme reviewed regularly;
- Curriculum Review underway;
- Health & Safety committee to consider current risks;
- Investment in the school's marketing and communications functions to support pupil recruitment;
- Established organisational structure and lines of reporting;
- Updating of formal written policies and annual adherence monitoring as appropriate;
- Clear authorisation and approval levels;
- Bursary Policy & Debtors Policy in place;
- GDPR compliant and constant investment in IT resources;
- Safer recruitment as required by law for the protection of the vulnerable; and
- Well trained designated staff, robust systems, whole school staff training on Child Protection and Safeguarding.

Through the risk management processes established by the School, King's School Rochester Governors are satisfied that the major risks have been identified and adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

STATUS AND ADMINISTRATION

The origin of the School dates back to the foundation of a monastery by St Justus in 604 AD. King's School emerged as a distinct entity in 1542 when Henry VIII dissolved the Monastery and re-founded the Cathedral Grammar School. The Foundation has been amended during subsequent years. The liability of the members is Limited by Guarantee. Details of the Charity's Governors and executive officers are listed on page 2. The Charity's addresses and particulars of the Charity's professional advisors are given on page 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Memorandum and Articles of Association, adopted on 11 October 2000 as amended by Special Resolution on 9 November 2015.

Appointment and re-Appointment of Governors

The Scheme approved by the Charity Commission provides for a maximum of 18 Trustees who are Governors of the School, one-fifth of the Nominative and Co-optative Governors retire each year.

The Governors would like to take this opportunity to thank Mr B A Bell (who resigned in August 2023), Rev'd M J Rushton (who resigned March 2023) and Mr M G Snoswell (who resigned in August 2022) for their hard work, dedication and support.

Recruitment and Training of Governors

The Charity's elected Governors are appointed at the first ordinary Meeting of the Governors following their nomination or co-option and a visit to the School. Prospective Governors are supplied with a pack of information as recommended by AGBIS (Association of Governing Bodies of Independent Schools). This includes AGBIS Guidelines for Governors, the Charity Commission handbook CC3 "Responsibilities of Charity Trustees", the School's Articles of Association, key School Policies, dates of upcoming Governors' Meetings and Committees and a map of the School. Governors are given access to a shared Governor drive with key strategic documents and minutes of previous Governors' Meetings and Committees. During their first year, and annually thereafter, Governors are invited to attend courses sponsored by AGBIS and others. In addition, ad hoc strategic planning sessions are held when appropriate, as well as annual safeguarding training.

Organisational Management

The Governors, as trustees of the Charity, are legally responsible for the overall management and control of the School, and meet at least four times a year. Five Committees, each chaired by a Governor, serve to review, monitor and advise the Governing Body on their respective strands of work. **The Finance and General Purposes Committee**, chaired by Mr Paul Coen meets four times per year and has responsibility to recommend the budget, prioritise budgets for proposed future undertakings and finalise the audited accounts and annual report for approval by the Board. **The Estates Sub-Committee** of the Finance and General Purposes Committee is chaired by Mr Markham Chesterfield and meets four times a year to develop and monitor current estates projects and oversee the buildings, grounds, vehicles and plant, and ensure compliance with health and safety. **The Education and Pastoral Committee** chaired by Canon C Dench meets termly; it reviews educational matters and Inspection findings. **The Audit and Risk Committee**, chaired by Dr Andrew Gower meets termly to advise, and scrutinise, in relation to financial controls and statutory obligations including safeguarding; equality and diversity; and health and safety. The Chairs of each Committee form **The Governance, Nominations and Strategy Committee**, which meets four times a year and is chaired by the Chair of Governors and is responsible for the strategic direction of the School and overseeing Governance. The remit of each of the Committees has been drawn up and agreed by the Governing Body. Each of the Committees reports in detail to the Governing Body.

The day to day running of the School during 2022-2023 was delegated to the Senior Management of the School, details of which are listed on page 2. Senior Management members attend meetings of the Governing Body and the Sub-Committees.

Key Management Pay Policy

Management pay policy is determined in conjunction with the Governors, Principal and Bursar and takes into account current market demand for pupils in the School's catchment areas, the financial performance of the School, the economic outlook and the 'going rate of remuneration' for senior management remuneration in both the state sector and the independent school's market in the south east of England. The key management roles are detailed in note 6 of the accounts.

Employment Policy

The school is an equal opportunities employer and positively encourages applications from suitably qualified and eligible candidates regardless of sex, age, ethnic origin, sexual orientation, belief, religion, disability or membership of a professional or trade union.

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. Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to apprise staff of current issues.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors for the company) are responsible for preparing the annual report and the financial statements in accordance with applicable law and UK GAAP.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees 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 company and the Group and of the income and expenditure of the Group for that period. In preparing these financial statements, the Trustees are required to:

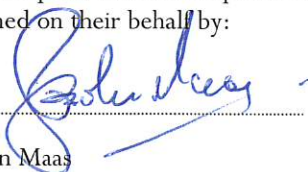
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (Statement of Recommended Practice);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 company will continue in business.

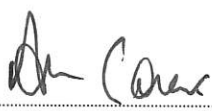
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and Group and enable them to ensure that the financial statements comply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

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report, which incorporates the Strategic Report, was approved by the Board of Governors on 22/04 2024 and signed on their behalf by:


.....
John Maas


.....
Andrew Gower

Registered Office

Satis House
Boley Hill
Rochester, Kent, ME1 1TE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOL ROCHESTER

Opinion

We have audited the financial statements of Kings School, Rochester for the year ended 31 August 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of 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 and parent charitable company's affairs as at 31 August 2023 and of the group and parent charitable company's net movement in funds, including the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (which includes the strategic report and the directors' 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 Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' 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 accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) Regulation 2014, employment law, safeguarding regulations, health and safety requirements, GDPR and Charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, Charities SORP and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to recognition of income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.



Tracey Young (Senior statutory auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

30 April
.....2024

COMPANY NO. 3791543

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2023 £	Total 2022 £
INCOME AND ENDOWMENTS						
FROM:						
Income from charitable activities						
School fees receivable	2	10,814,286	-	-	10,814,286	9,734,887
Other educational income		91,560	-	-	91,560	123,075
Other trading activities						
- Rent and commission receivable		104,865	-	9,903	114,768	134,362
- Trading income		322,463	-	-	322,463	350,998
Investment income		73,808	-	15,362	89,170	44,712
Donations and grants	3	-	144,923	30	144,953	31,771
Legacies		-	-	106,366	106,366	523,019
Total Income		11,406,982	144,923	131,661	11,683,566	10,942,824
EXPENDITURE ON:						
Costs of raising funds						
Trading expenses		406,187	-	-	406,187	412,558
Charitable activities						
- Education		6,669,998	-	-	6,669,998	5,946,779
- Premises		1,630,992	-	24,197	1,655,189	1,685,053
- Welfare		849,959	-	-	849,959	710,657
- Support of schooling		1,647,607	-	605	1,648,212	1,549,385
- Grants, awards and prizes		-	133,686	14,005	147,691	21,013
Total charitable expenditure		10,798,556	133,686	38,807	10,971,049	9,912,887
Total expenditure	7	11,204,743	133,686	38,807	11,377,236	10,325,445
Net income before investment losses		202,239	11,237	92,854	306,330	617,379
Net investment losses	9	(35,432)	-	(62,887)	(98,319)	(66,510)
NET MOVEMENT IN FUNDS	5	166,807	11,237	29,967	208,011	550,869
Reconciliation of funds						
Fund balances at 1 September 2022		11,479,378	6,920	2,817,253	14,303,551	13,752,682
FUND BALANCES AT 31 AUGUST 2023	15	11,646,185	18,157	2,847,220	14,511,562	14,303,551

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the Statement of Financial Activities. The comparative year's Statement of Financial Activities is included in note 20. No separate Income and Expenditure account has been produced because the Net Income for Companies Act purposes is the same as the Net Movement in Funds on the Unrestricted Funds.

The notes on pages 19 to 35 form part of these financial statements.

BALANCE SHEETS
AT 31 AUGUST 2023

Company Number: 3791543

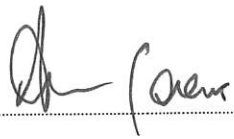
		GROUP 2023	GROUP 2022 As restated	SCHOOL 2023	SCHOOL 2022 As restated
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8	10,949,092	10,906,983	10,632,902	10,556,752
Investments	9	2,962,131	2,570,192	3,359,481	3,028,347
		13,911,223	13,477,175	13,992,383	13,585,099
CURRENT ASSETS					
Stocks		3,270	2,776	-	-
Debtors	10	504,263	539,674	501,594	514,441
Cash at bank and in hand		3,227,050	3,198,513	3,197,775	3,138,067
		3,734,583	3,740,963	3,699,369	3,652,508
CURRENT LIABILITIES:					
Creditors: amounts falling due within one year	11	(2,243,055)	(1,947,236)	(2,186,722)	(1,891,837)
NET CURRENT ASSETS		1,491,528	1,793,727	1,512,647	1,760,671
LONG TERM LIABILITIES					
Creditors: amounts falling due after more than one year	12	(891,189)	(967,351)	(891,189)	(967,351)
TOTAL NET ASSETS	14	14,511,562	14,303,551	14,613,841	14,378,419
Representing:					
Unrestricted Funds	15a	11,646,185	11,479,378	11,748,464	11,554,246
Restricted Funds	15b	18,157	6,920	18,157	6,920
Endowed Funds					
- Expendable Endowment Funds	15c	1,249,176	1,284,660	1,249,176	1,284,660
- Permanent Endowment Funds	15c	1,598,044	1,532,593	1,598,044	1,532,593
TOTAL FUNDS		14,511,562	14,303,551	14,613,841	14,378,419

King's School, Rochester has taken the exemption from presenting its School statement of financial activities under section 408 of the Companies Act 2006. The net movement in funds of the School was a surplus of £235,422 (2022: surplus of £557,485).

The notes on pages 19 to 35 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors on 22/09 2024 and were signed below on its behalf by:


John Maas


Andrew Gower

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

	2023 £	2022 £	
Net cash inflow from operating activities			
Net movement in funds	208,011	550,869	
Investment income and interest receivable	(89,170)	(44,712)	
Depreciation	395,984	453,368	
Loss/(surplus) on sale of fixed assets	1,710	6,375	
Unrealised loss on investments	98,319	66,510	
(Increase)/decrease in stocks	(494)	2,851	
Decrease/(increase) in debtors	35,411	(279,260)	
Increase in creditors	275,395	297,514	
(Decrease) in pension deficit	(55,738)	(18,490)	
Net cash provided by operating activities	869,428	1,035,025	
Cash flow from investing activities			
Investment income and interest received	89,170	44,712	
Purchase of tangible fixed assets	(439,803)	(499,159)	
Proceeds from sale of tangible fixed assets	-	1,398	
Purchase of fixed asset investments	(629,387)	(24,733)	
Sale of fixed asset investments	139,129	-	
Net cash used in investing activities	(840,891)	(477,782)	
Net change in cash and cash equivalents in the year	28,537	557,243	
Cash and cash equivalents at the beginning of the year	3,198,513	2,641,270	
Cash and cash equivalents at the end of the year	3,227,050	3,198,513	
Analysis of cash and cash equivalents			
Cash at bank	330,010	298,513	
Deposits	2,897,040	2,900,000	
	3,227,050	3,198,513	
Analysis of changes in net funds	At start of year £	Cash Flows £	At end of year £
Cash at bank	298,513	31,497	330,010
Deposits	2,900,000	(2,960)	2,897,040
	3,198,513	28,537	3,227,050

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023**1 ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed assets investments at market value and certain freehold land and buildings at revalued amounts. The format of the financial statements has been presented to comply with the Companies Act 2006, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* the Statement of Recommended Practice for Charities (SORP) (Second Edition, effective 1 January 2019). Figures are presented in sterling and rounded to the nearest pound. The Charity is a Public Benefit Entity as defined by FRS102.

Going Concern

Having reviewed the school's budgets and forecasts with the expected ongoing demand for places at the school, the Trustees consider that there are no material uncertainties which would cast doubt on the School's ability to continue as a going concern.

Against a background of political and economic uncertainty, the Trustees have re-visited business plans, forecasts and cash flows to cover a period up to 31st August 2025 and introduced further sensitivity analysis in order to assess the ongoing financial implications for the School. Particular focus and modelling has been undertaken on a potential reduction in pupil numbers due to the possible impact of VAT on school fees.

Forecasts for going concern assessment have considered reduced pupil numbers and associated income, increased cost base due to current inflation levels along with reduced fundraising opportunities for future cash flow projections. With a potentially long recession, investments are not expected to perform any better in the near future and recoverability of existing debts is forecast to be more difficult than in previous years.

However, the School has no current loans in place and governors are also taking steps to address uncertainties with increased resources for the marketing function and a cost focus through to August 2025. Given the school has sufficient reserves, the Trustees consider that there are no material uncertainties which would cast doubt on the School's ability to continue as a going concern.

Group Accounts

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Roffa Limited on a line by line basis. A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

General Information

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 3791543) and a charity registered in England and Wales (charity number: 1084266). The School was converted from its classification as Rochester Cathedral (King's) School, an Unincorporated Body to Limited Company status and began trading as King's School, Rochester on 1 September 2000.

Significant Estimates and Judgements

In preparing these financial statements the trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There key areas subject to estimation uncertainty or judgement where depreciation, bad debt provision and investment property valuation.

Income

All income is included in the Statement of Financial Activities when the Charity is entitled to the income, its receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations are accounted for on a received basis. Legacies are recognised on a receivable basis, when the conditions of entitlement, probability and measurement are met. Where the probability and/or measurement criteria for legacies and donations are not satisfied as at the balance sheet date but subsequent events resolve the uncertainty such that the criteria are met, an adjustment is made to recognise the income. Furloughing grants are recognised on a receivable basis.

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

Fees receivable includes both general tuition fees and other fees and recharges, net of scholarships and remissions, is accounted for in the period in which the service is provided. General tuition fees comprise all amounts in relation to tuition, boarding and lunches.

Investment income is accounted for in the period in which the charity is entitled to receipt.

Rent and interest is accounted for on an accruals basis.

Expenditure

Expenditure are accounted for on an accruals basis. Expenditure is allocated to expense headings on a direct cost basis except for central costs which are apportioned on the basis of the Trustees' estimate of time spent on the relevant functions. Redundancy and termination costs are accounted for on an accruals basis.

Expenditure on raising funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and finance costs.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs represent staff and other costs incurred in directly supporting the teaching function and general running of the School. Governance costs include expenditure on compliance with constitutional and statutory requirements. These are included within support costs.

Grants and Bursaries

Grants and bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and allowances from unrestricted funds towards school fees at the Schools are treated as a reduction in those fees.

Tangible Fixed Assets and Depreciation

Freehold and leasehold land and buildings are included in the balance sheet at a valuation by Messrs Burkill Johnson and Messrs Michael Rogers, Chartered Surveyors at incorporation on 1 September 1999, with additions since that date being included at cost.

Expenditure on repairs and alterations which do not add value to the premises is charged to the Statement of Financial Activities in the financial year in which it is incurred.

Depreciation of Freehold buildings is provided on a straight line basis over 10, 20, 30 and 50 years.

Depreciation of leasehold buildings is provided on a straight line basis over the unexpired portion of the leases, the remaining useful life of each building, or 50 years, whichever is shortest.

Expenditure on furniture and equipment, fixtures and fittings and vehicles with a minimum project value of £1,000, which have an expected useful life in excess of one year, are included in the balance sheet at cost. Depreciation is provided on a straight-line basis at rates varying between 5% and 25%. Expenditure on smaller items is charged to the Statement of Financial Activities in the year of acquisition.

Investment Property

The investment property is included at fair value at a trustees' valuation. The trustees believe that the current fair value is not materially different to the professional valuation completed by TWD (Chartered Surveyors) on 19 November 2021.

Financial Instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023*Investments*

Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Fee in advance scheme

The School has an advance fees scheme whereby parents and others make advance payments, which together with the discount accruing thereon, provide for a set contribution each term towards the pupils' fees. The capital portion outstanding is recognised as a liability and the amount of discount crystallised in the year is included in the Statement of Financial Activities.

Stocks

Consumable stocks, provisions, stationery and school books are charged to the Statement of Financial Activities in the year of purchase. Stocks of goods for resale are stated at the lower of cost and net realisable value.

Pensions

The School operates three pension schemes to provide retirement benefits for certain staff members. The pension costs charged to the Statement of Financial Activities are determined as follows:

The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The Pensions Trust Scheme is a multi-employer defined benefit scheme for which the School's share of the underlying assets and liabilities cannot be separately identified. This scheme is therefore accounted for as a defined contribution scheme in accordance with section 28 of FRS102 and agreed pension deficit funding payments are provided for on a discounted basis.

The Legal and General Work Save Pension Plan is a defined contribution scheme open to academic staff.

Operating Leases

Rentals for operating leases are charged to the Statement of Financial Activities as they are incurred.

Funds

Unrestricted funds are those available to further the School's charitable objects at the discretion of the governors.

Restricted funds are monies that are subject to restrictions by the donors.

Permanent endowed funds are funds where the original capital must be maintained.

Expendable endowment funds are funds where the original capital can be converted into income for spending either at the Trustees' own discretion.

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

2 FEES RECEIVABLE

	2023	2022
	£	£
Gross Fees	12,193,885	11,081,290
Less bursaries and discounts	(1,527,347)	(1,360,352)
	<u>10,666,538</u>	<u>9,720,938</u>
Bursaries and scholarships funded by restricted fund	147,748	13,949
Fees Receivable	<u>10,814,286</u>	<u>9,734,887</u>

3 DONATIONS AND GRANTS

Donations and grants income includes furloughing grants of £Nil claimed by the group during the year (2022: £1,374).

4 NET EXPENDITURE FROM TRADING SUBSIDIARY

Trading activities not connected with the Charity's purpose are carried out by Roffa Ltd (company number 02235699), a wholly owned subsidiary company. The company transfers taxable profits by Gift Aid to the School.

	2023	2022
	£	£
Turnover		
Trading Income	<u>368,795</u>	<u>388,301</u>
Cost of sales	380,386	386,982
Operating costs recharged by King's School	<u>44,975</u>	<u>39,379</u>
Trading Expenses	<u>425,361</u>	<u>426,361</u>
Gross Loss	(56,566)	(38,060)
Administrative costs	<u>(31,655)</u>	<u>(31,501)</u>
Operating Loss	(88,221)	(69,561)
Interest receivable	5	-
Retained loss for the year	<u>(88,216)</u>	<u>(69,561)</u>
Balance Sheet		
Fixed Assets	316,190	350,231
Stock	3,270	2,776
Debtors	14,896	28,577
Cash at bank	29,275	60,446
Creditors due < 1 year	(68,560)	(58,743)
Creditors due > 1 year	<u>(1,100,000)</u>	<u>(1,100,000)</u>
Net liabilities	<u>(804,929)</u>	<u>(716,713)</u>
Share capital and reserves		
Share capital	100	100
Profit and loss account	<u>(805,029)</u>	<u>(716,813)</u>
Equity shareholders funds	<u>(804,929)</u>	<u>(716,713)</u>

£44,996 (2022: £39,379) of turnover and £44,996 (2022: £39,379) of cost of sales relate to transactions with King's School, Rochester. These have been eliminated on consolidation. £1,336 of Roffa Limited income has been allocated to Rent and Commission Receivable on the SOFA.

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

5 NET MOVEMENT IN FUNDS

	2023	2022
	£	£
Net movement in funds is stated after charging:		
Depreciation charge for the year		
Tangible fixed assets owned	395,984	453,368
Operating lease payments		
King's School, Rochester	111,012	111,012
Roffa Limited	20,000	20,000
Loss on sale of fixed assets	1,710	6,375
Auditors' remuneration for audit services		
- King's School, Rochester	18,200	15,800
- Roffa Limited	5,750	5,000
Auditors' remuneration for other services	6,170	3,450

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

6 EMPLOYEE INFORMATION

The average weekly number of employees during the year was made up as follows:

	2023 Number	2022 Number
Teaching Staff	105	105
Other Staff	124	121
Roffa Limited	24	20
	253	246
Employee		
Staff costs		
Salaries and wages	6,538,643	5,903,194
Social security costs	591,617	523,561
Pension contributions	811,414	777,175
	7,941,674	7,203,930

During the year redundancy payments of £16,892 (2022: £24,892) were made by the School. No termination payments were made by Roffa Limited during the year (2022: £Nil).

The number of employees earning over £60,000 in the year were:

	2023 Number	2022 Number
£60,001 - £70,000	7	7
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

Two (2022 three) of the employees earning more than £60,000 are members of the Teachers' Pension Scheme. One of the employees earning more than £60,000 are members of a scheme run by Legal & General, one is a member of a scheme run by the Independent Schools' Pension Scheme and one is a member of a private scheme.

Key management personnel

The key management roles in the school were the trustees, who are not paid, the Principal, Headmaster of the Preparatory School, Headmistress of the Pre-preparatory School and the Bursar & Clerk to the Governors, Director of External Relations and the Director of Operations. Their total emoluments including benefits and employer's pension and national insurance contributions paid was £604,768 (2022: £558,692).

Transactions with Governors

None of the Governors received any remuneration during the period (2022: £Nil). The aggregate amount of expenses reimbursed to Governors during the year was £1,625- travel expenses for one Governor (2022: £908). Two children of one Governor (2022: Two children of one Governor) attended King's School and they received some assistance towards payment of school fees on an arms-length basis.

Donations totalling £3,945 (2022: £5,596) were received from Governors during the year.

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

7 ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Other £	Depreciation £	2023 £
Charitable activities				
<i>School operating costs:</i>				
Education	5,876,257	711,505	82,236	6,669,998
Premises	473,821	930,860	250,508	1,655,189
Welfare	435,037	395,766	19,156	849,959
Support	999,835	607,465	6,842	1,614,142
Governance costs	-	34,070	-	34,070
Grants, awards and prizes	-	147,691	-	147,691
Total for charity	7,784,950	2,827,357	358,742	10,971,049
Trading costs of the subsidiary	156,724	212,221	37,242	406,187
Total for group	7,941,674	3,039,578	395,984	11,377,236

Comparative Analysis of Total Expenditure:

	Staff costs £	Other £	Depreciation £	2022 £
Charitable activities				
<i>School operating costs:</i>				
Education	5,367,966	508,701	70,112	5,946,779
Premises	430,525	935,376	319,152	1,685,053
Welfare	371,137	324,404	15,116	710,657
Support	862,612	646,557	10,889	1,520,058
Governance costs	-	29,327	-	29,327
Grants, awards and prizes	-	21,013	-	21,013
Total for charity	7,032,240	2,465,378	415,269	9,912,887
Trading costs of the subsidiary	171,690	202,769	38,099	412,558
Total for group	7,203,930	2,668,147	453,368	10,325,445

Analysis of other support costs:

	2023 £	2022 £
Administration	276,448	300,360
Lectures and courses	40,318	33,571
Travel and entertainment	36,349	22,527
Advertising and public relations	139,977	120,861
Other	114,373	169,238
	<u>607,465</u>	<u>646,557</u>

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

8 SCHOOL AND GROUP TANGIBLE ASSETS

Group	Freehold land and buildings £	Leasehold buildings £	Vehicles and equipment £	Total £
Cost or valuation				
At 1 September 2022	13,013,583	2,372,520	2,656,391	18,042,494
Additions	270,352	28,199	141,252	439,803
Disposals	-	-	(36,979)	(36,979)
At 31 August 2023	13,283,935	2,400,719	2,760,664	18,445,318
Depreciation				
At 1 September 2022	3,931,128	1,088,057	2,116,326	7,135,511
Providing during year	169,687	66,645	159,652	395,984
Disposals	-	-	(35,269)	(35,269)
At 31 August 2023	4,100,815	1,154,702	2,240,709	7,496,226
Total net book value				
At 31 August 2023	9,183,120	1,246,017	519,955	10,949,092
Total net book value				
At 1 September 2022	9,082,455	1,284,463	540,065	10,906,983

School

	Freehold land and buildings £	Leasehold buildings £	Vehicles and equipment £	Total £
Cost or valuation				
At 1 September 2022	13,013,583	1,785,294	2,542,521	17,341,398
Additions	270,352	28,199	135,943	434,494
Transfer of assets from Roffa Limited	-	-	398	398
At 31 August 2023	13,283,935	1,813,493	2,678,862	17,776,290
Depreciation				
At 1 September 2022	3,931,128	836,888	2,016,630	6,784,646
Providing during year	169,687	38,309	150,746	358,742
At 31 August 2023	4,100,815	875,197	2,167,376	7,143,388
Total net book value				
At 31 August 2023	9,183,120	938,296	511,486	10,632,902
Total net book value				
At 1 September 2022	9,082,455	948,406	525,891	10,556,752

None of the buildings or land are held for investment purposes.

On the formation of the Company, certain endowed properties were retained by a separate charity, Rochester Cathedral King's School Endowment Trust (Charity Number 307922).

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

9 FIXED ASSET INVESTMENTS

	Investment Property £	Group Quoted investments £	Total £
Market value 1 September 2022	275,000	2,295,192	2,570,192
Additions	-	629,387	629,387
Disposals proceeds	-	(139,129)	(139,129)
Unrealised losses	-	(98,319)	(98,319)
Market value 31 August 2023	275,000	2,687,131	2,962,131

	Investment in subsidiary (unquoted) £	Investment Property £	School Quoted investments £	Total £
Market value 1 September 2022	458,155	275,000	2,295,192	3,028,347
Additions	-	-	629,387	629,387
Impairment	(60,805)	-	(139,129)	(199,934)
Unrealised losses	-	-	(98,319)	(98,319)
Market value 31 August 2023	397,350	275,000	2,687,131	3,359,481

The investment in the subsidiary, Roffa Limited represents 100% of the company's share capital and £1,100,000 of Redeemable Shares. Following losses in Roffa Limited and an impairment review performed by Trustees, the Redeemable Shares have been written down to the Trustees' estimate of their recoverable amount. Roffa Limited was incorporated in March 1988, its principal activities being the external hiring of a sports centre, letting of school premises and related facilities and the sale of confectionery and snacks.

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

10 DEBTORS

	Group		School	
	2023	2022	2023	2022
		As restated		As restated
	£	£	£	£
Fees	139,546	217,490	139,546	217,490
Sundry debtors	80,592	27,850	80,592	27,850
Prepaid expenses	284,125	294,334	269,229	265,757
Roffa Limited – intercompany	-	-	12,227	3,344
	<u>504,263</u>	<u>539,674</u>	<u>501,594</u>	<u>514,441</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		School	
	2023	2022	2023	2022
		As restated		As restated
	£	£	£	£
Trade creditors	195,678	191,352	195,678	168,808
Prepaid fees	758,240	607,016	758,240	607,016
Fees in advance (note 13)	601,096	414,244	601,096	414,244
Pupil deposits	36,170	34,905	36,170	34,905
Taxation and social security	147,182	132,549	147,182	124,656
Pension deficit reduction contributions (note 17)	51,112	49,623	51,112	49,623
Other creditors	198,020	155,218	159,026	155,218
Deferred income	84,992	160,000	84,992	160,000
Accrued expenses	170,565	202,329	153,226	177,367
	<u>2,243,055</u>	<u>1,947,236</u>	<u>2,186,722</u>	<u>1,891,837</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		School	
	2023	2022	2023	2022
	£	£	£	£
Pension deficit reduction contributions (note 17)	346,193	403,420	346,193	403,420
Fees in advance (note 13)	187,589	229,984	187,589	229,984
Pupil deposits	357,407	333,947	357,407	333,947
	<u>891,189</u>	<u>967,351</u>	<u>891,189</u>	<u>967,351</u>

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

13. FEES IN ADVANCE

Parents have the option of paying school fees in advance for either part of or the whole time that the pupil is at the school. The money is returned if the child is withdrawn from the School, after any outstanding fees are deducted and amounts owing are added. Assuming pupils will remain in the School, advanced fees will be applied as follows:

	2023 £	2022 £
Within one year	<u>601,096</u>	<u>414,244</u>
Within one to two years	187,589	162,212
Within two to five years	-	67,772
	<u>187,589</u>	<u>229,984</u>
	<u>788,685</u>	<u>644,228</u>
The movements during the year were:		
Balance at 1 September 2022	644,228	636,090
Additions to scheme	642,054	514,642
Payments of fees	(497,597)	(506,504)
Balance at 31 August 2023	<u>788,685</u>	<u>644,228</u>

14 ALLOCATION OF NET ASSETS

	Tangible assets £	Investments £	Net current assets £	Long term liabilities £	Total £
At 31 August 2023					
Unrestricted funds	9,568,492	1,741,462	1,329,699	(891,189)	11,748,464
Restricted	-	-	18,157	-	18,157
Expendable Endowment	-	1,015,110	234,066	-	1,249,176
Permanent Endowment	1,064,410	602,909	(69,275)	-	1,598,044
School total	<u>10,632,902</u>	<u>3,359,481</u>	<u>1,512,647</u>	<u>(891,189)</u>	<u>14,613,841</u>
Subsidiary	316,190	(397,350)	(21,119)	-	(102,279)
Group total	<u>10,949,092</u>	<u>2,962,131</u>	<u>1,491,528</u>	<u>(891,189)</u>	<u>14,511,562</u>

Comparative Allocation of Net Assets:

	Tangible assets £	Investments £	Net current assets £	Long term liabilities £	Total £
At 31 August 2022					
Unrestricted funds	9,477,903	1,816,865	1,226,829	(967,351)	11,554,246
Restricted	-	-	6,920	-	6,920
Expendable Endowment	-	1,211,482	73,178	-	1,284,660
Permanent Endowment	1,078,849	-	453,744	-	1,532,593
School total	<u>10,556,752</u>	<u>3,028,347</u>	<u>1,760,671</u>	<u>(967,351)</u>	<u>14,378,419</u>
Subsidiary	350,231	(458,155)	33,056	-	(74,868)
Group total	<u>10,906,983</u>	<u>2,570,192</u>	<u>1,793,727</u>	<u>(967,351)</u>	<u>14,303,551</u>

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

15 FUNDS

15a Unrestricted Funds

Unrestricted Funds – Group	Balance at 31 August 2022	Income	Expenditure	Investments gains/ losses) and transfers	Balance at 31 August 2023
	£	£	£	£	£
General fund	10,837,483	11,107,400	(10,837,779)	-	11,107,104
Bursary Fund	1,358,708	20,834	-	(35,432)	1,344,110
	12,196,191	11,128,234	(10,837,779)	(35,432)	12,451,214
Subsidiary funds	(716,813)	278,748	(366,964)	-	(805,029)
	11,479,378	11,406,982	(11,204,743)	(35,432)	11,646,185
Unrestricted Funds – School					
General fund	10,195,538	11,107,400	(10,837,779)	(60,805)	10,404,354
Bursary Fund	1,358,708	20,834	-	(35,432)	1,344,110
	11,554,246	11,128,234	(10,837,779)	(96,237)	11,748,464

The Bursary Fund income continues to be reinvested until it has reached sufficient size to make a worthwhile contribution to bursaries for pupils.

Comparative 2022	Balance at 31 August 2021	Income	Expenditure	Investments gains/(losses) transfers	Balance at 31 August 2022
	£	£	£	£	£
Unrestricted Funds – Group					
General fund	10,696,818	10,043,229	(9,902,564)	-	10,837,483
Bursary Fund	1,339,143	24,733	-	(5,168)	1,358,708
	12,035,961	10,067,962	(9,902,564)	(5,168)	12,196,191
Subsidiary funds	(647,252)	322,063	(391,624)	-	(716,813)
	11,388,709	10,390,025	(10,294,188)	(5,168)	11,479,378
Unrestricted Funds – School					
General fund	10,117,818	10,043,229	(9,902,564)	(62,945)	10,195,538
Bursary Fund	1,339,143	24,733	-	(5,168)	1,358,708
	11,456,961	10,067,962	(9,902,564)	(68,113)	11,554,246

15b Restricted Funds – Group and School

	Balance at 31 August 2022	Income	Expenditure	Transfers	Balance at 31 August 2023
	£	£	£	£	£
Restricted Funds					
Grand Piano Fund	6,920	-	-	-	6,920
Lord Chadlington Scholarships	-	44,541	(44,541)	-	-
Henry Oldfield Bursaries	-	80,000	(80,000)	-	-
Other scholarships	-	20,382	(9,145)	-	11,237
	6,920	144,923	(133,686)	-	18,157
Comparative 2022					
	Balance at 31 August 2020	Income	Expenditure	Transfers	Balance at 31 August 2022
	£	£	£	£	£
Restricted Funds					
Grand Piano Fund	6,920	-	-	-	6,920

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

15 FUNDS (continued)

15c Endowment Funds – Group and School

Endowment Funds	Balance at 31 August 2022	Income	Expenditure	Investments gains/ losses)	Balance at 31 August 2023
	£	£	£	£	£
Expendable Endowment Fund					
Geoffrey Harmsworth Trust	1,089,066	21,579	(20,521)	(17,634)	1,072,490
Augustine Carnell Fund	69,377	-	-	-	69,377
RCKSET	126,217	3,716	(3,847)	(18,777)	107,309
	1,284,660	25,295	(24,368)	(36,411)	1,249,176
Permanent Endowment Funds					
Original Endowment	1,009,574	-	(14,439)	-	995,135
The Sir Geoffrey and Lady Isobel Barnett Scholarship Fund	523,019	106,366	-	(26,476)	602,909
	1,532,593	106,366	(14,439)	(26,476)	1,598,044
Endowment Funds Total	2,817,253	131,661	(38,807)	(62,887)	2,847,220

Comparative 2022

Endowment Funds	Balance at 31 August 2021	Income	Expenditure	Investments gains/ losses)	Balance at 31 August 2022
	£	£	£	£	£
Expendable Endowment Fund					
Geoffrey Harmsworth Trust	1,088,615	26,555	(13,218)	(12,886)	1,089,066
Augustine Carnell Fund	89,985	-	-	(20,608)	69,377
RCKSET	154,440	3,225	(3,600)	(27,848)	126,217
	1,333,040	29,780	(16,818)	(61,342)	1,284,660
Permanent Endowment Funds					
Original Endowment	1,024,013	-	(14,439)	-	1,009,574
The Sir Geoffrey and Lady Isobel Barnett Scholarship Fund	-	523,019	-	-	523,019
	1,024,013	523,019	(14,439)	-	1,532,593
Endowment Funds Total	2,357,053	552,799	(31,257)	(61,342)	2,817,253

The Original Permanent Endowed Funds comprise a number of properties used by the School.

The Sir Geoffrey and Lady Isobel Barnett Scholarship Fund. The net income of the fund is to be applied to scholarships, bursaries or maintenance allowances to persons who need financial assistance, travel grants to persons to assist in the furtherance of their education or otherwise furthering their education. Any unspent income in the year to be treated as expendable endowment to be applied, at the discretion of the Trustees, as income in future years.

The Expendable Endowment Funds comprises:

- the RCKSET fund which consists of bequests for prizes;
- the Geoffrey Harmsworth Trust which consists of a legacy received for the relief of hardship; and
- the Augustine Carnell Fund to be used to provide travel prizes to sixth form pupils.

The Lord Chadlington and Henry Oldfield restricted funds are to be applied to scholarships and bursaries for Ukrainian students respectively.

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

16 FINANCIAL COMMITMENTS

The total of the future minimum lease payments at the end of the year are:

	2023	2022
	Land and buildings	Land and buildings
	£	£
Not later than 1 year	131,012	131,012
Later than 1 year and not later than 5 years	80,000	211,624
Later than 5 years	1,711,667	1,731,667
	<u>1,922,679</u>	<u>2,074,303</u>
	2023	2022
Capital commitments at 31 August	£	£
Approved and contracted for	<u>-</u>	<u>103,500</u>

17 PENSION CONTRIBUTIONS

The company operates two pension schemes, both of which provide benefits based on a final pensionable salary.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes total employee and employer contributions payable to the TPS of £ 764,242 (2022: £740,221) and at the year-end £61,006.07 (2022 £56,131) 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 2020 and the Valuation Report, which was published in October 2023,

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

Independent Schools' Pension Scheme (operated by the Pensions Trust)

Some support and administrative staff are members of a defined benefit pension scheme run by Verity Trustees Limited. Verity is the Trustee of the Pensions Trust for Charities and Voluntary Organisations; the pension scheme has become part of The Independent Schools' Pension Scheme (ISPS), a scheme within the Trust. The employee rate of contribution in the year was 8.35%, the School's contribution was 10.95%. The ISPS scheme is a multi-employer defined benefit scheme with guaranteed benefits for current and former employees of the former scheme based on 1/80th of final salary.

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

17 PENSION CONTRIBUTIONS (continued)

Independent Schools' Pension Scheme (operated by the Pensions Trust) (continued)

The School would have a liability if it ceased to participate in the ISPS which at 30 September 2021 was calculated as £2,009,480. The next valuation is due at 30 September 2024. As the School currently has no plans to leave the scheme, this contingent liability has not been provided for in the accounts, and as the Actuary is unable to identify its share of the underlying assets and liabilities at 31 August 2023, the scheme has been accounted for as a defined contribution scheme as permitted by FRS102 and contributions are accounted for when due. Any agreed pension deficit funding payments are provided for on a discounted basis.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 September 2023 to 30 June 2032 £2,687,000 per annum
(payable monthly and increasing by 3% each on 1st September)

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

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the school recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The annual amount due by the school from 1 September 2023 to 30 June 2032 is £51,000 (payable monthly and increasing by 3% each on 1st September).

	2023 £'000	2022 £'000
Reconciliation of opening and closing provisions:		
Provision at start of period	453	472
Unwinding of discount factor (interest expense)	18	5
Deficit contribution paid	(51)	(51)
Remeasurements -- impact of any change in assumptions	(23)	(75)
Remeasurements -- amendment to contributions schedule	-	102
	<u>397</u>	<u>453</u>
Split as follows:		
Due within one year	51	50
Due after one year	346	403
	<u>397</u>	<u>453</u>

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

17 PENSION CONTRIBUTIONS (continued)

Independent Schools' Pension Scheme (operated by the Pensions Trust) (continued)

ASSUMPTIONS

	31 August 2023	31 August 2022	31 August 2021
Rate of discount - % per annum	5.79	4.31	1.09

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

18 CONNECTED CHARITIES

Under a scheme approved by the Charity Commission on 16 November 2000, the endowment funds in the charity known as Rochester Cathedral Grammar School were retained in the charity under the new name 'Rochester Cathedral Kings School Endowment Trust' and the non-Endowment Funds were transferred to Kings School Rochester. The School is the trustee of the Endowment Trust.

The terms of the Scheme stipulate that the properties and investments in the Endowment Trust are held for the benefit of King's School Rochester. Accordingly, no rent is charged by the Endowment Trust to the School while the School undertakes to maintain and manage the assets of the Endowment Trust.

Uniting Directions have been issued by the Charities Commission allowing the combination of financial information for King's School Rochester, Rochester Cathedral King's School Endowment Trust ('RCKSET') and the Geoffrey Harmsworth Charitable Trust.

19 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose in the current or prior year other than those disclosed in note 6.

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

20 STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022

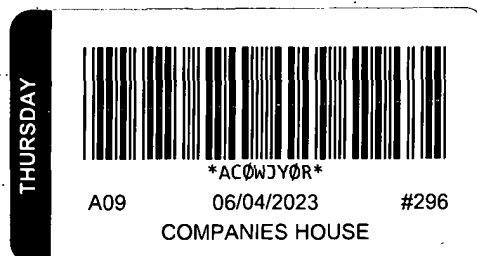
	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2022 £
INCOME AND ENDOWMENTS				
FROM:				
Income from charitable activities				
School fees receivable	9,734,887	-	-	9,734,887
Other educational income	123,075	-	-	123,075
Other trading activities				
- Rent and commission receivable	122,796	-	11,566	134,362
- Trading income	350,998	-	-	350,998
Investment income	26,528	-	18,184	44,712
Donations and grants	31,741	-	30	31,771
Legacies	-	-	523,019	523,019
Total Income	10,390,025	-	552,799	10,942,824
EXPENDITURE ON:				
Costs of raising funds				
Trading expenses	412,558	-	-	412,558
Charitable activities				
- Education	5,946,779	-	-	5,946,779
- Premises	1,667,745	-	17,308	1,685,053
- Welfare	710,657	-	-	710,657
- Support of schooling	1,549,385	-	-	1,549,385
- Grants, awards and prizes	7,064	-	13,949	21,013
Total charitable expenditure	9,881,630	-	31,257	9,912,887
Total expenditure	10,294,188	-	31,257	10,325,445
Net income/(expenditure) before				
Investment gains	95,837	-	521,542	617,379
Net investment gains	(5,168)	-	(61,342)	(66,510)
NET MOVEMENT IN FUNDS	90,669	-	460,200	550,869
Reconciliation of funds				
Fund balances at 1 September 2021	11,388,709	6,920	2,357,053	13,752,682
FUND BALANCES AT 31 AUGUST 2022	11,479,378	6,920	2,817,253	14,303,551

KING'S SCHOOL, ROCHESTER

England & Wales - Charity number 1084266

Accounts

King's School, Rochester
Annual Report
for the year ended 31 August 2022



Company Number: 3791543

Registered Charity Number: 1084266

King's School, Rochester

Annual Report For the year ended 31 August 2022

Contents	Pages
Trustees and Advisers	2
Report of the Trustees	3 - 13
Report of the Auditors	14 - 16
Consolidated Statement of Financial Activities	17
Balance sheets	18
Consolidated Cash Flow Statement	19
Notes to the Financial Statements	20 - 37

Company Number: 3791543

Registered Charity Number: 1084266

TRUSTEES AND ADVISERS

Patron

The Lord Bishop of Rochester

Chair of Governors

The Very Reverend Canon Dr P J Hesketh, PhD, BD, AKC
(Resigned 6 December 2022)
Air Cdre J D Maas, CBE, MSc (Appointed and Chair from
6 December 2022)

Deputy Chair of Governors

The Very Rev'd Canon Dr P J Hesketh AKC DL (Deputy Chair from 6
December 2022)
Mrs R A Olley, CED (Stepped down 6 December 2022)

Governors and Trustees

M J Chesterfield Esq*
Mr C R Shepherd, BSc, CEng, FICE, FRSA* (Resigned 15
September 2021)
Ms J Glew, BA (Hons), CIM Dip, MA (Resigned 6 October 2021)
Mr P L Rothwell, LLB (Hons) (Resigned 19 October 2021)
Mr B A Bell, BSc (Hons), CIMDIP, FCIM
Dr R J Kennett, MBE (Resigned 12 September 2021)
The Rev'd M J Rushton, MA (Oxon), MA
Mr D Graves BA (Hons), FCA (Resigned 29 November 2021)
The Rev'd Canon S Brewer
Miss J A Shicluna MA (Oxon) (Resigned 22 September 2021)

The Rev'd Canon C Dench*
The Rev'd Canon Dr G Giles, PhD (Middx), MLitt (Cantab), BA
Hons (Lancaster), CTM, ARSM
Mrs E Whitlam MSc (Appointed 1 September 2020)*
Mrs J E Shilling, BA (Hons)
Mr P B Coen, MBA, FCCA, FPFs (Appointed 1 September 2021)
Mr M G Snoswell (Resigned 31 August 2022)
Mr A C Gower, MEd, MPhil, PhD, PGCE, FHEA (Appointed 22
March 2022)
Mrs G B Opara, MSc, IS (Appointed 31 August 2022)
Mrs P M C Stewart, MSc, LLM, BSc (Appointed 31 August 2022)

*Chairmen or Acting-chairmen of Sub-Committees

Membership of the Board is determined under the Articles of Association. The Governors shall consist of:

- The Dean as an ex-officio Governor;
- Four Canons Residentiary;
- Four Nominative Governors appointed by the Dean and Canons Residentiary and approved by the Chairman and Principal of King's School Rochester and Headmaster of the Senior School;
- One Nominative Governor to be appointed by the Diocesan Board of Education and approved by the Chairman and Principal of King's School Rochester and Headmaster of the Senior School; and
- Up to eight Co-optative Governors.

Every year one-fifth of the Nominative and Co-optative Governors retire from office. Retiring Governors may be re-appointed.

KEY MANAGEMENT PERSONNEL

Principal: Mr B P H Charles, BA (Hons), PGCE, Universities of Exeter and Durham

Other Members of the Executive Board

Mr T H Morgan, BMus (Hons) RCM
Mrs K Crozer (Ed), Bed Hons Greenwich
Miss D J Godwin, BA (Hons), FCMA
Miss K Petts CIPFA

Headmaster of the Preparatory School
Headmistress of the Pre-preparatory School
Bursar
Director of Operations

ADVISORS

Auditors

Haysmacintyre LLP
10 Queen Street Place
London, EC4R 1AG

Solicitors

VWV
Narrow Quay House, Narrow Quay
Bristol BS1 4QA

Bankers

National Westminster Bank PLC
2nd Floor, 3 High Street, Maidstone, Kent ME14 1HJ

Registered Office

Satis House
Boley Hill, Rochester, Kent
ME1 1TE

Investment Managers

Ruffer, 80 Victoria Street, London, SW1E 5JL
Schroders, 31 Gresham Street, London EC2V 7QA

REPORT OF THE TRUSTEES

The Trustees present their annual report and audited financial statements for the year ended 31 August 2022 which comply with the requirements of the Charities Act 2011, Companies Act 2006, the Trust Deed and the Charities SORP (FRS102) – Second Edition.

AIMS AND OBJECTIVES

King's School Rochester (King's) is the oldest choir school and the second oldest school in the UK. There has been unbroken education at King's since the establishment of a monastic school in 604AD. The School offers an exceptional day and boarding education for 660 pupils aged 3 to 18. With a distinguished Christian foundation and strong links to Rochester Cathedral, King's provides a contemporary 21st century holistic education in an inspiring setting, developing in all pupils' skills and interests beyond the classroom.

For King's, 2021-2022 has been a period of significant transition post-pandemic, following a disrupted two and a half years of educational and operational change. A new leadership and management structure, within both Governors and key management personnel has further shaped a new strategic vision for the next four years.

Strategic Aims

Futureproofing King's for a Sustainable Future

- Stewardship of the ancient foundation of this School combined with our responsibility towards the environment and the planet.

King's as One School

- The whole community (pupils, staff, parents, Governors & alumni) working together as one to bring us closer together to celebrate the diversity and inclusivity of this unique place.

King's as a School for Life

- Preparing the pupils for a life beyond King's whilst ensuring they remain in touch once they have left.

Strategies to Achieve Objectives

The overarching aims above lead to the six key strands of strategy set out below which define the School's operational plan:

Maximising pupil potential through excellence in teaching and learning:

- By 2026 the quality of teaching and learning, supported by confident middle leadership, will be consistently excellent.
- We will be confident, creative and efficient in teaching and learning thanks to a whole school approach which encourages innovation and shares best practice through training.
- We will seek to establish a broad and rounded curriculum which benefits all our pupils so that they are prepared for a globalised future.

A whole school approach to the co-curriculum

- By 2026 the school's quality of co-curricular provision will be consistently exceptional.
- We will establish a co-curricular programme that is coherent and demonstrates a synergy with the school's ethos, curriculum and educational aims.

Pupil and staff wellbeing in a fast-changing world

- By 2026 a culture for pupils and staff will have been created in which the balance between 'work hard, play hard and look after each other' has been firmly established.

A prioritised programme of building, refurbishment of facilities and financial infrastructure

- By 2026 we will have further improved our teaching and co-curricular environment and created outstanding new facilities.
- We will have in progress a medium to long-term programme of phased development which has been carefully prioritised to allow the school to deliver an outstanding educational experience at all stages.

A fully integrated approach to marketing and admissions

- By 2026 a fully integrated approach to admissions and marketing will have enabled us to increase our market share of prospective families and to make our recruitment into the Nursery, Pre-Prep, Prep and Senior Schools robust and secure.

A dynamic programme of Outreach and Partnership

- By 2026 we will have fully developed the school's approach to outreach and partnerships with local maintained sector schools, set up a Development Office, refreshed our programme of events for alumni and donors, grown our alumni database, and successfully launched a long term bursary fundraising campaign designed to expand our provision of means-tested support.

Charitable Objects

The objects of the School, as set out in the Memorandum of Association, are the provision and conduct of a day school for boys and girls aged 3-18 and the provision of boarding facilities for boys and girls aged 11-18. In setting the objectives the Governors have given careful consideration to the Charity Commissions' general guidance on public benefit.

Principal Activities of the Year

The School provides and conducts a day school for boys and girls aged 3-18 and the provision of boarding facilities for boys and girls aged 11-18.

Grant-making Policy

The value of scholarships, exhibitions, bursaries and other awards totalled £1,360,352 in the year, 12.2% of gross fee income. The policy is to make awards on the basis of an individual's educational potential or to relieve hardship where the pupil's education and future prospects would otherwise be at risk. This year the value of prizes made to the School's pupils out of restricted funds held by Rochester Cathedral King's School Endowment Trust and Geoffrey Harmsworth Trust amounted to £13,949. The policy for distribution follows the conditions imposed by the original donor. Full details of the awards are published annually in a booklet "Scholarships and Bursaries".

Designated Funds

The Bursary Fund was set up several years ago; the income continues to be reinvested until it has reached sufficient size to make a worthwhile contribution to bursaries for pupils. Details of the above Funds are contained in Note 15 to the Financial Statements.

Volunteers

There are two thriving parental groups operating: The Friends of King's School and The Pre-Prep Supporters' Group who fund-raise for the School. The Governors would like to take this opportunity to say how much it appreciates their continuing and valuable support for the School's work.

Public Benefit

In pursuance of the School's long-held objective in offering public benefit to the community, and to ensure compliance with recent legislation, an Annual Public Benefit Review is undertaken internally. Set out below is a summary of the public benefit actions undertaken by the School:

- **Bursaries and Scholarships.** Our primary purpose is the provision of educational services to young people aged 3 to 18, drawn from a wide cross section of the public as possible. The School welcomes pupils from all backgrounds and access to the education offered is not restricted to those that can afford the fees. The School offers a range of scholarships that come with a standard fee remission and additional further means tested assistance where required. These include Academic, Music, Drama, Art and Sports scholarships available to external candidates. The School was proud to offer both 'Chadlington Scholarships' and bursarial supported places for Ukrainian pupils under the 'HMC Projects in Central and Eastern Europe' this year, thanks to Lord Chadlington and to Mr Oldfield. These places cover 100% of fees and expenses for a total of six pupils from local maintained schools and the Ukraine. The School promotes its means tested scholarships and bursaries to pupils from the maintained sector through various channels including the school's website, media relations and encourages parents to apply. Bursarial support is provided for existing pupils where there is a change of circumstance and a number of 100% bursaries supporting children in particular need.

- **Cathedral Choristerships.** With the assistance of the Dean and Chapter of Rochester Cathedral, we educate the Rochester Cathedral Choristers who are drawn from vocally and musically able boys and girls from a wide cross section of the community. All of the Cathedral Choristers are pupils of the School (except for some of the older girls) and sing for the public in services and concerts in the cathedral. The School provides financial assistance by way of a fee remission to Choristers attending the School with some receiving further financial assistance through means-tested bursaries.
- **Schools Together Partnership Activities.** The School has established a number of links with local maintained Schools, and has offered pupils from diverse backgrounds and teachers the opportunity to work together in joint activities such as PHSE, Latin, Science, German, Athletics, Politics, Drama and INSET events, activities and workshops, many involving visiting and virtual speakers. The impact of partnership work involved pupils from six local state schools delivered by three hundred and eighty staff hours given.

The Drama Department provides opportunities for a local schools' consortium of Drama teachers, focusing on GCSE & A Level Drama, sharing good practice and moderating drama coursework.

Pupils from five local state schools broadened their experience of the performing arts by watching live theatre, attending performances of the Preparatory School's production of 'Nativity' and the Senior School production of 'Fiddler on the Roof'.

The Politics department and DIA opens up all speaker events to local state schools (they are mostly Zoom calls). The invitation has also been extended to some deprived schools in Hertfordshire. Speakers are former Cabinet ministers, current MPs and leading academics.

The music department has partnered with Oaklands Primary School, Walderslade and English Martyrs Roman Catholic primary school in Frindsburys to deliver workshops to develop the vocal and rhythmic skills of their pupils. King's School Rochester work with 150 pupils in total from years 4 to 6 The aim is to increase their enjoyment of music and also to raise their awareness of playing instruments such as to the clarinet, saxophone, violin, piano and trumpet. A small group of King's Senior School pupils have been trained to deliver vocal/body percussion/rhythm workshops and to teach songs.

Our music department puts on a number of performances which are open to members of the public, free of charge, performed by pupils of the School. We are also delivering an Music Outreach Programme to two primary schools, visiting each one fortnightly to encourage involvement with singing and uptake of musical instruments.

The Games Department held a Festival of Rugby for pupils from four local primary schools providing coaching from specialist Sports teachers on rugby skills and facilitating an afternoon of matches. Pupils were introduced to experience the basics of Tag Rugby and able practice their skills during the matches.

A Festival of Cricket was held for 60 pupils from six local primary schools, pupils benefited from receiving expert coaching from the Games Department teachers.

Through links with Chantray Academy the school has provided music performances and introductions to musical instruments, ex-library books donated to their school library, materials for their award winning garden project along with science equipment and resources loaned for their pupils to use.

Two of our Teachers volunteer at the Medway Polish school to prepare children from various Medway state schools for the Policy GCSE exam and also support local secondary schools in arranging and running speaking exams.

- **Learning Support Programme.** Within the context of the school community, individual needs are appreciated. The development of the whole person is at the centre of our educational philosophy. At King's, a whole pupil and whole school approach is promoted, as recommended in SEND Code of Practice 0-25, 2015. The 'King's family' maintains a strong pastoral support within the Form/ House structure which forms the heart of educational support. Form Tutors and Class Teachers are central to supporting the progress of pupils with educational needs. The Learning Support Department is well coordinated throughout the school and responds effectively and flexibly to enable progress.

- **King's School Premises.** The School runs and maintains a former council owned sports centre which it fully refurbished and is used 85% of the time by the local community, including local maintained sector schools. The King's Rochester Sports Centre provides subsidised access to high quality sporting and exercise facilities to the local community. Many local sports groups use the indoor and outdoor facilities at community rates, along with a local cardio rehab group.

The Swimming Pool is used by three local primary schools enabling their pupils from Years 4,5 and 6 to have regular swimming lessons and School staff volunteer to teach group swimming lessons, swimming clubs and lifesaving courses to the public. The pool is also used for free by a small number of cadet groups prior to their summer season of outdoor water sports training. This is so the Cadet training teams can swim test all cadets and train them in water safety skills. We host swimming galas for local schools giving children the experience and opportunity to race in a competitive environment.

Via a partnership with a local school, the pool and a teaching room is used by the Gecnacre Sports Partnership to deliver a Swim England Teachers Course. This enables 12 teachers from across Medway to learn how to teach swimming to their school pupils.

The Chadlington House Sports Hall and its cricket nets have been used regularly throughout the non-playing season by local cricket clubs.

The School's playing fields have been used pro bono by local schools, school aged pupils from a local rugby club as part of a collaborative arrangement and also by local cricket clubs and the TA.

- **King's School Pupil Charitable Giving.** Each of the three Schools nominate a charity each year that works in the local area, some of the Lower Sixth organise fundraising events throughout the year to raise money to support the work of the nominated charity. Additionally there was a co-ordinated whole school campaign during 2021-2022. All are supervised by members of King's School Staff.

Each of the three departments of the School organised regular events (concerts, home clothes days, sponsored events etc.) to raise money for their chosen charities each year. In 2021/22 the charities were:

Pre-Preparatory School	Demelza House
Preparatory School	UNICEF Ukraine and Archbishop Andoh Catechetical (Ghana)
Senior School	Cobbes Meadow Riding School for the Disabled, Mental Health Foundation and Brain Tumour Research
Whole School	DEC Ukraine

At Harvest, via the School Chaplaincy, we supported the Open House Project, the local homeless project which also supports struggling households. Additionally, a toy service was held for the Strood Community Project, which distribute hampers at Christmas to those in need in the Strood area.

- **Sport.** By competing in regular sports fixtures for both boys and girls against state and independent schools, King's School pupils are integrated in the local sports scene, encourage a familiarity with King's and generally contribute to the success of community events. Once again, King's had to create online activities, such as the Netball Competition, which involved a variety of local schools and was coached by our Netball coaches.
- **Worship.** The School actively promotes the Christian faith and principles (with study of RS to GCSE for all pupils) with cathedral services open to members of the public. The School also promotes equality and integration.
- **The Cathedral Choristers.** The School has provided musical outreach and produced a number of concerts and services that are held in the Cathedral and are made available at no charge to the local community. The school works closely with the Cathedral on numerous joint events, offering cultural, musical and spiritual opportunities.
- **Teacher Training.** King's offers placements to trainee teachers from Christ Church University Canterbury. Our Director of Digital Learning has also provided support and training for Computer Science teachers at maintained schools across the county and beyond.

- **Local Community.** The school is part of the Medway Cultural Partnership and an active participant in the Medway Champions Programme to promote Medway as a place to live, visit, work and learn which contributes to developing the economy of the local community.

King's is taking a lead role in the Medway Education Partnership. We are committed to strengthening the effectiveness of the school system in Medway and facilitating a sector led system that enables every child to realise their full potential. The relationship between schools, academy trusts, school leaders' associations (MELA, MSHA), and the local authority, working alongside the Regional Schools Commissioner and teaching schools, are key to 'achieving more together' with co-production supporting the outcomes we seek.

As part of the Senior School programme, every Friday afternoon pupils do volunteer work with local charities and primary schools.

Three members of the School are Governors at local state schools.

- **Economic Impact and Savings to the Public Purse.** King's School currently educates 660 children relieving pressure on local state schools and with no claim on the State for the subsidy provided for each place at a maintained school (The School does not reclaim any VAT charged on its purchase of supplies and services).

The School employs over 240 people locally at all levels of employment and the School also buys as many of our goods and services locally as possible contributing further significant financial impact indirectly. An Independent School Council (ISC) Economic Survey indicated the school added over £8.1m per annum to the local economy and saved the tax payer £4.9m in the financial year.

Fundraising Approach and Performance

Throughout the year the School community of staff, pupils and parents undertake charity fundraising activities including quiz nights, classroom competitions, sport events, open mic nights and other fundraising events with supporter contact in line with the Fundraising Code of Practice set by Fundraising Regulator. Our fundraising promise is:

When you support you can be sure of the following:

- *We will never sell your contact details to anyone;*
- *We will only contact you if you have expressed an interest in our work;*
- *If we phone you, we will always check you are happy to take the call;*
- *If you ask us to change how we communicate with you, or stop, we will respect that;*
- *We do not engage in cold-calling, door to door or street fundraising;*
- *We try hard to ensure no one ever feels pressurised to support our work; and*
- *All our activities are open, fair, honest and legal.*

In 2021-2022, the School worked with Demelza House, UNICEF Ukraine and Archbishop Andoh Catechetical (Ghana), Cobbes Meadow Riding School for the Disabled, Mental Health Foundation, Brain Tumour Research and DEC Ukraine.

We have robust policies in place when dealing with vulnerable people and do not put any pressure on our donors. No complaints about fundraising activity were received in the year.

Overall fundraising performance during the year

£2,013 Senior School Charity - Cobbes Meadow Riding School for the Disabled;
 £ 586 Senior School Charity – Mental Health Foundation;
 £ 100 Senior School Charity – Brain Tumour Research;
 £1,121 Preparatory School Charity – UNICEF Ukraine;
 £1,045 Preparatory School Charity -- Archbishop Andoh Catechetical (Ghana);
 £1,537 Pre-preparatory School Charity – Demelza House;
 £6,603 DEC Ukraine

Group Structure and Relationships

Uniting Directions have been issued by the Charities Commission allowing the combination of financial information for King's School Rochester, Rochester Cathedral King's School Endowment Trust ('RCKSET') and the Geoffrey Harmsworth Charitable Trust.

Rochester Cathedral King's School Endowment Trust is a subsidiary of the Charity whose income is used to fund prizes.

A subsidiary charity was established in 2009 in the name of an Old Roffensian who died during that year. The Geoffrey Harmsworth Charitable Trust provides financial support to families suffering financial hardship.

Roffa Limited is a subsidiary company whose activities are detailed in the Accounts at Note 4. Where applicable the company transfers taxable profits by Gift Aid to the School.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

After two years of major impact from Covid-19 on the School's operations and events, the school returned to normal running during this academic year.

This was the first year since COVID-19 that Senior School pupils sat external examinations. A Level examinations produced another excellent year of results. The overall pass rate was 99.2% with 50.8% obtaining A*-B results. 49.3% of GCSE grades were at 9-7 and over 43% of the cohort gaining at least half of their grades at 9-7. The principle destination for leavers has again been universities. Co-curricular provision, which continues to be a key strategic area for the School, returned to pre COVID-19 levels of provision engaging all members of the School's community including parents and families. Concerts, fixtures, productions, visits and outdoor pursuits have all taken place during the year, enhancing the experience of our pupils. A programme of super-curricular activities has been developed to complement the School's teaching and learning. The School's commitment to diversity has also made significant progress via the Diversity and Inclusion Alliance which enhances the School's pastoral care and safeguarding responsibilities. The establishment of a Health and Wellbeing Centre has introduced a dynamic programme of wellbeing development ensuring pupils understand that their wellbeing is fundamental. Increasing the range of leadership opportunities for pupils and giving primacy to pupil voice has continued to be actively encouraged.

As part of the re-launch of the Chadlington Lecture programme, the Senior School were delighted to have the opportunity to welcome the former Prime Minister, Mr David Cameron to King's School Rochester. Mr Cameron provided significant insight into the challenges of leadership in a very honest and open manner giving pupils a greater understanding of what it takes to have the 'top job.' The Senior School is hugely grateful to Peter, Lord Chadlington, a former pupil, for this important contribution to the life of the school.

The Preparatory School maintains a broad curriculum throughout the school; allowing pupils to experience a range of academic, sporting, musical and dramatic subjects. The excellence and breadth of the curriculum was evidenced in the ISI Inspection in January 2020 where all areas of the school were judged to be 'Excellent'. The school achieved outstanding 11+ grammar school entry results and the use of InCAS and MidYIS data from on-line tests serviced by CEM at the University of Durham Centre allows for close monitoring of pupil performance, ensuring that pupils' aspirations exceed their baseline. Pupil numbers reflect the excellent education and pastoral care in the Preparatory School and have remained stable with a pupil count of 231 in January 2023. Several of our pupils excel in co-curricular endeavours including two pupils who were selected into the Kent under 13 Netball team, one pupil who was selected into the Kent girls' Football team, two pupils are swimming at regional and county level and one Year 8 pupil achieved Grade 8 with Distinction; over the last year, 9 have passed their ABRSM examinations with distinction. We also had a semi-finalist in the BBC Young Chorister of the Year competition.

The Pre-Preparatory School, including Nursery, continues to offer an exciting and varied curriculum throughout the school. This means pupils enjoy a huge range of opportunities and are able to shine wherever their interests lie. They experience a range of subjects including Music, Sport and German as well as core learning right from the start. The school tracks pupils using assessments produced and analysed by CEM at the University of Durham Centre. In Nursery, ASPECTS is used to show how each child has progressed during their time in the setting. In Reception, BASE is used to benchmark our children's performance against national averages and demonstrates the progress that each child has made during the year. Year 1 - 3

use InCAS data which tracks pupils' performance year on year and provides age-standardised and age-equivalent scores each year ensuring progress is made. Ballet, ABRSM music and LAMDA exams have all taken place with pleasing results.

The whole school participated in Mental Health Awareness week during the Midsummer Term culminating in a colour run participated by all pupils. The Queen's Platinum was marked with activities across the school including a Whole School Service where the Dean of Rochester led the school in prayer and a period of reflection. Cadets from the Combined Cadet Force then performed a spectacular display where they formed a large 70 across the playing field.

During the year the King's Professional Development Programme (KPDP) was introduced to academic staff, based on a coaching model and identified Continuing Professional Development (CPD) pathways, alongside a whole school subject review timetable which encourages staff to observe teaching in a subject. The KPDP equips teachers with the training opportunities and skills they need to best deliver the curriculum. The KPDP is further being rolled out to all support staff. A digital CPD Hub with bespoke video training content is also being built to ensure staff training in digital technology is at the core of maximising pupil potential through excellence in teaching and learning.

ISI Inspection

The last ISI Inspection in January 2020 found King's Rochester to be "*excellent in all areas*". All three parts of King's – Nursery and Pre-Preparatory School, Preparatory School and Senior School were scrutinised for the quality of their work with pupils, academic achievement and personal development and well-being and findings in every section were first-class.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors report that, after returning to normal operating activities following the impact of COVID-19, the consolidated activities of the School had a surplus of £617,379 before investment gains in the 12 months to 31 August 2022 (2021: deficit of £517,358) this figure includes £523,019 of permanent endowment legacy donations which have been added to the endowment fund during the year.

Income increased by 19% and expenditure increased by 7% following a return to normal operations after two years of impact on fee levels and increased education operating costs due to COVID-19. Investment in marketing, admissions and development was prioritised and improvements to the School's building fabric and computer facilities continued to be a primary focus during the year.

Roffa Ltd's trading performance during the year improved due to reducing impact of the legacy of COVID-19 on the King's Rochester Sport Centre operations, this resulted in an increased level of trading revenue and local community use.

Future Plans

The Strategic Business Plan for 2022-2026 was updated and approved by the Governors early in the financial year. Under the leadership of a new Chair of Governors, the strategy is due to be reviewed to develop a new strategic vision for the next 5 years.

Current key operational plans are:

1. To identify the curriculum needs of all our pupils;
2. To implement a whole school approach to Digital Strategy including the further development of Google Classroom;
3. To enhance our provision for Careers across the whole school;
4. To develop a programme of whole school co-curricular events to enhance the 'King's as One School' model;
5. To develop a programme of super-curricular activities to complement the school's teaching and learning;
6. To introduce a dynamic programme of wellbeing development;
7. To increase the range of leadership opportunities for pupils;
8. To adapt schemes of work to reflect our responsibility for diversity, inclusion and sustainability;
9. To ensure that building projects are in line with the school's commitment to sustainability;
10. To develop a coherent plan for partnerships with local maintained schools;
11. To ensure the data available in the Development Office provides a firm foundation for future alumni relations and fundraising aspirations;
12. To evaluate the transformative experience provided by the KSR bursary programme;
13. To introduce an Arts Festival as part of our outreach programme; and
14. To increase King's regional and national profile.

Acknowledgement

The Governors wish to express their appreciation to the Principal, Heads of each School, teachers and all School staff for their loyalty and dedication, continuing hard work and support.

Reserves Policy

The Group has total reserves of £14,303,551, these include Endowed Funds of £2,817,253; Restricted Funds of £6,920 and Unrestricted Funds of £11,479,378.

The Reserves Policy of the School has been based on the School's objectives. Its main features are:

- a) To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the management of the School's buildings maintenance programme; and
- b) To provide resources to fund the School to provide cover for unexpected or unavoidable items of expenditure.

In order to meet the criteria in (a) and (b) above, the Governors consider that the minimum targeted level of reserves desired is as follows:

Working capital of £1.65m, or two months' expenditure. This should be represented by liquid resources.

When certain fixed assets totalling £9.8m are deducted from unrestricted funds this gives rise to free reserves of £1.65m. The policy is therefore to maintain building up reserves of annual operating surpluses at the current level of two months expenditure, subject to the prior demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

The School's Bursary Fund which currently stands at £1,358,708 (Designated Fund) was established with the objective of generating investment income to support the families of existing pupils suffering financial hardship and to enrol pupils who would otherwise be unable to afford to attend the school. The fund to date has reinvested all income generated. Its medium term objective is to increase the Fund to enable it to generate an annual income in support of the above objectives.

Investment Policy and Objectives

The Board aims to maximise the total investment return within the objectives of maintaining income without taking undue risk, while continuing to preserve the real value of endowed investments and to maximise income on invested restricted funds. The management of the School's funds to be reviewed regularly by Governors. The Governing Body reviews the performance of the investment portfolio each term against the movement in the FTSE 100 index.

The school's primary investment manager Ruffer took a cautious investment strategic position during the year given their view on the worldwide economy and political uncertainty in the UK. Their investment approach is long term and their strategy is to hold a wide range of mostly conventional assets. Actual market performance on returns were in line with relevant market indices. Investment losses were incurred during the year amount due to market performance.

Risk Management

King's School Board of Governors is responsible for the management of the risks faced by the School and to ensure that adequate controls are in place to identify, assess and mitigate against such risks. Detailed considerations of risk are delegated to the Finance and Estates Sub-Committee, assisted by the Executive Board. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis.

The major potential risks identified are addressed by Governor sub-committee meetings. During the year these risks are discussed in detail and monitored for action as necessary. Each sub-committee reports in detail to the Governing Body.

The Governors consider the major potential risks to the School are:

- Threats due to changes in the political climate regarding Independent Schools and the impact of any new Government mandates involving changes for the Independent School sector such as the imposition of VAT on school fees (expected to be 20%), removal of all charitable tax reliefs and removal of business rates charitable relief;
- Challenges of the current economic situation, including higher inflation and interest rates, pressure on salaries, parents facing cost pressures when considering fees, the lingering effect of Covid-19 on school balance sheets.
- Affordability issues for parents which affect pupil numbers, fee and expense levels and greater pressure on bursary/hardship funds;

- Further increases to pension contribution rates and changes to deficit repayments, along with changes of provision;
- The uncertainties around BREXIT on pupil numbers from the European Economic Area;
- Competition from both independent and state schools for pupils;
- Safeguarding and Inspections in an increasingly regulated environment;
- Risk management of Data Protection and cybersecurity; and
- Risk management of Health and Safety.

The key controls used by the School to mitigate risks include:

- Comprehensive strategic planning, budgeting, forecasting and management accounting;
- Formal agendas for all Committee and Board activity to ensure all Governors and SMT are fully aware of and consider the risks regularly;
- Risk Register identifies all risks;
- A newly formed Audit & Risk Committee to regularly review risks and mitigating strategies then report to Governing Body;
- Scenario planning to provide a series of competitive commercial cost structures, which model the impact of reduced pupil numbers, as a consequence of perceived political risks and sector wide changes;
- Teachers' Pension Scheme reviewed regularly;
- Curriculum Review underway;
- Health & Safety committee to consider current risks;
- Investment in the school's marketing and communications functions to support pupil recruitment;
- Established organisational structure and lines of reporting;
- Updating of formal written policies and annual adherence monitoring as appropriate;
- Clear authorisation and approval levels;
- Bursary Policy & Debtors Policy in place;
- GDPR compliant and constant investment in IT resources;
- Safer recruitment as required by law for the protection of the vulnerable; and
- Well trained designated staff, robust systems, whole school staff training on Child Protection and Safeguarding.

Through the risk management processes established by the School, King's School Rochester Governors are satisfied that the major risks have been identified and adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

STATUS AND ADMINISTRATION

The origin of the School dates back to the foundation of a monastery by St Justus in 604 AD. King's School emerged as a distinct entity in 1542 when Henry VIII dissolved the Monastery and re-founded the Cathedral Grammar School. The Foundation has been amended during subsequent years. The liability of the members is Limited by Guarantee. Details of the Charity's Governors and executive officers are listed on page 2. The Charity's addresses and particulars of the Charity's professional advisors are given on page 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Memorandum and Articles of Association, adopted on 11 October 2000 as amended by Special Resolution on 9 November 2015.

Appointment and re-Appointment of Governors

The Scheme approved by the Charity Commission provides for a maximum of 18 Trustees who are Governors of the School; one-fifth of the Nominative and Co-optative Governors retire each year.

The Governors would like to take this opportunity to thank Mr C Shepherd (who resigned in September 2021), Mr R Kennett (who resigned September 2021), Mr P Rothwell (who resigned in October 2021), Miss J Glew (who resigned in October 2021), Mr D Graves (who resigned in November 2021) and Mr M Snoswell (who resigned in August 2022) for their hard work, dedication and support.

Recruitment and Training of Governors

The Charity's elected Governors are appointed at the first ordinary Meeting of the Governors following their nomination or co-option and a visit to the School. Prospective Governors are supplied with a pack of information as recommended by

AGBIS (Association of Governing Bodies of Independent Schools). This includes Charity Commission handbook CC3 "Responsibilities of Charity Trustees", the School's Memorandum and Articles of Association, the Prospectus, list of staff, maps of the school and recent Governing body meeting minutes. During their first year and annually thereafter Governors are invited to attend courses sponsored by AGBIS and others. In addition, ad hoc strategic planning sessions are held when appropriate.

Organisational Management.

The Governors, as trustees of the Charity, are legally responsible for the overall management and control of the School, and meet at least four times a year. The work of implementing most of their policies was carried out during 2021-2022 by three sub-committees, each under the chairmanship of a Governor. **The Finance and Estates Sub-Committee**, chaired by Mr Markham Chesterfield meets four times per year and has responsibility to recommend the budgets and finalise the audited accounts and annual report for approval by the Board. The Committee also undertakes the annual risk assessment on behalf of the Governing Body, monitors current estates projects and prioritises budgets for proposed future undertakings. **The Personnel & Legislation Sub-Committee**, chaired by Mrs Elizabeth Whitlam (Acting Chair) meets termly and reviews the legislative framework in which the School operates, particularly in regard to Human Resources. **The Education & Pastoral Sub-Committee** chaired by Canon C Dench meets termly; it reviews educational matters and Inspection findings. From September 2022, a newly formed **Audit and Risk Committee** will report to the Governing Body. The remit of each of the sub-committees has been drawn up and agreed by the Governing Body. Each of the sub-committees reports in detail to the Governing Body.

The day to day running of the School during 2021-2022 was delegated to the Executive Board, details of which are listed on page 2. Executive Board members attend meetings of the Governing Body and the Sub-Committees.

Key Management Pay Policy

Management pay policy is determined in conjunction with the Governors, Principal and Bursar and takes into account current market demand for pupils in the School's catchment areas, the financial performance of the School, the economic outlook and the 'going rate of remuneration' for senior management remuneration in both the state sector and the independent schools market in the south east of England. The key management roles are detailed in note 6 of the accounts.

Employment Policy

The school is an equal opportunities employer and positively encourages applications from suitably qualified and eligible candidates regardless of sex, age, ethnic origin, sexual orientation, belief, religion, disability or membership of a professional or trade union.

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. Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to apprise staff of current issues.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors for the company) are responsible for preparing the annual report and the financial statements in accordance with applicable law and UK GAAP.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees 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 company and the Group and of the income and expenditure of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

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

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report, which incorporates the Strategic Report, was approved by the Board of Governors on 20th March 2023 and signed on their behalf by:



John Maas



Paul Coen

Registered Office

Satis House
Boley Hill
Rochester, Kent, ME1 1TE

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KING'S SCHOOL ROCHESTER**

Opinion

We have audited the financial statements of Kings School, Rochester for the year ended 31 August 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of 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 and parent charitable company's affairs as at 31 August 2022 and of the group and parent charitable company's net movement in funds, including the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (which includes the strategic report and the directors' 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 Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' 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 accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 13 and 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) Regulation 2014; employment law, safeguarding regulations, health and safety requirements, GDPR and Charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, Charities SORP and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to recognition of income and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

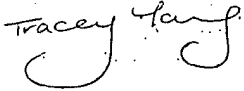
- Inspecting minutes of Trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their accounting estimates. These related to depreciation, bad debt provision and investment property valuation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.



Tracey Young (Senior statutory auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date:.....3 April 2023

COMPANY NO. 3791543

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2022 £	Total 2021 £
INCOME AND ENDOWMENTS						
FROM:						
Income from charitable activities						
School fees receivable	2	9,734,887	-	-	9,734,887	8,455,403
Other educational income		123,075	-	-	123,075	83,776
Other trading activities						
- Rent and commission receivable		122,796	-	11,566	134,362	122,291
- Trading income		350,998	-	-	350,998	191,920
Investment income		26,528	-	18,184	44,712	16,800
Donations and grants	3	31,741	-	30	31,771	294,612
Legacies		-	-	523,019	523,019	-
Other income		-	-	-	-	2,300
Total Income		10,390,025	-	552,799	10,942,824	9,167,102
EXPENDITURE ON:						
Costs of raising funds						
Trading expenses		412,558	-	-	412,558	330,463
Interest payable		-	-	-	-	30
		412,558	-	-	412,558	330,493
Charitable activities						
- Education		5,946,779	-	-	5,946,779	5,771,461
- Premises		1,667,745	-	17,308	1,685,053	1,465,663
- Welfare		710,657	-	-	710,657	694,368
- Support of schooling		1,549,385	-	-	1,549,385	1,402,056
- Grants, awards and prizes		7,064	-	13,949	21,013	20,419
Total charitable expenditure		9,881,630	-	31,257	9,912,887	9,353,967
Total expenditure	7	10,294,188	-	31,257	10,325,445	9,684,460
Net income/(expenditure) before investment gains		95,837	-	521,542	617,379	(517,358)
Net investment gains	9	(5,168)	-	(61,342)	(66,510)	228,037
NET MOVEMENT IN FUNDS	5	90,669	-	460,200	550,869	(289,321)
Reconciliation of funds						
Fund balances at 1 September 2021		11,388,709	6,920	2,357,053	13,752,682	14,042,003
FUND BALANCES AT 31 AUGUST 2022	15	11,479,378	6,920	2,817,253	14,303,551	13,752,682

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the Statement of Financial Activities. The comparative year's Statement of Financial Activities is included in note 20. No separate Income and Expenditure account has been produced because the Net Income for Companies Act purposes is the same as the Net Movement in Funds on the Unrestricted Funds.

The notes on pages 20 to 37 form part of these financial statements.

BALANCE SHEETS
AT 31 AUGUST 2022

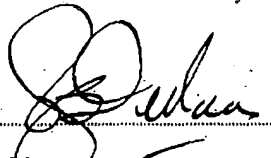
Company Number: 3791543

	Notes	GROUP 2022 £	GROUP 2021 As restated £	SCHOOL 2022 £	SCHOOL 2021 As restated £
FIXED ASSETS					
Tangible assets	8	10,906,983	10,868,965	10,556,752	10,490,926
Investments	9	2,570,192	2,611,969	3,028,347	3,133,069
		<u>13,477,175</u>	<u>13,480,934</u>	<u>13,585,099</u>	<u>13,623,995</u>
CURRENT ASSETS					
Stocks		2,776	5,627	-	-
Debtors	10	912,409	633,149	887,176	637,445
Cash at bank and in hand		3,198,513	2,641,270	3,138,067	2,490,625
		<u>4,113,698</u>	<u>3,280,046</u>	<u>4,025,243</u>	<u>3,128,070</u>
CURRENT LIABILITIES:					
Creditors: amounts falling due within one year	11	(2,319,971)	(1,989,366)	(2,264,572)	(1,912,199)
NET CURRENT ASSETS		<u>1,793,727</u>	<u>1,290,680</u>	<u>1,760,671</u>	<u>1,215,871</u>
LONG TERM LIABILITIES					
Creditors: amounts falling due after more than one year	12	(967,351)	(1,018,932)	(967,351)	(1,018,932)
TOTAL NET ASSETS	14	<u>14,303,551</u>	<u>13,752,682</u>	<u>14,378,419</u>	<u>13,820,934</u>
Representing:					
Unrestricted Funds	15a	11,479,378	11,388,709	11,554,246	11,456,961
Restricted Funds	15b	6,920	6,920	6,920	6,920
Endowed Funds					
- Expendable Endowment Funds	15c	1,284,660	1,333,040	1,284,660	1,333,040
- Permanent Endowment Funds	15c	1,532,593	1,024,013	1,532,593	1,024,013
TOTAL FUNDS		<u>14,303,551</u>	<u>13,752,682</u>	<u>14,378,419</u>	<u>13,820,934</u>


King's School, Rochester has taken the exemption from presenting its School statement of financial activities under section 408 of the Companies Act 2006. The net movement in funds of the School was a surplus of £557,485 (2021: deficit of £244,816).

The notes on pages 20 to 37 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors on 20th March 2023 and were signed below on its behalf by:



John Maas



Paul Coen

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

	2022 £	2021 £
Net cash inflow from operating activities		
Net movement in funds	550,869	(289,321)
Investment income and interest receivable	(44,712)	(16,800)
Interest payable	-	30
Depreciation	453,368	473,002
Loss/(surplus) on sale of fixed assets	6,375	(2,300)
Unrealised loss/(gain) on investments	66,510	(228,037)
Decrease/(increase) in stocks	2,851	(1,689)
(Increase)/decrease in debtors	(279,260)	90,952
Increase in creditors	297,514	59,743
(Decrease) in pension deficit	(18,490)	(23,532)
Net cash provided by operating activities	1,035,025	62,048
Cash flow from investing activities		
Investment income and interest received	44,712	16,800
Purchase of tangible fixed assets	(499,159)	(132,030)
Proceeds from sale of tangible fixed assets	1,398	2,300
Purchase of fixed asset investments	(24,733)	(4,119)
Net cash used in investing activities	(477,782)	(117,049)
Cash flows from financing activities		
Interest paid	-	(30)
Net cash used in financing activities	-	(30)
Net change in cash and cash equivalents in the year	557,243	(55,031)
Cash and cash equivalents at the beginning of the year	2,641,270	2,696,301
Cash and cash equivalents at the end of the year	3,198,513	2,641,270
Analysis of cash and cash equivalents		
Cash at bank	298,513	741,270
Deposits	2,900,000	1,900,000
	3,198,513	2,641,270

Analysis of changes in net funds

	At start of year £	Cash Flows £	At end of year £
Cash at bank	741,270	(442,757)	298,513
Deposits	1,900,000	1,000,000	2,900,000
	2,641,270	557,243	3,198,513

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

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed assets investments at market value and certain freehold land and buildings at revalued amounts. The format of the financial statements has been presented to comply with the Companies Act 2006, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* the Statement of Recommended Practice for Charities (SORP) (Second Edition, effective 1 January 2019). Figures are presented in sterling and rounded to the nearest pound. The Charity is a Public Benefit Entity as defined by FRS102.

Going Concern

Having reviewed the school's budgets and forecasts with the expected ongoing demand for places at the school, the Trustees consider that there are no material uncertainties which would cast doubt on the School's ability to continue as a going concern.

Against a background of political threats the current economic outlook, the Trustees have re-visited their business plans, forecasts and cash flows to cover a period up to 31st August 2024 and introduced further sensitivity analysis in order to assess the ongoing financial implications for the School.

Forecasts for going concern assessment have considered reduced pupil numbers and associated income, increased cost base due to current inflation levels along with reduced fundraising opportunities for future cash flow projections. With a potentially long recession, investments are not expected to perform any better in the near future and recoverability of existing debts is forecast to be more difficult than in previous years.

However, the School has no current loans in place and governors are also taking steps to address uncertainties with increased resources for the marketing function and a cost focus through to August 2024. Given the school has sufficient reserves, the Trustees consider that there are no material uncertainties which would cast doubt on the School's ability to continue as a going concern.

Group Accounts

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Roffa Limited on a line by line basis. A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

General Information

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 3791543) and a charity registered in England and Wales (charity number: 1084266). The School was converted from its classification as Rochester Cathedral (King's) School, an Unincorporated Body to Limited Company status and began trading as King's School, Rochester on 1 September 2000.

Significant Estimates and Judgements

In preparing these financial statements the trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There key areas subject to estimation uncertainty or judgement where depreciation, bad debt provision and investment property valuation.

Income

All income is included in the Statement of Financial Activities when the Charity is entitled to the income, its receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations are accounted for on a received basis. Legacies are recognised on a receivable basis, when the conditions of entitlement, probability and measurement are met. Where the probability and/or measurement criteria for legacies and donations are not satisfied as at the balance sheet date but subsequent events resolve the uncertainty such that the criteria are met, an adjustment is made to recognise the income. Furloughing grants are recognised on a receivable basis.

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

Fees receivable includes both general tuition fees and other fees and recharges, net of scholarships and remissions, is accounted for in the period in which the service is provided. General tuition fees comprise all amounts in relation to tuition, boarding and lunches.

Investment income is accounted for in the period in which the charity is entitled to receipt.

Rent and interest is accounted for on an accruals basis.

Expenditure

Expenditure are accounted for on an accruals basis. Expenditure is allocated to expense headings on a direct cost basis except for central costs which are apportioned on the basis of the Governors' estimate of time spent on the relevant functions.

Expenditure on raising funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and finance costs.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs represent staff and other costs incurred in directly supporting the teaching function and general running of the School. Governance costs include expenditure on compliance with constitutional and statutory requirements. These are included within support costs.

Grants and Bursaries

Grants and bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and allowances from unrestricted funds towards school fees at the Schools are treated as a reduction in those fees.

Tangible Fixed Assets and Depreciation.

Freehold and leasehold land and buildings are included in the balance sheet at a valuation by Messrs Burkill Johnson and Messrs Michael Rogers, Chartered Surveyors at incorporation on 1 September 1999, with additions since that date being included at cost.

Expenditure on repairs and alterations which do not add value to the premises is charged to the Statement of Financial Activities in the financial year in which it is incurred.

Depreciation of Freehold buildings is provided on a straight line basis over 10, 20, 30 and 50 years.

Depreciation of leasehold buildings is provided on a straight line basis over the unexpired portion of the leases, the remaining useful life of each building, or 50 years, whichever is shortest.

Expenditure on furniture and equipment, fixtures and fittings and vehicles with a minimum project value of £1,000, which have an expected useful life in excess of one year, are included in the balance sheet at cost. Depreciation is provided on a straight-line basis at rates varying between 5% and 25%. Expenditure on smaller items is charged to the Statement of Financial Activities in the year of acquisition.

Investment Property

The investment property is included at fair value at a valuation completed by TWD (Chartered Surveyors) on 19 November 2021.

Financial Instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

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

Investments

Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Bank borrowings

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

Fee in advance scheme

The School has an advance fees scheme whereby parents and others make advance payments, which together with the discount accruing thereon, provide for a set contribution each term towards the pupils' fees. The capital portion outstanding is recognised as a liability and the amount of discount crystallised in the year is included in the Statement of Financial Activities.

Stocks

Consumable stocks, provisions, stationery and school books are charged to the Statement of Financial Activities in the year of purchase. Stocks of goods for resale are stated at the lower of cost and net realisable value.

Pensions

The School operates three pension schemes to provide retirement benefits for certain staff members. The pension costs charged to the Statement of Financial Activities are determined as follows:

The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The Pensions Trust Scheme is a multi-employer defined benefit scheme for which the School's share of the underlying assets and liabilities cannot be separately identified. This scheme is therefore accounted for as a defined contribution scheme in accordance with section 28 of FRS102 and agreed pension deficit funding payments are provided for on a discounted basis.

The Legal and General Work Save Pension Plan is a defined contribution scheme open to academic staff.

Operating Leases

Rentals for operating leases are charged to the Statement of Financial Activities as they are incurred.

Funds

Unrestricted funds are those available to further the School's charitable objects at the discretion of the governors.

Restricted funds are monies that are subject to restrictions by the donors.

Permanent endowed funds are funds where the original capital must be maintained.

Expendable endowment funds are funds where the original capital can be converted into income for spending either at the Governors' own discretion.

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

2 FEES RECEIVABLE

	2022 £	2021 £
Gross Fees	11,081,290	9,809,059
Less bursaries and discounts	(1,360,352)	(1,368,046)
	<u>9,720,938</u>	<u>8,441,013</u>
Bursaries funded by restricted fund	13,949	14,390
Fees Receivable	<u>9,734,887</u>	<u>8,455,403</u>

3 DONATIONS AND GRANTS

Donations and grants income includes furloughing grants of £1,374 claimed by the group during the year (2021: £240,870).

4 NET EXPENDITURE FROM TRADING SUBSIDIARY

Trading activities not connected with the Charity's purpose are carried out by Roffa Ltd (company number 02235699), a wholly owned subsidiary company. The company transfers taxable profits by Gift Aid to the School.

	2022 £	2021 £
Turnover		
Trading Income	<u>388,301</u>	<u>206,365</u>
Cost of sales	386,982	310,491
Operating costs recharged by King's School	<u>39,379</u>	<u>16,136</u>
Trading Expenses	<u>426,361</u>	<u>326,627</u>
Gross Loss	(38,060)	(120,262)
Administrative costs	(31,501)	(26,500)
Other operating income – furlough grants	-	37,257
Operating Loss	<u>(69,561)</u>	<u>(109,505)</u>
Gift aid	-	-
Retained loss for the year	<u>(69,561)</u>	<u>(109,505)</u>
Balance Sheet		
Fixed Assets	350,231	378,039
Stock	2,776	5,627
Debtors	28,577	21,648
Cash at bank	60,446	150,645
Creditors due < 1 year	(58,743)	(103,111)
Creditors due > 1 year	<u>(1,100,000)</u>	<u>(1,100,000)</u>
Net liabilities	<u>(716,713)</u>	<u>(647,152)</u>
Share capital and reserves		
Share capital	100	100
Profit and loss account	<u>(716,813)</u>	<u>(647,252)</u>
Equity shareholders funds	<u>(716,713)</u>	<u>(647,152)</u>

£39,379 (2021: £33,329) of turnover and £39,379 (2021: £33,329) of cost of sales relate to transactions with King's School, Rochester. These have been eliminated on consolidation.

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

5 NET MOVEMENT IN FUNDS

	2022	2021
	£	£
Net movement in funds is stated after charging:		
Depreciation charge for the year		
Tangible fixed assets owned	453,368	473,002
Operating lease payments		
King's School, Rochester	111,012	111,012
Roffa Limited	20,000	20,000
Loss on sale of fixed assets	6,375	
Auditors' remuneration for audit services		
- King's School, Rochester	15,800	14,700
- Roffa Limited	5,000	4,650
Auditors' remuneration for other services	3,450	6,225

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

6 EMPLOYEE INFORMATION

The average weekly number of employees during the year was made up as follows:

	2022 Number	2021 Number
Teaching Staff	105	109
Other Staff	121	131
Roffa Limited	20	15
	246	255
Employee		
Staff costs		
Salaries and wages	5,903,194	5,850,923
Social security costs	523,561	524,305
Pension contributions	777,175	826,933
	7,203,930	7,202,161

During the year redundancy payments of £24,892 (2021: £Nil) were made by the School. No termination payments were made by Roffa Limited during the year (2021: £Nil).

The number of employees earning over £60,000 in the year were:

	2022 Number	2021 Number
£60,001 - £70,000	7	4
£90,001 - £100,000	1	1
£110,001 - £120,000	1	1

Five (2021: three) of the employees earning more than £60,000 are members of the Teachers' Pension Scheme. Two of the employees earning more than £60,000 are members of a scheme run by Legal & General, one is a member of a scheme run by the Independent Schools' Pension Scheme and one is a member of a private scheme.

Key management personnel

The key management roles in the school were the governors, who are not paid, the Principal, Headmaster of the Preparatory School, Headmistress of the Pre-preparatory School and the Bursar & Clerk to the Governors, Director of External Relations and the Director of Operations. Their total emoluments including benefits and employer's pension and national insurance contributions paid was £558,692 (2021: £507,604).

Transactions with Governors

None of the Governors received any remuneration during the period (2021: £Nil). The aggregate amount of expenses reimbursed to Governors during the year was £908 - travel expenses for one Governor (2021: £59). Two children of one Governor (2021: two children of one Governor) attended King's School and they received some assistance towards payment of school fees on an arms-length basis.

Donations totalling £5,596 (2021: £2,475) were received from Governors during the year.

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

7 ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Other £	Depreciation £	2022 £
Charitable activities				
<i>School operating costs:</i>				
Education	5,367,966	508,701	70,112	5,946,779
Premises	430,525	935,376	319,152	1,685,053
Welfare	371,137	324,404	15,116	710,657
Support	862,612	646,557	10,889	1,520,058
Governance costs	-	29,327	-	29,327
Grants, awards and prizes	-	21,013	-	21,013
Total for charity	7,032,240	2,465,378	415,269	9,912,887
Trading costs of the subsidiary	171,690	202,769	38,099	412,558
Total for group	7,203,930	2,668,147	453,368	10,325,445

Comparative Analysis of Total Expenditure:

	Staff costs £	Other £	Depreciation £	2021 £
Charitable activities				
<i>School operating costs:</i>				
Education	5,297,740	412,623	61,098	5,771,461
Premises	430,897	685,744	349,022	1,465,663
Welfare	440,420	239,388	14,560	694,368
Support	863,842	501,633	10,371	1,375,846
Governance costs	-	26,210	-	26,210
Grants, awards and prizes	-	20,419	-	20,419
	7,032,899	1,886,017	435,051	9,353,967
Costs of raising funds				
Interest payable	-	30	-	30
Total for charity	7,032,899	1,886,047	435,051	9,353,997
Trading costs of the subsidiary	169,262	123,250	37,951	330,463
Total for group	7,202,161	2,009,297	473,002	9,684,460

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

8 SCHOOL AND GROUP TANGIBLE ASSETS

Group	Freehold land and buildings £	Leasehold buildings £	Vehicles and equipment £	Total £
Cost or valuation				
At 1 September 2021	12,709,269	2,370,701	2,527,685	17,607,655
Additions	304,314	33,152	161,693	499,159
Disposals	-	(31,333)	(32,987)	(64,320)
At 31 August 2022	13,013,583	2,372,520	2,656,391	18,042,494
Depreciation				
At 1 September 2021	3,721,217	1,034,529	1,982,944	6,738,690
Providing during year	209,911	77,088	166,369	453,368
Disposals	-	(23,560)	(32,987)	(56,547)
At 31 August 2022	3,931,128	1,088,057	2,116,326	7,135,511
Total net book value				
At 31 August 2022	9,082,455	1,284,463	540,065	10,906,983
Total net book value				
At 1 September 2021	8,988,052	1,336,172	544,741	10,868,965
School				
	Freehold land and buildings £	Leasehold buildings £	Vehicles and equipment £	Total £
Cost or valuation				
At 1 September 2021	12,709,269	1,793,766	2,413,815	16,916,850
Additions	304,314	22,861	161,693	488,868
Disposals	-	(31,333)	(32,987)	(64,320)
At 31 August 2022	13,013,583	1,785,294	2,542,521	17,341,398
Depreciation				
At 1 September 2021	3,721,217	814,830	1,889,877	6,425,924
Providing during year	209,911	45,618	159,740	415,269
Disposals	-	(23,560)	(32,987)	(56,547)
At 31 August 2022	3,931,128	836,888	2,016,630	6,784,646
Total net book value				
At 31 August 2022	9,082,455	948,406	525,891	10,556,752
Total net book value				
At 1 September 2021	8,988,052	978,936	523,938	10,490,926

None of the buildings or land are held for investment purposes.

On the formation of the Company, certain endowed properties were retained by a separate charity, Rochester Cathedral King's School Endowment Trust (Charity Number 307922).

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

9 FIXED ASSET INVESTMENTS

	Investment Property £	Group Quoted investments £	Total £
Market value 1 September 2021	285,000	2,326,969	2,611,969
Reinvested income/additions	-	24,733	24,733
Unrealised losses	(10,000)	(56,510)	(66,510)
Market value 31 August 2022	275,000	2,295,192	2,570,192

	Investment in subsidiary (unquoted) £	Investment Property £	School Quoted investments £	Total £
Market value 1 September 2021	521,100	285,000	2,326,969	3,133,069
Reinvested income/additions	-	-	24,733	24,733
Impairment	(62,945)	-	-	(62,945)
Unrealised losses	-	(10,000)	(56,510)	(66,510)
Market value 31 August 2022	458,155	275,000	2,295,192	3,028,347

The investment in the subsidiary, Roffa Limited represents 100% of the company's share capital and £1,100,000 of Redeemable Shares. Following losses in Roffa Limited and an impairment review performed by Trustees, the Redeemable Shares have been written down to the Trustees' estimate of their recoverable amount. Roffa Limited was incorporated in March 1988, its principal activities being the external hiring of a sports centre, letting of school premises and related facilities and the sale of confectionery and snacks.

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

10 DEBTORS

	Group		School	
	2022	2021 As restated	2022	2021 As restated
	£	£	£	£
Fees	590,225	433,441	590,225	433,441
Sundry debtors	27,850	12,085	27,850	12,085
Prepaid expenses	294,334	187,623	265,757	165,975
Roffa Limited – intercompany	-	-	3,344	25,944
	<u>912,409</u>	<u>633,149</u>	<u>887,176</u>	<u>637,445</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		School	
	2022	2021 As restated	2022	2021 As restated
	£	£	£	£
Trade creditors	191,352	176,396	168,808	148,529
Prepaid fees	979,751	846,170	979,751	846,170
Fees in advance (note 13)	414,244	424,373	414,244	424,373
Pupil deposits	34,905	43,238	34,905	43,238
Taxation and social security	132,549	138,405	124,656	126,863
Pension deficit reduction				
contributions (note 17)	49,623	50,817	49,623	50,817
Other creditors	155,218	171,014	155,218	171,014
Deferred income	160,000	-	160,000	-
Accrued expenses	202,329	138,953	177,367	101,195
	<u>2,319,971</u>	<u>1,989,366</u>	<u>2,264,572</u>	<u>1,912,199</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		School	
	2022	2021	2022	2021
	£	£	£	£
Pension deficit reduction				
contributions (note 17)	403,420	420,716	403,420	420,716
Fees in advance (note 13)	229,984	211,717	229,984	211,717
Pupil deposits	333,947	386,499	333,947	386,499
	<u>967,351</u>	<u>1,018,932</u>	<u>967,351</u>	<u>1,018,932</u>

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

13. FEES IN ADVANCE

Parents have the option of paying school fees in advance for either part of or the whole time that the pupil is at the school. The money is returned if the child is withdrawn from the School, after any outstanding fees are deducted and amounts owing are added. Assuming pupils will remain in the School, advanced fees will be applied as follows:

	2022 £	2021 £
Within one year	414,244	424,373
Within one to two years	162,212	141,753
Within two to five years	67,772	69,964
	<u>229,984</u>	<u>211,717</u>
	<u>644,228</u>	<u>636,090</u>
The movements during the year were:		
Balance at 1 September 2021	636,090	592,224
Additions to scheme	514,642	426,470
Payments of fees	(506,504)	(382,604)
Balance at 31 August 2022	<u>644,228</u>	<u>636,090</u>

14 ALLOCATION OF GROUP NET ASSETS

	Tangible assets £	Investments £	Net current assets £	Long term liabilities £	Total £
At 31 August 2022					
Unrestricted funds	9,828,134	1,358,710	1,259,885	(967,351)	11,479,378
Restricted	-	-	6,920	-	6,920
Expendable Endowment	-	1,211,482	73,178	-	1,284,660
Permanent Endowment	1,078,849	-	453,744	-	1,532,593
	<u>10,906,983</u>	<u>2,570,192</u>	<u>1,793,727</u>	<u>(967,351)</u>	<u>14,303,551</u>

Comparative Allocation of Group Net Assets:

	Tangible assets £	Investments £	Net current assets £	Long term liabilities £	Total £
At 31 August 2021					
Unrestricted funds	9,775,677	1,339,145	1,292,819	(1,018,932)	11,388,709
Restricted	-	-	6,920	-	6,920
Expendable Endowment	-	1,272,824	60,216	-	1,333,040
Permanent Endowment	1,093,288	-	(69,275)	-	1,024,013
	<u>10,868,965</u>	<u>2,611,969</u>	<u>1,290,680</u>	<u>(1,018,932)</u>	<u>13,752,682</u>

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

15 FUNDS

15a Unrestricted Funds

Unrestricted Funds – Group	Balance at 31 August 2021	Income	Expenditure	Investments gains/ losses) and transfers	Balance at 31 August 2022
	£	£	£	£	£
General fund	10,696,818	10,043,229	(9,902,564)	-	10,837,483
Bursary Fund	1,339,143	24,733	-	(5,168)	1,358,708
	12,035,961	10,067,962	(9,902,564)	(5,168)	12,196,191
Subsidiary funds	(647,252)	322,063	(391,624)	-	(716,813)
	11,388,709	10,390,025	(10,294,188)	(5,168)	11,479,378
Unrestricted Funds – School					
General fund	10,117,818	10,043,229	(9,902,564)	(62,945)	10,195,538
Bursary Fund	1,339,143	24,733	-	(5,168)	1,358,708
	11,456,961	10,067,962	(9,902,564)	(68,113)	11,554,246

The Bursary Fund income continues to be reinvested until it has reached sufficient size to make a worthwhile contribution to bursaries for pupils.

Comparative 2021	Balance at 31 August 2020	Income	Expenditure	Investments gains/(losses) transfers	Balance at 31 August 2021
	£	£	£	£	£
Unrestricted Funds – Group					
General fund	11,178,818	8,932,887	(9,331,910)	(82,977)	10,696,818
Bursary Fund	1,102,417	4,119	0	232,607	1,339,143
	12,281,235	8,937,006	(9,331,910)	149,630	12,035,961
Subsidiary funds	(537,747)	210,293	(319,798)	-	(647,252)
	11,743,488	9,147,299	(9,651,708)	149,630	11,388,709
Unrestricted Funds – School					
General fund	10,664,818	8,932,887	(9,331,910)	(147,977)	10,117,818
Bursary Fund	1,102,417	4,119	0	232,607	1,339,143
	11,767,235	8,937,006	(9,331,910)	84,630	11,456,961

15b Restricted Funds – Group and School

Restricted Funds	Balance at 31 August 2021	Income	Expenditure	Transfers	Balance at 31 August 2022
	£	£	£	£	£
Grand Piano Fund	6,920	-	-	-	6,920
Comparative 2021					
Restricted Funds	Balance at 31 August 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
Grand Piano Fund	6,920	-	-	-	6,920

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

15 FUNDS (continued)

15c Endowment Funds – Group and School

Endowment Funds	Balance at 31 August 2021	Income	Expenditure	Investments gains/ losses)	Balance at 31 August 2022
	£	£	£	£	£
Expendable Endowment Fund					
Geoffrey Harmsworth Trust	1,088,615	26,555	(13,218)	(12,886)	1,089,066
Augustine Carnell Fund	89,985	-	-	(20,608)	69,377
RCKSET	154,440	3,225	(3,600)	(27,848)	126,217
	1,333,040	29,780	(16,818)	(61,342)	1,284,660
Permanent Endowment Funds					
Original Endowment	1,024,013	-	(14,439)	-	1,009,574
The Sir Geoffrey and Lady Isobel Barnett Scholarship Fund	-	523,019	-	-	523,019
	1,024,013	523,019	(14,439)	-	1,532,593
Endowment Funds Total	2,357,053	552,799	(31,257)	(61,342)	2,817,253

Comparative 2021

Endowment Funds	Balance at 31 August 2020	Income	Expenditure	Investments gains/ losses)	Balance at 31 August 2021
	£	£	£	£	£
Expendable Endowment Fund					
Geoffrey Harmsworth Trust	1,003,336	16,150	(13,922)	83,051	1,088,615
Augustine Carnell Fund	89,985	-	-	-	89,985
RCKSET	159,822	3,653	(4,391)	(4,644)	154,440
	1,253,143	19,803	(18,313)	78,407	1,333,040
Permanent Endowment Funds	1,038,452	-	(14,439)	-	1,024,013
Endowment Funds Total	2,291,595	19,803	(32,752)	78,407	2,357,053

The Original Permanent Endowed Funds comprise a number of properties used by the School.

The Sir Geoffrey and Lady Isobel Barnett Scholarship Fund. The net income of the fund is to be applied to scholarships, bursaries or maintenance allowances to persons who need financial assistance, travel grants to persons to assist in the furtherance of their education or otherwise furthering their education. Any unspent income in the year to be treated as expendable endowment to be applied, at the discretion of the Trustees, as income in future years.

The Expendable Endowment Funds comprises:

- the RCKSET fund which consists of bequests for prizes;
- the Geoffrey Harmsworth Trust which consists of a legacy received for the relief of hardship; and
- the Augustine Carnell Fund to be used to provide travel prizes to sixth form pupils.

The Bursary Fund income continues to be reinvested until it has reached sufficient size to make a worthwhile contribution to bursaries for pupils.

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

16 FINANCIAL COMMITMENTS

The total of the future minimum lease payments at the end of the year are:

	2022	2021
	Land and buildings £	Land and buildings £
Not later than 1 year	131,012	131,012
Later than 1 year and not later than 5 years	302,024	302,024
Later than 5 years	<u>1,731,667</u>	<u>1,751,667</u>
	<u>2,164,703</u>	<u>2,184,703</u>
	2022	2021
Capital commitments at 31 August	£	£
Approved and contracted for	<u>103,500</u>	<u>-</u>

17 PENSION CONTRIBUTIONS

The company operates two pension schemes, both of which provide benefits based on a final pensionable salary.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes total employee and employer contributions payable to the TPS of £740,221 (2021: £762,459) and at the year-end £56,131 (2021: £87,837) 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.

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

17 PENSION CONTRIBUTIONS (continued)

Teachers' Pension Scheme (continued)

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 a 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.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation 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.

During 2021-2022 the School also introduced a defined contribution scheme as a further pension provision option for teaching staff. The plan is a WorkSave Pension Plan provided via Legal and General. The pension charge for the year includes contributions payable to the Legal & General scheme of £83,237 and at the year-end £21,278 was accrued in respect of contributions to this scheme.

Independent Schools' Pension Scheme (operated by the Pensions Trust)

Some support and administrative staff are members of a defined benefit pension scheme run by Verity Trustees Limited. Verity is the Trustee of the Pensions Trust for Charities and Voluntary Organisations; the pension scheme has become part of The Independent Schools' Pension Scheme (ISPS), a scheme within the Trust. The employee rate of contribution in the year was 8.35%, the School's contribution was 10.95%. The ISPS scheme is a multi-employer defined benefit scheme with guaranteed benefits for current and former employees of the former scheme based on 1/80th of final salary.

The School would have a liability if it ceased to participate in the ISPS which at 30 September 2021 was calculated as £2,009,480. The next valuation is due at 30 September 2024. As the School currently has no plans to leave the scheme, this contingent liability has not been provided for in the accounts, and as the Actuary is unable to identify its share of the underlying assets and liabilities at 31 August 2022, the scheme has been accounted for as a defined contribution scheme as permitted by FRS102 and contributions are accounted for when due. Any agreed pension deficit funding payments are provided for on a discounted basis.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

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

Independent Schools' Pension Scheme (operated by the Pensions Trust) (continued)

Deficit contributions

From 1 September 2022 to 30 June 2032 £2,687,000 per annum
(payable monthly and increasing by 3% each on 1st September)

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

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the school recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The annual amount due by the school from 1 September 2022 to 30 June 2032 is £51,000 (payable monthly and increasing by 3% each on 1st September).

	2022	2021
	£'000	£'000
Reconciliation of opening and closing provisions:		
Provision at start of period	472	495
Unwinding of discount factor (interest expense)	5	4
Deficit contribution paid	(51)	(49)
Remeasurements – impact of any change in assumptions	(75)	22
Remeasurements – amendment to contributions schedule	102	-
Provision at end of period	<u>453</u>	<u>472</u>
Split as follows:		
Due within one year	50	51
Due after one year	403	421
	<u>453</u>	<u>472</u>

ASSUMPTIONS

	31 August 2022	31 August 2021	31 August 2020
Rate of discount - % per annum	4.31	1.09	0.9

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

18 CONNECTED CHARITIES

Under a scheme approved by the Charity Commission on 16 November 2000, the endowment funds in the charity known as Rochester Cathedral Grammar School were retained in the charity under the new name 'Rochester Cathedral Kings School Endowment Trust' and the non Endowment Funds were transferred to Kings School Rochester. The School is the trustee of the Endowment Trust.

The terms of the Scheme stipulate that the properties and investments in the Endowment Trust are held for the benefit of King's School Rochester. Accordingly, no rent is charged by the Endowment Trust to the School while the School undertakes to maintain and manage the assets of the Endowment Trust.

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

Uniting Directions have been issued by the Charities Commission allowing the combination of financial information for King's School Rochester, Rochester Cathedral King's School Endowment Trust ('RCKSET') and the Geoffrey Harmsworth Charitable Trust.

19 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose in the current or prior year other than those disclosed in note 6.

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

20 STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2021 £
INCOME AND ENDOWMENTS				
FROM:				
Income from charitable activities				
School fees receivable	8,455,403	-	-	8,455,403
Other educational income	83,776	-	-	83,776
Other trading activities				
- Rent and commission receivable	110,829	-	11,462	122,291
- Trading income	191,920	-	-	191,920
Investment income	8,489	-	8,311	16,800
Donations and grants	294,582	-	30	294,612
Other income	2,300	-	-	2,300
Total Income	9,147,299	-	19,803	9,167,102
EXPENDITURE ON:				
Costs of raising funds				
Trading expenses	330,463	-	-	330,463
Interest payable	30	-	-	30
	330,493	-	-	330,493
Charitable activities				
- Education	5,771,461	-	-	5,771,461
- Premises	1,447,301	-	18,362	1,465,663
- Welfare	694,368	-	-	694,368
- Support of schooling	1,402,056	-	-	1,402,056
- Grants, awards and prizes	6,029	-	14,390	20,419
Total charitable expenditure	9,321,215	-	32,752	9,353,967
Total expenditure	9,651,708	-	32,752	9,684,460
Net (expenditure)/income before				
Investment gains	(504,409)	-	(12,949)	(517,358)
Net investment gains	149,630	-	78,407	228,037
NET MOVEMENT IN FUNDS	(354,779)	-	65,458	(289,321)
Reconciliation of funds				
Fund balances at 1 September 2020	11,743,488	6,920	2,291,595	14,042,003
FUND BALANCES AT 31 AUGUST				
2021	11,388,709	6,920	2,357,053	13,752,682

KING'S SCHOOL, ROCHESTER

England & Wales - Charity number 1084266

Accounts

King's School, Rochester
Annual Report
for the year ended 31 August 2021

King's School, Rochester

Annual Report For the year ended 31 August 2021

Contents	Pages
Trustees and Advisers	2
Chair's Report	3
Report of the Trustees	4 - 13
Report of the Auditors	14 - 16
Consolidated Statement of Financial Activities	17
Balance sheets	18
Consolidated Cash Flow Statement	19
Notes to the Financial Statements	20 - 36

Company Number: 3791543

Registered Charity Number: 1084266

TRUSTEES AND ADVISERS

Patron

The Lord Bishop of Rochester

Chair of Governors

Miss J A Shicluna MA (Oxon) (Resigned 22 September 2021)

The Reverend Canon Dr P J Hesketh, PhD, BD, AKC
(Chair from 23 September 2021)

Deputy Chair of Governors

The Very Rev'd Dr P J Hesketh AKC DL (Deputy Chair
to 23 September 2021)

Governors and Trustees

M J Chesterfield Esq*

Mr C R Shepherd, BSc, CEng, FICE, FRSA* (Resigned 15
September 2021)

Mrs A Rouse, MSc* (Resigned 11 December 2020)

Ms J Glew, BA (Hons), CIM Dip, MA (Resigned 6 October 2021)

Mr P L Rothwell, LLB (Hons) (Resigned 19 October 2021)

Mr B A Bell, BSc (Hons), CIMDIP, FCIM

Dr R J Kennett, MBE (Resigned 12 September 2021)

The Rev'd M J Rushton, MA (Oxon), MA

Mrs R A Olley, CED

Mr D Graves BA (Hons), FCA (Resigned 29 November 2021)

The Rev'd Canon S Brewer

The Rev'd Canon C Dench*

The Rev'd Canon Dr G Giles, PhD(Middx), MLitt (Cantab), BA
Hons(Lancaster), CTM, ARSM (Appointed 13 September 2020)

Mrs E Whitlam MSc (Appointed 1 September 2020)*

Mrs J E Shilling, BA (Hons) (Appointed 23 March 2021)

Mr P B Coen, MBA, FCCA, PFPS (Appointed 1 September 2021)

Mr M G Snowswell (Appointed 1 September 2021)

**Chairmen or Acting-chairmen of Sub-Committees*

Membership of the Board is determined under the Articles of Association. The Governors shall consist of:

- The Dean as an ex-officio Governor;
- Four Canons Residentiary;
- Four Nominative Governors appointed by the Dean and Canons Residentiary and approved by the Chairman and Principal of King's School Rochester and Headmaster of the Senior School;
- One Nominative Governor to be appointed by the Diocesan Board of Education and approved by the Chairman and Principal of King's School Rochester and Headmaster of the Senior School; and
- Up to eight Co-optative Governors.

Every year one-fifth of the Nominative and Co-optative Governors retire from office. Retiring Governors may be re-appointed.

KEY MANAGEMENT PERSONNEL

Principal: Mr B P H Charles, BA (Hons), PGCE, Universities of Exeter and Durham

Other Members of the Executive Board

Mr T H Morgan, BMus (Hons) RCM

Mrs CE Openshaw, MA (Ed), BEd (Hons) CANTAB

Miss D J Godwin, BA (Hons), FCMA

Miss K Petts CIPFA

Mr C Page, BA, PGCE, Royal Holloway, University of
London & Exeter University

Headmaster of the Preparatory School

Headmistress of the Pre-Preparatory School

Bursar and Clerk to the Governors

Director of Operations

Deputy Head Pastoral

ADVISORS

Auditors

Haysmacintyre LLP

10 Queen Street Place

London, EC4R 1AG

Solicitors

VWV

Narrow Quay House, Narrow Quay

Bristol BS1 4QA

Bankers

National Westminster Bank PLC

2nd Floor, 3 High Street, Maidstone, Kent ME14 1HJ

Insurance Brokers

Gallagher

8th Floor Temple Circus House, Temple Way, Bristol

BS1 6HG

Investment Managers

Ruffer, 80 Victoria Street, London, SW1E 5JL

Schroders, 31 Gresham Street, London EC2V 7QA

CHAIR'S REPORT

Again this year Covid-19 has tested the School's resilience and adaptability to the utmost and had a major impact on the School's operations and events. In particular, the Governing Body recognise that it has been another tough year for those pupils facing public exams. Throughout these unprecedented times resulting from the pandemic, Governors have continued to both support and challenge the School to make sure we are delivering the best possible outcomes for all pupils.

To ensure it could monitor and respond to the continuing impact of the pandemic the Governing Body, through the Covid-19 Committee, met regularly via virtual meetings to address critical issues and regularly review school procedures and risk assessments. Ensuring the safety of all pupils and staff to protect them from the risks of Covid-19 became a critical priority. The Covid-19 Committee carefully considered the impact on the School's financial resilience, continually reviewing potential difficulties due to the coronavirus pandemic and how to proceed in the best interests of the School.

During the Lent term the School moved to on-line learning for all pupils from ages 3 to 18 to continue the high level of academic provision via the enhanced use of technology as the government again introduced a national lockdown. Other than for key worker and vulnerable children the curriculum was delivered to all King's pupils at home via on-line learning during this period.

The School's digital transformation accelerated during 2020-2021 in response to the pandemic. Increased focus has been on adopting new technologies and improving the current infrastructure. The Senior Management Team successfully responded to the challenge of managing shutdowns and changing the dynamics of the offer to pupils as and when necessary. The Governing Body is immensely grateful to all teaching staff for their continued hard work in ensuring that the remote-learning provision has been a success and we also congratulate all pupils on their dedication and take-up of the same.

With most pupils being at home during the Lent term and as a result of continued careful and detailed financial planning, the School reduced the contractual fees for education for the Lent Term. The Governing Body was keen to pass on any savings that were possible from operational changes directly to parents. We are also very aware of the strains imposed on parents by the need for home-teaching and we have been grateful for their dedication and help.

The Governing Body recognised that parents were also facing financial difficulties and responded by putting in place a Hardship Bursary to support pupils' families in the Lent Term. Some parents wished to donate the amount of their discount towards this fund and did so and we are very grateful for this generous support. This was a further considerable financial commitment by the School to support our parents, many of whom are facing severe financial pressures brought about by the pandemic.

Overall this has been a challenging year and, due to the impact on its finances during the period of national lockdown, the School was unable to return a surplus during the financial year. However, even though the School returned a deficit at the end of the year, the School's targeted approach was to maintain a breakeven position on a cashflow basis. Above all the School was able to achieve a balanced cash position since the high level of in-year depreciation did not affect the School's cashflow.

During the year, the Covid-19 Committee also focused on assessing the financial position of the charity and its resilience. In particular, consideration was given as to whether certain projects, expenditure and activities should be delayed, to focus on essential spending as the School faced financial challenges during this period. Many key costs could not be reduced during the period of school closure time. Where we were able to do so, various roles were furloughed and this provided the School access to government support via the Coronavirus Job Retention Scheme. The Governing Body is extremely grateful to all support staff for their dedication during this difficult time.

Over the summer holiday period, the programme of refurbishment and redecoration of site facilities continued with the hard work of the School's maintenance team. Unfortunately, the programme of lettings usually in place over this period could not go ahead. In addition, the King's Rochester Sports Centre was also closed to the community in line with government restrictions. There were significant impacts on commercial activities resulting in lost income due to the pandemic during the financial year.

The Governing Body greatly appreciate the immense support that we have received from our parents and the whole King's community during this challenging time. Our priority has always been – and continues to be - the delivery of the highest quality education to our pupils, both during periods of face-to-face teaching and through our remote learning.

Acting Chair of Governors

The Very Rev'd Dr P J Hesketh

REPORT OF THE TRUSTEES

The Trustees present their annual report and audited financial statements for the year ended 31 August 2021 which comply with the requirements of the Charities Act 2011, Companies Act 2006, the Trust Deed and the Charities SORP (FRS102) – Second Edition.

AIMS AND OBJECTIVES

King's School Rochester (King's) is the oldest choir school and the second oldest school in the UK. There has been unbroken education at King's since the establishment of a monastic school in 604AD. The School offers an exceptional day and boarding education for 635 pupils aged 3 to 18. With a distinguished Christian foundation and strong links to Rochester Cathedral, King's provides a contemporary 21st century holistic education in an inspiring setting, developing in all pupils' skills and interests beyond the classroom.

For King's, 2020-2021 has been a period of significant transformation. Changes in leadership and management have led to a period of, consultation and development as the Governors and key management personnel have sought to further shape a pathway through to the new strategic vision for the next 4 years.

Academic Aims

Maximising pupil potential through excellence in teaching and learning:

- By 2025 the quality of teaching and learning, supported by confident middle leadership, will be consistently excellent.
- We will be confident, creative and efficient in teaching and learning thanks to a whole school approach which encourages innovation and shares best practice through training.
- We will seek to establish a broad and rounded curriculum which benefits all our pupils so that they are prepared for a globalised future.

A whole school approach to the co-curriculum

- By 2025 the school's quality of co-curricular provision will be consistently exceptional.
- We will establish a co-curricular programme that is coherent and demonstrates a synergy with the school's ethos, curriculum and educational aims.

Pupil and staff wellbeing in a fast-changing world

- By 2025 a culture for pupils and staff will have been created in which the balance between 'work hard, play hard and look after each other' has been firmly established.

Strategies to Achieve Objectives

1. Maximising pupil potential through excellence in teaching and learning, focussing on staff training;
2. A whole school approach to the co-curriculum;
3. Creating and developing a culture of wellbeing for pupils and staff in which the balance between 'work hard, play hard and look after each other' has been firmly established. This includes the development of the school's Diversity and Inclusion Alliance;
4. Developing the School's facilities including buildings refurbishment projects and improving play areas across the whole school;
5. Strategic appointment of an Estates Bursar to consider and develop the school's Estate;
6. Strategic appointments within marketing and admissions to maintain and increase the number of pupils in the School and to set up a Development Office;
7. Overhaul of the appraisal and Department Review processes to promote staff development;
8. Investing in ICT facilities and digital infrastructures plus the enhancement of staffing structures to improve support for teaching; and
9. Continuing the promotion of Outreach and Partnership programmes through bursaries, the enhancement of both existing and new scholarships and schemes for collaboration with local, maintained schools.

Charitable Objects

The objects of the School, as set out in the Memorandum of Association, are the provision and conduct of a day school for boys and girls aged 3-18 and the provision of boarding facilities for boys and girls aged 11-18. In setting the objectives the Governors have given careful consideration to the Charity Commissions' general guidance on public benefit.

Principal Activities of the Year

The School provides and conducts a day school for boys and girls aged 3-18 and the provision of boarding facilities for boys and girls aged 11-18.

Grant-making Policy

The value of scholarships, exhibitions, bursaries and other awards totalled £1,368,046 in the year, 13.9% of gross fee income. The policy is to make awards on the basis of an individual's educational potential or to relieve hardship where the pupil's education and future prospects would otherwise be at risk. This year the value of prizes made to the School's pupils out of restricted funds held by Rochester Cathedral King's School Endowment Trust and Geoffrey Harmsworth Trust amounted to £14,390. The policy for distribution follows the conditions imposed by the original donor. Full details of the awards are published annually in a booklet "Scholarships and Bursaries".

Designated Funds

The Bursary Fund was set up several years ago; the income continues to be reinvested until it has reached sufficient size to make a worthwhile contribution to bursaries for pupils. Details of the above Funds are contained in Note 15 to the Financial Statements.

Volunteers

There are two thriving parental groups operating: The Friends of King's School and The Pre-Prep Supporters' Group who fund-raise for the School. The Governors would like to take this opportunity to say how much it appreciates their continuing and valuable support for the School's work.

Public Benefit

In pursuance of the School's long-held objective in offering public benefit to the community, and to ensure compliance with recent legislation, an Annual Public Benefit Review is undertaken internally. Set out below is a summary of the public benefit actions undertaken by the School:

- **Bursaries and Scholarships.** Our primary purpose is the provision of educational services to young people aged 3 to 18, drawn from a wide cross section of the public as possible. The School welcomes pupils from all backgrounds and access to the education offered is not restricted to those that can afford the fees. The School offers a range of scholarships that come with a standard fee remission and additional further means tested assistance where required. These include Academic, Music, Drama, Art and Sports scholarships available to external candidates. The School was proud to offer the new 'Chadlington Scholarships' this year, thanks to Lord Chadlington, which cover 100% of fees and expenses for two pupils from local maintained schools. The School promotes its means tested scholarships and bursaries to pupils from the maintained sector through various channels including the school's website, media relations and encourages parents to apply. Bursarial support is provided for existing pupils where there is a change of circumstance and a number of 100% bursaries supporting children in particular need.
- **Cathedral Choristerships.** With the assistance of the Dean and Chapter of Rochester Cathedral, we educate the Rochester Cathedral Choristers who are drawn from vocally and musically able boys and girls from a wide cross section of the community. All of the Cathedral Choristers are pupils of the School (except for some of the older girls) and sing for the public in services and concerts in the cathedral. The School provides financial assistance by way of a fee remission to Choristers attending the School with some receiving further financial assistance through means-tested bursaries.
- **Schools Together Partnership Activities.** The School has established a number of links with local maintained Schools, and has offered pupils from diverse backgrounds and teachers the opportunity to work together in joint activities such as PHSE, Latin, Science, German, Athletics, Politics, Drama and INSET events, activities and workshops, many involving visiting and virtual speakers. The majority of these events were delivered virtually due to the pandemic; however we were able to continue our valuable outreach work with Troytown Primary School towards the end of the academic year, with Senior School pupils from King's visiting the school.

The Drama Department provides opportunities for a local schools' consortium of Drama teachers, focusing on GCSE & A Level Drama. Pupils of local schools broaden their experience of the performing arts by attending the Schools' play each year. The department also produced a Radio Play of "A Christmas Carol" performed online and available for the public to listen to. In the build up to this play, the School promoted several local shops and businesses to help support the local economy.

Our music department put on a number of performances open to members of the public, performed by pupils of the School, albeit virtually this year. This included a programme of lunchtime concerts performed once a month online. The School's music facilities are used by Kent County Music Ensembles.

- **Learning Support Programme.** Within the context of the school community, individual needs are appreciated. The development of the whole person is at the centre of our educational philosophy. At King's, a whole pupil and whole school approach is promoted, as recommended in SEND Code of Practice 0-25, 2015. The 'King's family' maintains a strong pastoral support within the Form/ House structure which forms the heart of educational support. Form Tutors and Class Teachers are central to supporting the progress of pupils with educational needs. The Learning Support Department is well coordinated throughout the school and responds effectively and flexibly to enable progress.
- **King's School Premises.** The School runs and maintains a former council owned sports centre which it fully refurbished and is used 85% of the time by the local community, including local maintained sector schools. The King's Rochester Sports Centre had been open to the public daily when permitted, in line with COVID restrictions, providing subsidised access to high quality sporting and exercise facilities to the local community. Many local sports groups use the indoor and outdoor facilities at community rates, along with a local cardio rehab group.

The Swimming Pool has been used by local primary schools and School staff volunteer to teach group swimming lessons, swimming clubs and lifesaving courses to the public.

The Chadlington House Sports Hall and its cricket nets have been used regularly throughout the non-playing season by local cricket clubs.

The School's playing fields have been used pro bono by local schools, school aged pupils from a local rugby club as part of a collaborative arrangement and also by local cricket clubs and the TA.

The School offers a section of secure woodland neighbouring the School's playing fields for local schools for use as a Forest School and is working with a local community group, Friends of Watts Meadows, to outline the potential further use by local schools and community groups to access this safe, enclosed environment.

- **King's School Pupil Charitable Giving.** Each of the three Schools nominate a charity each year that works in the local area, some of the Lower Sixth organise fundraising events throughout the year to raise money to support the work of the nominated charity. All are supervised by members of King's School Staff.

Each of the three departments of the School organised regular events (concerts, home clothes days, sponsored events etc.) to raise money for their chosen charities each year. The Pre-preparatory School held a Home Clothes Day and one of their pupils ran a lemonade stall at home to raise money for their charity. In 2020/21 the charities were:

Pre-Preparatory School	The Dogs Trust
Preparatory School	RBLI and WaterAid
Senior School	Demelza Hospice Care for Children

The Senior School & Preparatory School have also collected and donated harvest goods (non-perishable food items) for the Open House project October. The Pre-preparatory School collected food for Medway Foodbank.

A toy service was held for St Francis' Strood who distribute hampers at Christmas to those in need in the Strood area.

- **Sport.** By competing in regular sports fixtures for both boys and girls against state and independent schools, King's School pupils are integrated in the local sports scene, encourage a familiarity with King's and generally contribute to the success of community events. Once again, King's had to create online activities, such as the Netball Competition, which involved a variety of local schools and was coached by our Netball coaches.
- **Worship.** The School actively promotes the Christian faith and principles (with study of RS to GCSE for all pupils) with cathedral services open to members of the public. The School also promotes equality and integration.
- **The Cathedral Choristers.** The School has provided musical outreach and produced a limited number of concerts and services that are held in the Cathedral and are made available at no charge to the local community. Recordings have been broadcast during the COVID-19 pandemic.
- **Teacher Training.** King's offers placements to trainee teachers from Christ Church University Canterbury. Our Director of Digital Learning has also provided support and training for Computer Science teachers at maintained schools across the county and beyond.
- **Local Community.** The school is part of the Medway Cultural Partnership and an active participant in the Medway Champions Programme to promote Medway as a place to live, visit, work and learn which contributes to developing the economy of the local community.

King's is taking a lead role in the Medway Education Partnership. We are committed to strengthening the effectiveness of the school system in Medway and facilitating a sector led system that enables every child to realise their full potential. The relationship between schools, academy trusts, school leaders' associations (MELA, MSHA), and the local authority, working alongside the Regional Schools Commissioner and teaching schools, are key to 'achieving more together' with co-production supporting the outcomes we seek.

As part of the Senior School programme, every Friday afternoon pupils do volunteer work with local charities and primary schools.

Two members of the School are Governors at local state schools.

- **Economic Impact and Savings to the Public Purse.** King's School currently educates 635 children relieving pressure on local state schools and with no claim on the State for the subsidy provided for each place at a maintained school (excepting, of course the exceptional emergency Government funding to protect jobs during the COVID-19 pandemic). The School does not reclaim any VAT charged on its purchase of supplies and services.

The School employs over 240 people locally at all levels of employment and the School also buys as many of our goods and services locally as possible contributing further significant financial impact indirectly. An Independent School Council (ISC) Economic Survey indicated the school added over £6.8m per annum to the local economy and saved the tax payer £3.8m in the financial year.

Fundraising Approach and Performance

Throughout the year the School community of staff, pupils and parents undertake charity fundraising activities including quiz nights, classroom competitions, sport events, open mic nights and other fundraising events with supporter contact in line with the Fundraising Code of Practice set by Fundraising Regulator. Our fundraising promise is:

When you support you can be sure of the following:

- *We will never sell your contact details to anyone;*
- *We will only contact you if you have expressed an interest in our work;*
- *If we phone you, we will always check you are happy to take the call;*
- *If you ask us to change how we communicate with you, or stop, we will respect that;*
- *We do not engage in cold-calling, door to door or street fundraising;*
- *We try hard to ensure no one ever feels pressurised to support our work; and*
- *All our activities are open, fair, honest and legal.*

In 2020-2021, the School worked with Demelza Hospice Care for Children, RBLI, WaterAid and Dog's Trust.

We have robust policies in place when dealing with vulnerable people and do not put any pressure on our donors. No complaints about fundraising activity were received in the year.

Overall fundraising performance during the year

£3,025	Senior School Charity - Demelza Hospice Care for Children;
£1,394	Preparatory School Charity – RBLI ;
£2,148	Preparatory School Charity – WaterAid;
£1,086	Pre-preparatory School Charity – Dog's Trust; and

Group Structure and Relationships

Uniting Directions have been issued by the Charities Commission allowing the combination of financial information for King's School Rochester, Rochester Cathedral King's School Endowment Trust ('RCKSET') and the Geoffrey Harmsworth Charitable Trust.

Rochester Cathedral King's School Endowment Trust is a subsidiary of the Charity whose income is used to fund prizes.

A subsidiary charity was established in 2009 in the name of an Old Roffensian who died during that year. The Geoffrey Harmsworth Charitable Trust provides financial support to families suffering financial hardship.

Roffa Limited is a subsidiary company whose activities are detailed in the Accounts at Note 4. Where applicable the company transfers taxable profits by Gift Aid to the School.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

Covid-19 had a major impact on the School's operations and events during the whole academic year. From December 2020 to March 2021, in line with Government restrictions, the school moved to on-line learning for all pupils from ages 3 to 18 to continue the educational excellence provided by King's. During periods of remote learning the School has delivered a highly engaging remote co-curricular and pastoral programme which constitute as full an educational, co-curricular and pastoral experience as possible.

A Level examinations produced another excellent year of results. The overall pass rate was 100% with 62.0% obtaining A*-B results. 58.1% of GCSE grades were at 9-7 and over 64% of the cohort gaining at least half of their grades at 9-7. The principle destination for leavers has again been universities. Co-curricular provision, which continues to be a key strategic area for the School, despite being online for much of the time, has been resourceful and creative engaging all members of the School's community including parents and families. Online concerts, fixtures, productions, outdoor pursuits have all taken place during lockdown, enhancing the experience of our pupil at the most challenging of times. The School's commitment to diversity has also made significant progress with the setting up of the Diversity and Inclusion Alliance to supplement the School's pastoral care and safeguarding responsibilities. Giving primacy to pupil voice has continued to be actively encouraged.

The Preparatory School maintains a broad curriculum throughout the school, allowing pupils to experience a range of academic, sporting, musical and dramatic subjects. The excellence and breadth of the curriculum was evidenced in the ISI Inspection in January 2020 where all areas of the school were judged to be 'Excellent'. The school achieved outstanding 11+ grammar school entry results and the use of InCAS and MidYIS data from on-line tests serviced by CEM at the University of Durham Centre allows for close monitoring of pupil performance, ensuring that pupils' aspirations exceed their baseline. Pupil numbers in the Preparatory School have risen from 208 in September 2018 to 233 in September 2021 and they are a reflection of the excellent education and pastoral care experienced by pupils. Several pupils play sport at county level including three girls who play Netball for Kent and there several pupils achieved distinctions in ABRSM music examinations from grade 5 and above.

The Pre-Preparatory School, including Nursery, continues to offer an exciting and varied curriculum throughout the school. This means pupils enjoy a huge range of opportunities and are able to shine wherever their interests lie. They experience a range of subjects including Music, Sport and German as well as core learning right from the start. The school tracks pupils using assessments produced and analysed by CEM at the University of Durham Centre. In Nursery, ASPECT'S is used to show how each child has progressed during their time in the setting. In Reception, BASE is used to benchmark our children's performance against national averages and demonstrates the progress that each child has made during the year. Year 1 - 3 use InCAS data which tracks pupils' performance year on year and provides age-standardised and age-equivalent scores each year ensuring progress is made. Ballet, ABRSM music and LAMDA exams could not take place this year due to COVID-19.

ISI Inspection

The last ISI Inspection in January 2020 found King's Rochester to be "excellent in all areas". All three parts of King's – Nursery and Pre-Preparatory School, Preparatory School and Senior School were scrutinised for the quality of their work with pupils, academic achievement and personal development and well-being and findings in every section were first-class.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Since March 2020 the school has been working in an environment that is completely different to previous years as COVID-19 impacted daily operations. The ongoing worldwide COVID-19 pandemic poses a threat to the short term performance of many organisations. At present, the independent school industry has seen disruptions for a second academic year.

The national lockdown and measures taken by the school to contain the virus have again impacted the school's financial activity during the year. During the Lent Term of 2021, the impact of Covid-19 on financial performance can be seen as a decrease in income due to a reduction in fees of 10% for the term whilst the school site was closed to pupils. Throughout this period the school focused on achieving cost savings along with utilising Government support schemes.

The Governors and Executive Board have been quick to respond to the ongoing challenges as they occurred. During the year Governors met far more frequently via virtual meetings. In line with the charity's governing document, this ensured that a robust system of good governance was in place. Working alongside the Executive Board, strategies were developed to mitigate the risks where possible.

The Governors report that the consolidated activities of the School had a deficit of £517,358 before investment gains in the 12 months to 31 August 2021 (2020: deficit of £300,947).

Income decreased by 2.2% and expenditure increased by 0.1% following a freeze on fee levels and increased education operating costs. Investment in marketing, admissions and development was maintained and improvements to the School's building fabric and computer facilities continued during the year.

Roffa Ltd's trading performance during the year was affected by COVID-19 restrictions on the King's Rochester Sport Centre operations, which resulted in a decreased level of trading revenue and local community use.

Future Plans

The Strategic Business Plan for 2021-2025 was reviewed and approval by the Governors early in the financial year. Changes in leadership and management along with the outcome of the ISI inspections have led to a new strategic vision for the next 5 years, the three over-arching aims are:

- Futureproofing King's for a Sustainable Future;
- King's as One School; and
- A School for Life.

Current key operational plans are:

1. To challenge and support each pupil to make the most of their academic and personal potential;
2. To achieve excellent results through developing an enquiring mind and a passion for learning;
3. To develop skills, qualities and interests through activities and opportunities beyond the classroom;
4. To be a nurturing community that develops values within the setting of Christianity;
5. To communicate effectively to existing and prospective members of the School community;
6. To ensure strategic planning and financial structures are in place which support current and future development;
7. To maintain a motivated and effective teaching and support staff; and
8. To have an engaged and effective structure of leadership and governance.

Due to the impact of Covid-19, the Governors communicated to parents in April 2020 that the decision had been made not to increase the level of fees for academic year 2020-2021. Pupil numbers to date have remained consistent, and despite there being no current loans, the governors decided to delay any major capital projects until future years. The school's aim is to minimise the impact of any potential continuing disruption caused by Covid-19 by ensuring that cash resources are in place to operate successfully.

Governors are confident that should it prove necessary the school will continue to provide a high-quality remote curriculum to ensure all pupils will continue their academic progress during any future lockdown period.

Acknowledgement

The Governors wish to express their appreciation to the Principal, Heads of each School, teachers and all School staff for their loyalty and dedication, continuing hard work and support.

Reserves Policy

The Group has total reserves of £13,752,682, these include Endowed Funds of £2,357,053; Restricted Funds of £6,920 and Unrestricted Funds of £11,388,709.

The Reserves Policy of the School has been based on the School's objectives. Its main features are:

- a) To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the management of the School's buildings maintenance programme; and
- b) To provide resources to fund the School to provide cover for unexpected or unavoidable items of expenditure.

In order to meet the criteria in (a) and (b) above, the Governors consider that the minimum targeted level of reserves desired is as follows:

Working capital of £1.6m, or two months' expenditure. This should be represented by liquid resources.

When certain fixed assets totalling £9.8m are deducted from unrestricted funds this gives rise to free reserves of £1.6m. The School aims to maintain working capital sufficient to ensure that short-term risks can be covered adequately in terms of cash flow. Due to COVID-19 uncertainties, the policy is therefore to maintain building up reserves of annual operating surpluses at the current level of two months expenditure, subject to the prior demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

The School's Bursary Fund which currently stands at £1,339,143 (Designated Fund) was established with the objective of generating investment income to support the families of existing pupils suffering financial hardship and to enrol pupils who would otherwise be unable to afford to attend the school. The fund to date has reinvested all income generated. Its medium term objective is to increase the Fund to enable it to generate an annual income in support of the above objectives.

Investment Policy and Objectives

The Board aims to maximise the total investment return within the objectives of maintaining income without taking undue risk, while continuing to preserve the real value of endowed investments and to maximise income on invested restricted funds. The management of the School's funds to be reviewed regularly by Governors. The Governing Body reviews the performance of the investment portfolio each term against the movement in the FTSE 100 index.

The school's primary investment manager Ruffer took a cautious investment strategic position during the year given their view on the worldwide economy and political uncertainty in the UK. Their investment approach is long term and their strategy is to hold a wide range of mostly conventional assets. Actual market performance on returns were in line with relevant market indices. Investment gains during the year amount to 9.6% of opening value.

Risk Management

King's School Board of Governors is responsible for the management of the risks faced by the School and to ensure that adequate controls are in place to identify, assess and mitigate against such risks. Detailed considerations of risk are delegated to the Finance and Estates Sub-Committee, assisted by the Executive Board. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis.

The major potential risks identified are addressed by Governor sub-committee meetings. During the year these risks are discussed in detail and monitored for action as necessary. Each sub-committee reports in detail to the Governing Body.

The Governors consider the major potential risks to the School are:

- COVID-19 pandemic resulting in periods of continued school closure and provision of on-line learning;
- A challenging economic environment due to COVID-19 which may create affordability issues for parents which affect pupil numbers, fee and expense levels and greater pressure on bursary/hardship funds;
- Further increases to pension contribution rates and changes to deficit repayments, along with changes of provision;
- The uncertainties around BREXIT on pupil numbers from the European Economic Area;
- Political uncertainty and the consequences of any sector wide changes such as the imposition of VAT on school fees, removal of business rates charitable relief;
- Inflationary pressures on certain costs along with the impact of BREXIT on school procurement costs;
- Competition from both independent and state schools for pupils;
- Safeguarding and Inspections in an increasingly regulated environment;
- Risk management of Data Protection and cybersecurity; and
- Risk management of Health and Safety.

The key controls used by the School to mitigate risks include:

- Establishment of a responsive COVID-19 Committee;
- Formal agendas for all Committee and Board activity to consider risk;
- Detailed terms of reference for all Committees;
- Comprehensive strategic planning, budgeting, forecasting and management accounting;
- Ensure excellent remote learning capability is maintained with robust on-line learning and blended learning provisions;
- Health & Safety committee to consider current risks;
- Investment in the school's marketing and communications functions to support pupil recruitment;
- Established organisational structure and lines of reporting;
- Updating of formal written policies and annual adherence monitoring as appropriate;
- Clear authorisation and approval levels;

- Bursary Policy & Debtors Policy in place;
- GDPR compliant and constant investment in IT resources;
- Safer recruitment as required by law for the protection of the vulnerable; and
- Well trained designated staff, robust systems, whole school staff training on Child Protection and Safeguarding.

During the academic year 2020-2021, COVID-19 has impacted both the financial and operational performance of the school causing periods of closure of the school site to pupils, a successful programme of online learning and a reduction to Lent Term fees. The ISI inspection in 2020 plus excellent online learning provision has assisted in holding up pupil numbers and the Governors strived to mitigate the loss in revenue by implementing costs savings where possible along with making use of Government provided support.

Through the risk management processes established by the School, King's School Governors are satisfied that the major risks identified have been identified and adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

STATUS AND ADMINISTRATION

The origin of the School dates back to the foundation of a monastery by St Justus in 604 AD. King's School emerged as a distinct entity in 1542 when Henry VIII dissolved the Monastery and re-founded the Cathedral Grammar School. The Foundation has been amended during subsequent years. The liability of the members is Limited by Guarantee. Details of the Charity's Governors and executive officers are listed on page 2. The Charity's addresses and particulars of the Charity's professional advisors are given on page 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Memorandum and Articles of Association, adopted on 11 October 2000 as amended by Special Resolution on 9 November 2015.

Appointment and re-Appointment of Governors

The Scheme approved by the Charity Commission provides for a maximum of 18 Trustees who are Governors of the School, one-fifth of the Nominative and Co-optative Governors retire each year.

The Governors would like to take this opportunity to thank Miss J Shicluna (who resigned in September 2021), Mr C Shepherd (who resigned in September 2021), Mr R Kennett (who resigned September 2021) Miss J Glew (who resigned in October 2021) Mr P Rothwell (who retired in December 2020) and Mr D Graves (who resigned in November 2021), for their hard work, dedication and support.

Recruitment and Training of Governors

The Charity's elected Governors are appointed at the first ordinary Meeting of the Governors following their nomination or co-option and a visit to the School. Prospective Governors are supplied with a pack of information as recommended by AGBIS (Association of Governing Bodies of Independent Schools). This includes Charity Commission handbook CC3 "Responsibilities of Charity Trustees", the School's Memorandum and Articles of Association, the Prospectus, list of staff, maps of the school and recent Governing body meeting minutes. During their first year and annually thereafter Governors are invited to attend courses sponsored by AGBIS and others. In addition, ad hoc strategic planning sessions are held when appropriate.

Organisational Management

The Governors, as trustees of the Charity, are legally responsible for the overall management and control of the School, and meet at least four times a year. The work of implementing most of their policies is carried out by three sub-committees, each under the chairmanship of a Governor. **The Finance and Estates Sub-Committee**, chaired by Mr Markham Chesterfield meets four times per year and has responsibility to recommend the budgets and finalise the audited accounts and annual report for approval by the Board. The Committee also undertakes the annual risk assessment on behalf of the Governing Body, monitors current estates projects and prioritises budgets for proposed future undertakings. **The Personnel & Legislation Sub-Committee**, chaired by Mrs Elizabeth Whitlam (Acting Chair) meets termly and reviews the legislative framework in which the School operates, particularly in regard to Human Resources. **The Education & Pastoral Sub-Committee** chaired by Canon C Dench meets termly; it reviews educational matters and Inspection findings. The remit of each of the sub-committees has been drawn up and agreed by the Governing Body. Each of the sub-committees reports in detail to the Governing Body.

The day to day running of the School is delegated to the Executive Board, details of which are listed on page 2. Executive Board members attend meetings of the Governing Body and the Sub-Committees.

Key Management Pay Policy

Management pay policy is determined in conjunction with the Governors, Principal and Bursar and takes into account current market demand for pupils in the School's catchment areas, the financial performance of the School, the economic outlook and the 'going rate of remuneration' for senior management remuneration in both the state sector and the independent schools market in the south east of England. The key management roles are detailed in note 6 of the accounts.

Employment Policy

The school is an equal opportunities employer and positively encourages applications from suitably qualified and eligible candidates regardless of sex, age, ethnic origin, sexual orientation, belief, religion, disability or membership of a professional or trade union.

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. Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to apprise staff of current issues.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors for the company) are responsible for preparing the annual report and the financial statements in accordance with applicable law and UK GAAP.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees 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 company and the Group and of the income and expenditure of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

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

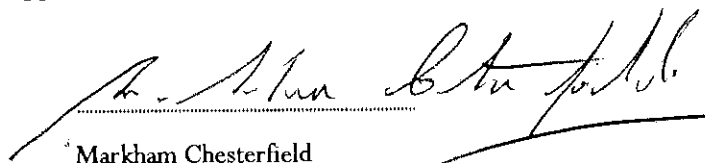
So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report, which incorporates the Strategic Report, was approved by the Board of Governors on 31 March 2022 and signed on their behalf by:



The Very Rev'd Dr P J Hesketh



Markham Chesterfield

Registered Office

Satis House
Boley Hill
Rochester, Kent, ME1 1TE

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KING'S SCHOOL ROCHESTER****Opinion**

We have audited the financial statements of Kings School, Rochester for the year ended 31 August 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Statement of Cash Flows and notes to the financial statements, including a summary of 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 and parent charitable company's affairs as at 31 August 2021 and of the group and parent charitable company's net movement in funds, including the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (which includes the strategic report and the directors' 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 Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' 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 accounting records have not been kept by the group and parent charitable company; or
- the group and parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the group and parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and parent charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to independent school regulations, employment law, safeguarding regulations and Charity and Company law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, Charities SORP and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to recognition of income. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Reviewing the latest Independent Schools Inspectorate (ISI) reports;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to depreciation, bad debt provision and investment property valuation.

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

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.



**Tracey Young (Senior statutory auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor**

**10 Queen Street Place
London
EC4R 1AG**

12 April
.....2022

COMPANY NO. 3791543

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2021 £	Total 2020 £
INCOME AND ENDOWMENTS						
FROM:						
Income from charitable activities						
School fees receivable	2	8,455,403	-	-	8,455,403	8,345,720
Other educational income		83,776	-	-	83,776	102,735
Other trading activities						
- Rent and commission receivable		110,829	-	11,462	122,291	49,724
- Trading income		191,920	-	-	191,920	274,817
Investment income		8,489	-	8,311	16,800	37,797
Donations and grants	3	294,582	-	30	294,612	563,143
Other income		2,300	-	-	2,300	700
Total Income		9,147,299	-	19,803	9,167,102	9,374,636
EXPENDITURE ON:						
Costs of raising funds						
Trading expenses	4	330,463	-	-	330,463	431,826
Interest payable		30	-	-	30	54
		330,493	-	-	330,493	431,880
Charitable activities						
- Education		5,771,461	-	-	5,771,461	5,897,873
- Premises		1,447,301	-	18,362	1,465,663	1,355,140
- Welfare		694,368	-	-	694,368	643,491
- Support of schooling		1,402,056	-	-	1,402,056	1,328,248
- Grants, awards and prizes		6,029	-	14,390	20,419	18,951
Total charitable expenditure		9,321,215	-	32,752	9,353,967	9,243,703
Total expenditure	7	9,651,708	-	32,752	9,684,460	9,675,583
Net (expenditure)/income before						
Investment gains		(504,409)	-	(12,949)	(517,358)	(300,947)
Net investment gains	9	149,630	-	78,407	228,037	72,264
NET MOVEMENT IN FUNDS	5	(354,779)	-	65,458	(289,321)	(228,683)
Reconciliation of funds						
Fund balances at 1 September 2020		11,743,488	6,920	2,291,595	14,042,003	14,270,686
FUND BALANCES AT 31 AUGUST						
2021	15	11,388,709	6,920	2,357,053	13,752,682	14,042,003

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the Statement of Financial Activities. The comparative year's Statement of Financial Activities is included in note 20. No separate Income and Expenditure account has been produced because the Net Income for Companies Act purposes is the same as the Net Movement in Funds on the Unrestricted Funds.

The notes on pages 20 to 36 form part of these financial statements.

BALANCE SHEETS
AT 31 AUGUST 2021

Company Number: 3791543

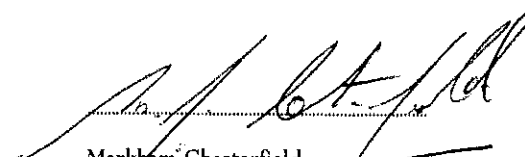
	Notes	GROUP 2021 £	GROUP 2020 £	SCHOOL 2021 £	SCHOOL 2020 £
FIXED ASSETS					
Tangible assets	8	10,868,965	11,209,937	10,490,926	10,793,947
Investments	9	2,611,969	2,379,813	3,133,069	2,965,913
		13,480,934	13,589,750	13,623,995	13,759,860
CURRENT ASSETS					
Stocks		5,627	3,938	-	-
Debtors	10	321,293	412,245	325,589	401,950
Cash at bank and in hand		2,641,270	2,696,301	2,490,624	2,522,538
		2,968,190	3,112,484	2,816,213	2,924,488
CURRENT LIABILITIES:					
Creditors: amounts falling due within one year	11	(1,677,510)	(1,617,314)	(1,600,342)	(1,575,681)
NET CURRENT ASSETS		1,290,680	1,495,170	1,215,871	1,348,807
LONG TERM LIABILITIES					
Creditors: amounts falling due after more than one year	12	(1,018,932)	(1,042,917)	(1,018,932)	(1,042,917)
TOTAL NET ASSETS	14	13,752,682	14,042,003	13,820,934	14,065,750
Representing:					
Unrestricted Funds	15a	11,388,709	11,743,488	11,456,961	11,767,235
Restricted Funds	15b	6,920	6,920	6,920	6,920
Endowed Funds					
- Expendable Endowment Funds	15c	1,333,040	1,253,143	1,333,040	1,253,143
- Permanent Endowment Funds	15c	1,024,013	1,038,452	1,024,013	1,038,452
TOTAL FUNDS		13,752,682	14,042,003	13,820,934	14,065,750

King's School, Rochester has taken the exemption from presenting its unconsolidated statement of financial activities under section 408 of the Companies Act 2006. The net movement in funds of the Charity was a deficit of £244,816 (2020: deficit of £644,622).

The notes on pages 20 to 36 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors on 31 March 2022 and were signed below on its behalf by:


The Very Rev'd Dr P J Hesketh


Markham Chesterfield

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

	2021 £	2020 £	
Net cash inflow from operating activities			
Net movement in funds	(289,321)	(228,683)	
Investment income and interest receivable	(16,800)	(37,797)	
Interest payable	30	54	
Depreciation	473,002	423,616	
(Surplus) on sale of fixed assets	(2,300)	-	
Unrealised (gain) on investments	(228,037)	(72,264)	
Decrease/(increase) in stocks	(1,689)	5,534	
Decrease/(increase) in debtors	90,952	(37,826)	
Increase in creditors	59,743	57,717	
(Decrease) in pension deficit	(23,532)	(61,935)	
Net cash provided by operating activities	62,048	48,416	
Cash flow from investing activities			
Investment income and interest received	16,800	37,797	
Purchase of tangible fixed assets	(132,030)	(116,774)	
Proceeds from sale of tangible fixed assets	2,300	-	
Purchase of fixed asset investments	(4,119)	(16,617)	
Net cash used in investing activities	(117,049)	(95,594)	
Cash flows from financing activities			
Loan repayments	-	(69,031)	
Interest paid	(30)	(54)	
Net cash used in financing activities	(30)	(69,085)	
Net change in cash and cash equivalents in the year	(55,031)	(116,263)	
Cash and cash equivalents at the beginning of the year	2,696,301	2,812,564	
Cash and cash equivalents at the end of the year	2,641,270	2,696,301	
Analysis of cash and cash equivalents			
Cash at bank	741,270	396,301	
Deposits	1,900,000	2,300,000	
	2,641,270	2,696,301	
Analysis of changes in net funds	At start of year £	Cash Flows £	At end of year £
Cash at bank	396,301	344,969	741,270
Deposits	2,300,000	(400,000)	1,900,000
	2,696,301	(55,031)	2,641,270

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

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed assets investments at market value and certain freehold land and buildings at revalued amounts. The format of the financial statements has been presented to comply with the Companies Act 2006, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* the Statement of Recommended Practice for Charities (SORP) (Second Edition, effective 1 January 2019). Figures are presented in sterling and rounded to the nearest pound. The Charity is a Public Benefit Entity as defined by FRS102.

Going Concern

Having reviewed the school's budgets and forecasts with the expected ongoing demand for places at the school, the Trustees consider that there are no material uncertainties which would cast doubt on the School's ability to continue as a going concern.

In response to the ever changing impact of the Covid-19 pandemic, the Trustees have re-visited their business plans, forecasts and cash flows to cover a period up to 31st August 2022 and introduced further sensitivity analysis in order to assess the expected financial implications for the School.

Forecasts for going concern assessment have considered reduced pupil numbers and associated income along with reduced fundraising opportunities for future cash flow projections. With a potentially long recession, investments are not expected to perform any better in the near future and recoverability of existing debts is forecast to be more difficult than in previous years.

However, the School has no loans in place and has delayed any major capital plans; governors are also taking steps to address uncertainties with increased resources for the marketing function and a cost focus through to August 2023. Given the school has sufficient reserves, the Trustees consider that there are no material uncertainties which would cast doubt on the School's ability to continue as a going concern

Group Accounts

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Roffa Limited on a line by line basis. A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

General Information

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 3791543) and a charity registered in England and Wales (charity number: 1084266). The School was converted from its classification as Rochester Cathedral (King's) School, an Unincorporated Body to Limited Company status and began trading as King's School, Rochester on 1 September 2000.

Significant Estimates and Judgements

In preparing these financial statements the trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There key areas subject to estimation uncertainty or judgement where depreciation, bad debt provision and investment property valuation.

Income

All income is included in the Statement of Financial Activities when the Charity is entitled to the income, its receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations are accounted for on a received basis. Legacies are recognised on a receivable basis, when the conditions of entitlement, probability and measurement are met. Where the probability and/or measurement criteria for legacies and donations are not satisfied as at the balance sheet date but subsequent events resolve the uncertainty such that the criteria are met, an adjustment is made to recognise the income. Furloughing grants are recognised on a receivable basis.

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

Fees receivable includes both general tuition fees and other fees and recharges, net of scholarships and remissions, is accounted for in the period in which the service is provided. General tuition fees comprise all amounts in relation to tuition, boarding and lunches.

Investment income is accounted for in the period in which the charity is entitled to receipt.

Rent and interest is accounted for on an accruals basis.

Expenditure

Expenditure are accounted for on an accruals basis. Expenditure is allocated to expense headings on a direct cost basis except for central costs which are apportioned on the basis of the Governors' estimate of time spent on the relevant functions.

Expenditure on raising funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and finance costs.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs represent staff and other costs incurred in directly supporting the teaching function and general running of the School. Governance costs include expenditure on compliance with constitutional and statutory requirements. These are included within support costs.

Grants and Bursaries

Grants and bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and allowances from unrestricted funds towards school fees at the Schools are treated as a reduction in those fees.

Tangible Fixed Assets and Depreciation

Freehold and leasehold land and buildings are included in the balance sheet at a valuation by Messrs Burkill Johnson and Messrs Michael Rogers, Chartered Surveyors at incorporation on 1 September 1999, with additions since that date being included at cost.

Expenditure on repairs and alterations which do not add value to the premises is charged to the Statement of Financial Activities in the financial year in which it is incurred.

Depreciation of Freehold buildings is provided on a straight line basis over 10, 20, 30 and 50 years.

Depreciation of leasehold buildings is provided on a straight line basis over the unexpired portion of the leases, the remaining useful life of each building, or 50 years, whichever is shortest.

Expenditure on furniture and equipment, fixtures and fittings and vehicles with a minimum project value of £1,000, which have an expected useful life in excess of one year, are included in the balance sheet at cost. Depreciation is provided on a straight-line basis at rates varying between 5% and 25%. Expenditure on smaller items is charged to the Statement of Financial Activities in the year of acquisition.

Investment Property

The investment property is included at fair value at a valuation completed by Ledgerwood Limited (Chartered Surveyors) at 31 August 2018.

Financial Instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021*Investments*

Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Bank borrowings

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

Fee in advance scheme

The School has an advance fees scheme whereby parents and others make advance payments, which together with the discount accruing thereon, provide for a set contribution each term towards the pupils' fees. The capital portion outstanding is recognised as a liability and the amount of discount crystallised in the year is included in the Statement of Financial Activities.

Stocks

Consumable stocks, provisions, stationery and school books are charged to the Statement of Financial Activities in the year of purchase. Stocks of goods for resale are stated at the lower of cost and net realisable value.

Pensions

The School operates two pension schemes to provide retirement benefits for certain staff members. The pension costs charged to the Statement of Financial Activities are determined as follows:

The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The Pensions Trust Scheme is a multi-employer defined benefit scheme for which the School's share of the underlying assets and liabilities cannot be separately identified. This scheme is therefore accounted for as a defined contribution scheme in accordance with section 28 of FRS102 and agreed pension deficit funding payments are provided for on a discounted basis.

Operating Leases

Rentals for operating leases are charged to the Statement of Financial Activities as they are incurred.

Funds

Unrestricted funds are those available to further the School's charitable objects at the discretion of the governors.

Restricted funds are monies that are subject to restrictions by the donors.

Permanent endowed funds are funds where the original capital must be maintained.

Expendable endowment funds are funds where the original capital can be converted into income for spending either at the Governors' own discretion.

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

2 FEES RECEIVABLE

	2021	2020
	£	£
Gross Fees	9,809,059	9,694,754
Less bursaries and discounts	<u>(1,368,046)</u>	<u>(1,362,765)</u>
	8,441,013	8,331,989
Bursaries funded by restricted fund	14,390	13,731
Fees Receivable	<u>8,455,403</u>	<u>8,345,720</u>

3 DONATIONS AND GRANTS

Donations and grants income includes furloughing grants of £240,870 claimed by the group during the year (2020: £544,285).

4 NET EXPENDITURE FROM TRADING SUBSIDIARY

Trading activities not connected with the Charity's purpose are carried out by Roffa Ltd (company number 02235699), a wholly owned subsidiary company. The company transfers taxable profits by Gift Aid to the School.

	2021	2020
	£	£
Turnover		
Trading Income	<u>206,365</u>	<u>304,606</u>
Cost of sales	310,491	410,761
Operating costs recharged by King's School	<u>16,136</u>	<u>29,084</u>
Trading Expenses	<u>326,627</u>	<u>439,845</u>
Gross Loss	(120,262)	(135,239)
Administrative costs	(26,500)	(26,364)
Other operating income – furlough grants	<u>37,257</u>	<u>63,542</u>
Operating Loss	(109,505)	(98,061)
Interest payable to school	-	-
Net Loss	(109,505)	(98,061)
Gift aid	-	-
Retained loss for the year	<u>(109,505)</u>	<u>(98,061)</u>
Balance Sheet		
Fixed Assets	378,039	415,990
Stock	5,627	3,938
Debtors	21,648	15,050
Cash at bank	150,645	173,763
Creditors due < 1 year	(103,111)	(46,388)
Creditors due > 1 year	<u>(1,100,000)</u>	<u>(1,100,000)</u>
Net liabilities	<u>(647,152)</u>	<u>(537,647)</u>
Share capital and reserves		
Share capital	100	100
Profit and loss account	<u>(647,252)</u>	<u>(537,747)</u>
Equity shareholders funds	<u>(647,152)</u>	<u>(537,647)</u>

£33,329 (2020: £50,510) of turnover and £33,329 (2020: £50,510) of cost of sales relate to transactions with King's School, Rochester. These have been eliminated on consolidation.

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

5 NET MOVEMENT IN FUNDS

	2021	2020
	£	£
Net movement in funds is stated after charging:		
Depreciation charge for the year		
Tangible fixed assets owned	473,002	423,616
Operating lease payments		
- King's School, Rochester	111,012	111,012
- Roffa Limited	20,000	20,000
Auditors' remuneration for audit services		
- King's School, Rochester	14,700	14,100
- Roffa Limited	4,650	4,450
Auditors' remuneration for other services	6,225	6,990

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

6 EMPLOYEE INFORMATION

The average weekly number of employees during the year was made up as follows:

	2021 Number	2020 Number
Teaching Staff	109	112
Other Staff	131	133
Roffa Limited	15	17
	255	262
Employee		
Staff costs		
Salaries and wages	5,670,810	5,788,322
Social security costs	524,305	518,597
Pension contributions	826,933	848,118
	7,022,048	7,155,037

During the year there were no termination payments for the School or for Roffa Limited (2020: £Nil for the School and £Nil for Roffa Limited).

The number of employees earning over £60,000 in the year were:

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

Three (2020: Three) of the employees earning more than £60,000 are members of the Teachers' Pension Scheme. One of the employees earning more than £60,000 is a member of a scheme run by the Independent Schools' Pension Scheme.

Key management personnel

The key management roles in the school were the governors, who are not paid, the Principal, Headmaster of the Preparatory School, Headmistress of the Pre-preparatory School, the Bursar & Clerk to the Governors and a newly appointed Director of External Relations. Their total emoluments including benefits and employer's pension and national insurance contributions paid was £507,604 (2020: £433,033).

Transactions with Governors

None of the Governors received any remuneration during the period (2020: £Nil). The aggregate amount of expenses reimbursed to Governors during the year was £59 - travel expenses for one Governor (2020: £Nil). Two children of one Governor attended King's School and they received some assistance towards payment of school fees on an arms-length basis.

Donations totalling £2,475 (2020: £2,443) were received from Governors during the year.

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

7 ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Other £	Depreciation £	2021 £
Charitable activities				
<i>School operating costs:</i>				
Education	5,193,989	516,374	61,098	5,771,461
Premises	430,897	685,744	349,022	1,465,663
Welfare	440,420	239,388	14,560	694,368
Support	812,475	553,000	10,371	1,375,846
Governance costs	-	26,210	-	26,210
Grants, awards and prizes	-	20,419	-	20,419
	<u>6,877,781</u>	<u>2,041,135</u>	<u>435,051</u>	<u>9,353,967</u>
Costs of raising funds				
Interest payable	-	30	-	30
Total for charity	<u>6,877,781</u>	<u>2,041,165</u>	<u>435,051</u>	<u>9,353,997</u>
Trading costs of the subsidiary	144,267	148,245	37,951	330,463
Total for group	<u>7,022,048</u>	<u>2,189,410</u>	<u>473,002</u>	<u>9,684,460</u>

Comparative Analysis of Total Expenditure:

	Staff costs £	Other £	Depreciation £	2020 £
Charitable activities				
<i>School operating costs:</i>				
Education	5,404,450	433,504	59,919	5,897,873
Premises	428,771	627,865	298,504	1,355,140
Welfare	402,848	225,369	15,274	643,491
Support	720,930	572,279	10,634	1,303,843
Governance costs	-	24,405	-	24,405
Grants, awards and prizes	-	18,951	-	18,951
	<u>6,956,999</u>	<u>1,902,373</u>	<u>384,331</u>	<u>9,243,703</u>
Costs of raising funds				
Interest payable	-	54	-	54
Total for charity	<u>6,956,999</u>	<u>1,902,427</u>	<u>384,331</u>	<u>9,243,757</u>
Trading costs of the subsidiary	198,038	194,503	39,285	431,826
Total for group	<u>7,155,037</u>	<u>2,096,930</u>	<u>423,616</u>	<u>9,675,583</u>

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

8 SCHOOL AND GROUP TANGIBLE ASSETS

Group	Freehold land and buildings £	Leasehold buildings £	Vehicles and equipment £	Total £
Cost or valuation				
At 1 September 2020	12,709,269	2,370,701	2,427,579	17,507,549
Additions	-	-	132,030	132,030
Disposals	-	-	(31,924)	(31,924)
At 31 August 2021	12,709,269	2,370,701	2,527,685	17,607,655
Depreciation				
At 1 September 2020	3,517,084	957,498	1,823,030	6,297,612
Providing during year	204,133	77,031	191,838	473,002
Disposals	-	-	(31,924)	(31,924)
At 31 August 2021	3,721,217	1,034,529	1,982,944	6,738,690
Total net book value				
At 31 August 2021	8,988,052	1,336,172	544,741	10,868,965
Total net book value				
At 1 September 2020	9,192,185	1,413,203	604,549	11,209,937

School

	Freehold land and buildings £	Leasehold buildings £	Vehicles and equipment £	Total £
Cost or valuation				
At 1 September 2020	12,709,269	1,795,475	2,312,000	16,816,744
Additions	-	-	132,030	132,030
Disposals	-	-	(31,924)	(31,924)
At 31 August 2021	12,709,269	1,795,475	2,412,106	16,916,850
Depreciation				
At 1 September 2020	3,517,084	769,216	1,736,497	6,022,797
Providing during year	204,133	45,615	185,303	435,051
Disposals	-	-	(31,924)	(31,924)
At 31 August 2021	3,721,217	814,831	1,889,876	6,425,924
Total net book value				
At 31 August 2021	8,988,052	980,644	522,230	10,490,926
Total net book value				
At 1 September 2020	9,192,185	1,026,259	575,503	10,793,947

None of the buildings or land are held for investment purposes.

On the formation of the Company, certain endowed properties were retained by a separate charity, Rochester Cathedral King's School Endowment Trust (Charity Number 307922).

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

9 FIXED ASSET INVESTMENTS

	Investment Property £	Group Quoted investments £	Total £
Market value 1 September 2020	285,000	2,094,813	2,379,813
Reinvested income/additions	-	4,119	4,119
Unrealised profit on revaluation to market value	-	228,037	228,037
Market value 31 August 2021	285,000	2,326,969	2,611,969

	Investment in subsidiary (unquoted) £	Investment Property £	School Quoted investments £	Total £
Market value 1 September 2020	586,100	285,000	2,094,813	2,965,913
Reinvested income/additions			4,119	4,119
Impairment	(65,000)	-	-	(65,000)
Unrealised profit on revaluation to market value	-	-	228,037	228,037
Market value 31 August 2021	521,100	285,000	2,326,969	3,133,069

The investment in the subsidiary, Roffa Limited represents 100% of the company's share capital and £1,100,000 of Redeemable Shares. Following losses in Roffa Limited and an impairment review performed by Trustees, the Redeemable Shares have been written down to the Trustees' estimate of their recoverable amount. Roffa Limited was incorporated in March 1988, its principal activities being the external hiring of a sports centre, letting of school premises and related facilities and the sale of confectionery and snacks.

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

10 DEBTORS

	Group		School	
	2021 £	2020 £	2021 £	2020 £
Fees	121,585	170,360	121,585	170,360
Sundry debtors	12,085	18,145	12,085	3,095
Prepaid expenses	187,623	223,740	165,975	223,740
Roffa Limited – intercompany	-	-	25,944	4,755
	<u>321,293</u>	<u>412,245</u>	<u>325,589</u>	<u>401,950</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		School	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	148,529	103,802	148,529	103,802
Prepaid fees	534,314	557,471	534,314	557,471
Fees in advance (note 13)	424,373	343,803	424,373	343,803
Pupil deposits	43,238	36,976	43,238	36,976
Taxation and social security	126,863	126,333	126,863	126,333
Pension deficit reduction contributions (note 17)	50,817	49,337	50,817	49,337
Other creditors	232,670	258,017	171,013	228,842
Accrued expenses	116,706	141,575	101,195	129,117
	<u>1,677,510</u>	<u>1,617,314</u>	<u>1,600,342</u>	<u>1,575,681</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		School	
	2021 £	2020 £	2021 £	2020 £
Pension deficit reduction contributions (note 17)	420,716	445,728	420,716	445,728
Fees in advance (note 13)	211,717	248,421	211,717	248,421
Pupil deposits	386,499	348,768	386,499	348,768
	<u>1,018,932</u>	<u>1,042,917</u>	<u>1,018,932</u>	<u>1,042,917</u>

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

13. FEES IN ADVANCE

Parents have the option of paying school fees in advance for either part of or the whole time that the pupil is at the school. The money is returned if the child is withdrawn from the School, after any outstanding fees are deducted and amounts owing are added. Assuming pupils will remain in the School, advanced fees will be applied as follows:

	2021 £	2020 £
Within one year	424,373	343,803
Within one to two years	141,753	134,027
Within two to five years	69,964	114,394
	<u>211,717</u>	<u>248,421</u>
	<u>636,090</u>	<u>592,224</u>
The movements during the year were:		
Balance at 1 September 2020	592,224	504,704
Additions to scheme	426,470	463,176
Payments of fees	(382,604)	(375,656)
Balance at 31 August 2021	<u>636,090</u>	<u>592,224</u>

14 ALLOCATION OF GROUP NET ASSETS

	Tangible assets £	Investments £	Net current assets £	Long term liabilities £	Total £
At 31 August 2021					
Unrestricted funds	9,775,677	1,339,145	1,292,819	(1,018,932)	11,388,709
Restricted	-	-	6,920	-	6,920
Expendable Endowment	-	1,272,824	60,216	-	1,333,040
Permanent Endowment	1,093,288	-	(69,275)	-	1,024,013
	<u>10,868,965</u>	<u>2,611,969</u>	<u>1,290,680</u>	<u>(1,018,932)</u>	<u>13,752,682</u>

Comparative Allocation of Group Net Assets:

	Tangible assets £	Investments £	Net current assets £	Long term liabilities £	Total £
At 31 August 2020					
Unrestricted funds	10,102,210	1,185,395	1,498,800	(1,042,917)	11,743,488
Restricted	-	-	6,920	-	6,920
Expendable Endowment	-	1,194,418	58,725	-	1,253,143
Permanent Endowment	1,107,727	-	(69,275)	-	1,038,452
	<u>11,209,937</u>	<u>2,379,813</u>	<u>1,495,170</u>	<u>(1,042,917)</u>	<u>14,042,003</u>

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

15 FUNDS

15a Unrestricted Funds

Unrestricted Funds – Group	Balance at 31 August 2020	Income	Expenditure	Investments gains/ losses) and transfers	Balance at 31 August 2021
	£	£	£	£	£
General fund	11,178,818	8,932,887	(9,331,910)	(82,977)	10,696,818
Bursary Fund	1,102,417	4119	0	232,607	1,339,143
	12,281,235	8,937,006	(9,331,910)	149,630	12,035,961
Subsidiary funds	(537,747)	210,293	(319,798)	-	(647,252)
	11,743,488	9,147,299	(9,651,708)	149,630	11,388,709

Unrestricted Funds – School

General fund	10,664,818	8,899,558	(9,298,581)	(147,977)	10,172,818
Bursary Fund	1,102,417	4,119	-	232,607	1,339,143
	11,767,235	8,903,677	(9,298,581)	84,630	11,456,961

Comparative 2020

	Balance at 31 August 2019	Income	Expenditure	Investments gains/(losses) transfers	Balance at 31 August 2020
	£	£	£	£	£
Unrestricted Funds – Group					
General fund	11,423,950	9,019,359	(9,226,645)	(37,846)	11,178,818
Bursary Fund	1,002,913	15,454	-	84,050	1,102,417
	12,426,863	9,034,813	(9,226,645)	46,204	12,281,235
Subsidiary funds	(439,686)	317,638	(415,699)	-	(537,747)
	11,987,177	9,352,451	(9,642,344)	46,204	11,743,488

Unrestricted Funds – School

General fund	11,423,950	9,019,359	(9,226,645)	(551,846)	10,664,818
Bursary Fund	1,002,913	15,454	-	84,050	1,102,417
	12,426,863	9,034,813	(9,226,645)	(467,796)	11,767,235

15b Restricted Funds – Group and School

	Balance at 31 August 2020	Income	Expenditure	Transfers	Balance at 31 August 2021
	£	£	£	£	£
Restricted Funds					
Grand Piano Fund	6,920	-	-	-	6,920

Comparative 2020

	Balance at 31 August 2019	Income	Expenditure	Transfers	Balance at 31 August 2020
	£	£	£	£	£
Restricted Funds					
Grand Piano Fund	6,920	-	-	-	6,920

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

15 FUNDS (continued)

15c Endowment Funds – Group and School

Endowment Funds	Balance at 31 August 2020	Income	Expenditure	Investments gains/ losses)	Balance at 31 August 2021
	£	£	£	£	£
Expendable Endowment Fund					
Geoffrey Harmsworth Trust	1,003,336	16,150	(13,922)	83,051	1,088,615
Augustine Carnell Fund	89,985	-	-	-	89,985
RCKSET	159,822	3,653	(4,391)	(4,644)	154,440
	1,253,143	19,803	(18,313)	78,407	1,333,040
Permanent Endowment Funds	1,038,452	-	(14,439)	-	1,024,013
Endowment Funds Total	2,291,595	19,803	(32,752)	78,407	2,357,053

Comparative 2020

Endowment Funds	Balance at 31 August 2019	Income	Expenditure	Investments gains/ losses)	Balance at 31 August 2020
	£	£	£	£	£
Expendable Endowment Fund					
Geoffrey Harmsworth Trust	974,409	17,543	(15,038)	26,422	1,003,336
Augustine Carnell Fund	90,126	-	-	(141)	89,985
RCKSET	159,163	4,642	(3,762)	(221)	159,822
	1,223,698	22,185	(18,800)	26,060	1,253,143
Permanent Endowment Funds	1,052,891	-	(14,439)	-	1,038,452
Endowment Funds Total	2,276,589	22,185	(33,239)	26,060	2,291,595

The Permanent Endowed Funds comprise a number of properties used by the School.

The Expendable Endowment Funds comprises:

- the RCKSET fund which consists of bequests for prizes;
- the Geoffrey Harmsworth Trust which consists of a legacy received for the relief of hardship; and
- the Augustine Carnell Fund to be used to provide travel prizes to sixth form pupils.

The Music Project Fund is to be used for a music project. Permission was obtained from the donor to change the purpose of the remaining balance on the fund following the purchase of a grand piano. Transfers in 2020 represented funds spent on fixed assets.

The Bursary Fund income continues to be reinvested until it has reached sufficient size to make a worthwhile contribution to bursaries for pupils.

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

16 FINANCIAL COMMITMENTS

The total of the future minimum lease payments at the end of the year are:

	2021	2020
	Land and buildings	Land and buildings
	£	£
Not later than 1 year	131,012	131,012
Later than 1 year and not later than 5 years	302,024	413,036
Later than 5 years	1,751,667	1,771,667
	<u>2,184,703</u>	<u>2,315,715</u>
	2021	2020
Capital commitments at 31 August	£	£
Approved and contracted for	<u>-</u>	<u>-</u>

17 PENSION CONTRIBUTIONS

The company operates two pension schemes, both of which provide benefits based on a final pensionable salary.

Teachers' Pension Scheme

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 £762,459.21 (2020: £785,525) and at the year-end £87,837 (2020 - £93,580) 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.

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

17 PENSION CONTRIBUTIONS (continued)

Teachers' Pension Scheme (continued)

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 a 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.

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.

Independent Schools' Pension Scheme (operated by the Pensions Trust)

Some support and administrative staff are members of a defined benefit pension scheme run by Verity Trustees Limited. Verity is the Trustee of the Pensions Trust for Charities and Voluntary Organisations; the pension scheme has become part of The Independent Schools' Pension Scheme (ISPS), a scheme within the Trust. The employee rate of contribution in the year was 8.35%, the School's contribution was 10.95%. The ISPS scheme is a multi-employer defined benefit scheme with guaranteed benefits for current and former employees of the former scheme based on 1/80th of final salary.

The School would have a liability if it ceased to participate in the ISPS which at 30 September 2017 was calculated as £2,965,615. The next valuation is due at 30 September 2020 (valuation report has not yet been published). As the School currently has no plans to leave the scheme, this contingent liability has not been provided for in the accounts, and as the Actuary is unable to identify its share of the underlying assets and liabilities at 31 August 2021, the scheme has been accounted for as a defined contribution scheme as permitted by FRS102 and contributions are accounted for when due. Any agreed pension deficit funding payments are provided for on a discounted basis.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 September 2017 to 30 April 2030	£2,387,357 per annum (payable monthly and increasing by 3% each on 1st September)
--	--

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

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

Independent Schools' Pension Scheme (operated by the Pensions Trust) (continued)

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the school recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The annual amount due by the school from 1 September 2021 to 30 April 2030 is £51,000 (payable monthly and increasing by 3% each on 1st September).

	2021	2020
	£'000	£'000
Reconciliation of opening and closing provisions:		
Provision at start of period	495	557
Unwinding of discount factor (interest expense)	4	9
Deficit contribution paid	(49)	(48)
Remeasurements – impact of any change in assumptions	22	(23)
	<u>472</u>	<u>495</u>
Split as follows:		
Due within one year	51	49
Due after one year	421	446
	<u>472</u>	<u>495</u>

ASSUMPTIONS

	31 August 2021	31 August 2020	31 August 2019
Rate of discount - % per annum	1.09	0.90	1.10

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

18 CONNECTED CHARITIES

Under a scheme approved by the Charity Commission on 16 November 2000, the endowment funds in the charity known as Rochester Cathedral Grammar School were retained in the charity under the new name 'Rochester Cathedral Kings School Endowment Trust' and the non Endowment Funds were transferred to Kings School Rochester. The School is the trustee of the Endowment Trust.

The terms of the Scheme stipulate that the properties and investments in the Endowment Trust are held for the benefit of King's School Rochester. Accordingly, no rent is charged by the Endowment Trust to the School while the School undertakes to maintain and manage the assets of the Endowment Trust.

Uniting Directions have been issued by the Charities Commission allowing the combination of financial information for King's School Rochester, Rochester Cathedral King's School Endowment Trust ('RCKSET') and the Geoffrey Harmsworth Charitable Trust.

19 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose in the current or prior year.

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

20 STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2020 £
INCOME AND ENDOWMENTS FROM:				
Income from charitable activities				
School fees receivable	8,345,720	-	-	8,345,720
Other educational income	102,735	-	-	102,735
Other trading activities				
- Rent and commission receivable	41,774	-	7,950	49,724
- Trading income	274,817	-	-	274,817
Investment income	23,592	-	14,205	37,797
Donations and grants	563,113	-	30	563,143
Other income	700	-	-	700
Total Income	9,352,451	-	22,185	9,374,636
EXPENDITURE ON:				
Costs of raising funds				
Trading expenses	431,826	-	-	431,826
Interest payable	54	-	-	54
	431,880	-	-	431,880
Charitable activities				
- Education	5,897,873	-	-	5,897,873
- Premises	1,336,623	-	18,517	1,355,140
- Welfare	643,491	-	-	643,491
- Support of schooling	1,327,257	-	991	1,328,248
- Grants, awards and prizes	5,220	-	13,731	18,951
Total charitable expenditure	9,210,464	-	33,239	9,243,703
Total expenditure	9,642,344	-	33,239	9,675,583
Net (expenditure)/income before investment gains	(289,893)	-	(11,054)	(300,947)
Net investment gains	46,204	-	26,060	72,264
Net (expenditure)/income before transfers	(243,689)	-	15,006	(228,683)
Transfers	-	-	-	-
NET MOVEMENT IN FUNDS	(243,689)	-	15,006	(228,683)
Reconciliation of funds				
Fund balances at 1 September 2019	11,987,177	6,920	2,276,589	14,270,686
FUND BALANCES AT 31 AUGUST 2020	11,743,488	6,920	2,291,595	14,042,003

KING'S SCHOOL, ROCHESTER

England & Wales - Charity number 1084266

Accounts

King's School, Rochester
Annual Report
for the year ended 31 August 2020

FRIDAY



AA221568

A03

09/04/2021

#239

COMPANIES HOUSE

King's School, Rochester

Annual Report For the year ended 31 August 2020

Contents	Pages
Trustees and Advisers	2
Chair's Report	3 - 4
Report of the Trustees	5 - 15
Report of the Auditors	16 - 17
Consolidated Statement of Financial Activities	18
Balance sheets	19
Consolidated Cash Flow Statement	20
Notes to the Financial Statements	21 - 37

Company Number: 3791543

Registered Charity Number: 1084266

TRUSTEES AND ADVISERS

Patron

The Lord Bishop of Rochester

Chair of Governors

Miss J A Shicluna MA(Oxon)

Deputy Chair of Governors (Acting)

The Very Reverend Dr P J Hesketh, AKC, DL

Governors and Trustees

Mr B A Bell BSc, CIMDIP, FCIM

Reverend Canon S C Brewer

Mr M J Chesterfield Esq*

Reverend Canon C D Dench*

Mr J R Franklin BA, Dip Teach, MA Ed (Resigned
31st August 2020)

Reverend Canon Dr G J Giles (Appointed 13th
September 2020)

Ms J P Glew BA (Hons), CIM Dip, MA

Mr D R Graves BA (Hons), FCA

Dr R J Kennett MBE

Mrs R A Olley

Reverend Canon R S Phillips (resigned 5th September 2019)

Mr P L Rothwell LLB (Hons)

Mrs A Rouse MSc* (Resigned 11th December 2020)

Reverend Canon M J Rushton

Mr C R Shepherd, BSc, CEng, FICE, FRSA*

Mrs E Whitlam MSc (Appointed 1st September 2020)

***Chairmen of Sub-Committees**

Membership of the Board is determined under the Articles of Association. The Governors shall consist of:

- The Dean as an ex-officio Governor;
- Four Canons Residentiary;
- Four Nominative Governors appointed by the Dean and Canons Residentiary and approved by the Chairman and Principal of King's School Rochester and Headmaster of the Senior School;
- One Nominative Governor to be appointed by the Diocesan Board of Education and approved by the Chairman and Principal of King's School Rochester and Headmaster of the Senior School; and
- Up to eight Co-optative Governors.

Every year one-fifth of the Nominative and Co-optative Governors retire from office. Retiring Governors may be re-appointed.

KEY MANAGEMENT PERSONNEL

Principal: Mr B P H Charles, BA (Hons), PGCE, Universities of Exeter and Durham

Other Members of the Executive Board

Mr T H Morgan, BMus (Hons) RCM

Mrs C E Openshaw, MA (Ed), BEd (Hons) CANTAB

Ms D J Godwin, BA (Hons), FCMA

Mr T Payne (Hons) FCIPD

Mr K Francè, BA (Hons) Edge Hill University

Headmaster of the Preparatory School

Headmistress of the Pre-preparatory School

Bursar and Clerk to the Governors

Estates Bursar (resigned October 2020)

Director of External Relations

ADVISORS

Auditors

Haysmacintyre LLP
10 Queen Street Place
London, EC4R 1AG

Solicitors

Whitehead Monckton
5 Eclipse Park, Sittingbourne Road,
Maidstone, ME14 3EN

Bankers

National Westminster Bank PLC
2nd Floor, 3 High Street, Maidstone, Kent ME14 1HJ

Insurance Brokers

Gallagher
8th Floor Temple Circus House, Temple Way, Bristol
BS1 6HG

Investment Managers

Ruffer, 80 Victoria Street, London, SW1E 5JL
Schroders, 31 Gresham Street, London EC2V 7QA

CHAIR'S REPORT

It certainly feels as though this year has been like no other in the recent history of King's School, Rochester. Late in January 2020 King's achieved a judgement of 'Excellent' in all areas as a result of the ISI inspection only to be followed in March 2020 by the devastating development of the Covid-19 pandemic. The government introduced a national lockdown to address this, which was in place for the whole of the Midsummer Term. Other than for key worker and vulnerable children the curriculum was then delivered to all King's pupils at home via on-line learning.

To ensure it could monitor and respond to this fast-developing emergency, the Governing Body established a Covid-19 Committee that would meet weekly via virtual meetings to address critical issues throughout the Midsummer Term. In line with the charity's governing document, this ensured that a robust system of good governance was in place. The Governing Body carefully considered the wider and longer-term impacts on the School's financial resilience, continually reviewing potential difficulties due to the coronavirus pandemic and how to proceed in the best interests of the School.

Covid-19 had a major impact on the School's operations and events with the immediate move to on-line learning for all pupils from ages 3 to 18 to continue the educational excellence provided by King's. The pressures of the pandemic meant that the School needed to rapidly reassess and re-plan the provision of teaching and learning along with wider operations to continue its services and avoid severe impact. The School focused on continuing a high level of academic provision via the enhanced use of the technology. The Governing Body is immensely grateful to all teaching staff for their continued hard work in ensuring that the remote-learning provision has been a success and we also congratulate all pupils on their dedication and take-up of the same.

The King's community responded outstandingly well to this challenge, providing high quality remote learning. As a result of Covid-19, the School reduced the contractual fees for education for the Midsummer Term. With most pupils being at home during this term, a fees discount for the term was given. Taking into account the change to the usual service that was experienced during the Midsummer Term, the Governing Body was keen to consider the impact on parents of the amended provision of education.

The Governing Body recognised that parents were also facing financial difficulties and responded by putting in place a Hardship Bursary to support pupils' families in the Midsummer Term. Some parents wished to donate the amount of their discount towards this fund and did so and we are very grateful for this generous support. Unrestricted funds were re-prioritised internally to provide further support to assist parents facing financial difficulty due to the pandemic.

The Covid-19 Committee also focused on assessing the financial position of the charity and its resilience. In particular, consideration was given as to whether certain projects, expenditure and activities should be stopped or delayed, to focus on essential spending as the School faced financial challenges during this period.

From March 2020, changes were made across the board and the majority of the School premises closed. As the School continued to provide education to all pupils via on-line learning, with provision also provided in school for key worker and vulnerable children. This meant that many key costs could not be reduced during this time. Where we were able to do so, various roles were furloughed and this provided the School access to government support via the Coronavirus Job Retention Scheme.

Ensuring the safety of all pupils and staff to protect them from the risks of Covid-19 became a critical priority. With a rigorous risk assessment in place, social distancing measures and adaption of buildings and classrooms across the campus were incorporated into our infra-structure. The return to School for the 2020/21 Academic Year was kept under continual review by the Governing Body and the Covid-19 Committee.

During the Midsummer Term and summer holiday period, the programme of refurbishment and redecoration of site facilities continued with the hard work of the School's maintenance team along with continued safety tests and checks to remain compliant. Unfortunately, the programme of lettings usually in place over this period could not go ahead. In addition, the King's Rochester Sports Centre was closed to the community in line with government restrictions. There were significant impacts on commercial activities resulting in lost income due to the pandemic.

Measures taken by the government to contain the virus have affected our regular financial income and expenditure levels, nevertheless, we have continued to provide the full curriculum to our pupils throughout the pandemic, while taking a number of measures to monitor and mitigate the effects of Covid-19. Due to the impact on its finances during the period of national lockdown, the School was unable to return a surplus during the financial year.

The Governing Body greatly appreciate the immense support that we have received from our parents and the whole King's community during the Midsummer Term and are delighted that our remote learning provision across the School has provided a sense of routine along with all of the fantastically creative opportunities for our pupils and their families at a challenging time. The Governing Body is also extremely grateful to all support staff for their dedication during this difficult time.

These are strange times indeed, but times that I know we will all face together for the sake of King's. Both Governors and the School will continue to follow the various government policies and advice and to do our utmost to continue operations in the best and safest way possible, without jeopardising the health and safety of our pupils and staff. After what has been an incredibly tough year for all, the Governing Body very much looks forward to completing the Lent Term with all pupils now back at school and to working our way out of the impact of the pandemic.



Chair of Governors
Miss J A Shicluna

REPORT OF THE TRUSTEES

The Trustees present their annual report and audited financial statements for the year ended 31 August 2020 which comply with the requirements of the Charities Act 2011, Companies Act 2006, the Trust Deed and the Charities SORP (FRS102) – Second Edition.

AIMS AND OBJECTIVES

King's School Rochester (King's) is the oldest choir school and the second oldest school in the UK. There has been unbroken education at King's since the establishment of a monastic school in 604AD. The School offers an exceptional day and boarding education for 610 students aged 3 to 18. With a distinguished Christian foundation and strong links to Rochester Cathedral, King's provides a contemporary 21st century holistic education in an inspiring setting, developing in all pupils' skills and interests beyond the classroom.

For King's, 2019-2020 has been a period of significant transformation. Changes in leadership and management have led to a period of reflection, consultation and discovery as the Governors and key management personnel have sought to forge a pathway through to a new strategic vision for the next 5 years. This culminated in a strategic meeting - 'Discovering King's' - in late November 2019.

Academic Aims

Maximising pupil potential through excellence in teaching and learning:

- By 2025 the quality of teaching and learning, supported by confident middle leadership, will be consistently excellent.
- We will be confident, creative and efficient in teaching and learning thanks to a whole school approach which encourages innovation and shares best practice through training.
- We will seek to establish a broad and rounded curriculum which benefits all our pupils so that they are prepared for a globalised future.

A whole school approach to the co-curriculum

- By 2025 the school's quality of co-curricular provision will be consistently exceptional.
- We will establish a co-curricular programme that is coherent and demonstrates a synergy with the school's ethos, curriculum and educational aims.

Pupil and staff wellbeing in a fast-changing world

- By 2025 a culture for pupils and staff will have been created in which the balance between 'work hard, play hard and look after each other' has been firmly established.

Strategies to Achieve Objectives

1. Maximising pupil potential through excellence in teaching and learning, focussing on staff training;
2. A whole school approach to the co-curriculum;
3. Creating and developing a culture of wellbeing for pupils and staff in which the balance between 'work hard, play hard and look after each other' has been firmly established. This includes the development of the school's Diversity and Inclusion Alliance;
4. Developing the School's facilities including buildings refurbishment projects and improving play areas across the whole school;
5. Strategic appointment of an Estates Bursar to consider and develop the school's Estate;
6. Strategic appointments within marketing and admissions to maintain and increase the number of pupils in the School and to set up a Development Office;
7. Overhaul of the appraisal and Department Review processes to promote staff development;
8. Investing in ICT facilities and staffing structures to improve support for teaching, including Google Classroom for on-line teaching; and
9. Continuing the promotion Outreach and Partnership through bursaries and enhancement of both existing and new scholarships.

Charitable Objects

The objects of the School, as set out in the Memorandum of Association, are the provision and conduct of a day school for boys and girls aged 3-18 and the provision of boarding facilities for boys and girls aged 11-18. In setting the objectives the Governors have given careful consideration to the Charity Commissions' general guidance on public benefit.

Principal Activities of the Year

The School provides and conducts a day school for boys and girls aged 3-18 and the provision of boarding facilities for boys and girls aged 11-18.

Grant-making Policy

The value of scholarships, exhibitions, bursaries and other awards totalled £1,362,765 in the year, 14% of gross fee income. The policy is to make awards on the basis of an individual's educational potential or to relieve hardship where the pupil's education and future prospects would otherwise be at risk. This year the value of prizes made to the School's pupils out of restricted funds held by Rochester Cathedral King's School Endowment Trust and Geoffrey Harmsworth Trust amounted to £13,731. The policy for distribution follows the conditions imposed by the original donor. Full details of the awards are published annually in a booklet "Scholarships and Bursaries".

Designated Funds

The Bursary Fund was set up several years ago; the income continues to be reinvested until it has reached sufficient size to make a worthwhile contribution to bursaries for pupils. Details of the above Funds are contained in Note 15 to the Financial Statements.

Volunteers

There are two thriving parental groups operating: The Friends of King's School and The Pre-Prep Supporters' Group who fund-raise for the School. The Governors would like to take this opportunity to say how much it appreciates their continuing and valuable support for the School's work. The Governors are most grateful to the Friends for their contribution of £15,000 for the resurfacing of the tennis court in the Senior School.

Public Benefit

In pursuance of the School's long-held objective in offering public benefit to the community, and to ensure compliance with recent legislation, an Annual Public Benefit Review is undertaken internally. Set out below is a summary of the public benefit actions undertaken by the School:

- **Bursaries and Scholarships.** The School welcomes pupils from all backgrounds and access to the education offered is not restricted to those that can afford the fees. The School offers a range of scholarships that come with a standard fee remission and additional further means tested assistance where required. These include Academic, Music, Drama, Art and Sports scholarships available to external candidates. Bursarial support is provided for existing pupils where there is a change of circumstance and a number of 100% bursaries supporting children in particular need. The School promotes its means tested scholarships and bursaries to pupils from the maintained sector through various channels including the school's website, media relations and encourages parents to apply.
- **Cathedral Choristerships.** With the assistance of the Dean and Chapter of Rochester Cathedral, we educate the Rochester Cathedral Choristers who are drawn from vocally and musically able boys and girls from a wide cross section of the community. All of the Cathedral Choristers are pupils of the School (except for some of the older girls) and sing for the public in services and concerts in the cathedral. The School provides financial assistance by way of a fee remission to Choristers attending the School with some receiving further financial assistance through means-tested bursaries.
- **Schools Together Partnership Activities.** The School has established a number of links with local maintained Schools, and has offered pupils from diverse backgrounds and teachers the opportunity to work together in joint activities such as PHSE, Latin, Science, German, Athletics, Politics, Drama and INSET events, activities and workshops, many involving visiting and virtual speakers.

The Drama Department provides opportunities for a local schools consortium of Drama teachers, focusing on GCSE & A Level Drama. Pupils of local schools broaden their experience of the performing arts by attending the Schools' play each year.

Schools Together Partnership Activities.

Our music department put on a number of performances open to members of the public, performed by pupils of the School. The School's music facilities are used by *Kent County Music Ensembles*.

- **Educational Support Programme.** Within the context of the school community, individual needs are appreciated. The development of the whole person is at the centre of our educational philosophy. At King's, a whole pupil and whole school approach is promoted, as recommended in SEND Code of Practice 0-25, September 2015. The 'King's family' maintains a strong pastoral support within the Form/ House structure which forms the heart of educational support. Form Tutors and Class Teachers are central to supporting the progress of pupils with educational needs. The Educational Support Department is well coordinated throughout the school and responds effectively and flexibly to enable progress.
- **King's School Premises.** The School runs and maintains a former council owned sports centre which it fully refurbished and is used 85% of the time by the local community, including local maintained sector schools. The King's Rochester Sports Centre had been open to the public daily providing subsidised access to high quality sporting and exercise facilities to the local community. However, due to Covid-19, the sports centre was closed from March 2020 in line with government restrictions relating to lockdown.

Both Boarding Houses and a number of classrooms and other school facilities were used by visiting language schools.

The Swimming Pool has been used by local primary schools and School staff volunteer to teach group swimming lessons, swimming clubs and lifesaving courses to the public.

The School's music facilities are used by the *Rochester Cathedral Childrens' Choir*.

The Chadlington House Sports Hall and its cricket nets have been used regularly throughout the non-playing season by local cricket clubs.

The School's playing fields have been used pro bono by local schools, school aged pupils from a local rugby club as part of a collaborative arrangement and also by local cricket clubs and the TA.

The School's cricket pitch has been used by Kent Community Cricket Girls teams for training and matches.

The School offers a section of secure woodland neighbouring the School's playing fields for local schools for use as a Forest School and is working with a local community group, Friends of Watts Meadows, to outline the potential further use by local schools and community groups to access this safe, enclosed environment.

School Hall was used pro-bono for functions in aid of: Diocese of Rochester, Rochester Cathedral and raising funds for Save the Children.

- **King's School Pupil Charitable Giving.** Each of the three Schools nominate a charity each year that works in the local area, some of the Lower Sixth organise fundraising events throughout the year to raise money to support the work of the nominated charity. All are supervised by members of King's School Staff.

Each of the three departments of the School organised regular events (concerts, home clothes days, sponsored events etc.) to raise money for their chosen charities each year. In 2019/20 the charities were:

Pre-Preparatory School	The Dogs Trust
Preparatory School	Demelza and Kent Search and Rescue
Senior School	Demelza Hospice Care for Children

- **Sport.** By competing in regular sports fixtures for both boys and girls against state and independent schools, King's School pupils are integrated in the local sports scene, encourage a familiarity with King's and generally contribute to the success of community events.

- **Worship.** The School actively promotes the Christian faith and principles (with study of RS to GCSE for all pupils) with cathedral services open to members of the public. The School also promotes equality and integration.
- **The Cathedral Choristers.** The school's produced concerts and services that are held in the Cathedral and are made available at no charge to the local community.
- **Teacher Training.** King's offers placements to trainee teachers from Christ Church University Canterbury.
- **Local Community.** The school is part of the Medway Cultural Partnership and an active participant in the Medway Champions Programme to promote Medway as a place to live, visit, work and learn which contributes to developing the economy of the local community.

During the lockdown period, the Design & Technology Department manufactured nearly 500 face visors and these have been distributed to local hospitals, care homes, GP practises, dental surgeries and pharmacies, all recipients have been hugely grateful.

Members of the local community are invited and encouraged to sing with the King's Chorus (free of charge), which was due to perform the Brahms Requiem on 25th March 2020 before the event was cancelled due to the pandemic.

- **Economic Impact and Savings to the Public Purse.** King's School currently educates 600 children relieving pressure on local state schools and with no claim on the State for the subsidy provided for each place at a maintained school. The School does not reclaim any VAT charged on its purchase of supplies and services.

The School employs over 250 people locally at all levels of employment and the School also buys as many of our goods and services locally as possible contributing further significant financial impact indirectly. An Independent School Council (ISC) Economic Survey indicated the school adds over £6m per annum to the local economy.

Fundraising Approach and Performance

Throughout the year the School community of staff, pupils and parents undertake charity fundraising activities including quiz nights, classroom competitions, sport events, open mic nights and other fundraising events with supporter contact in line with the Fundraising Code of Practice set by Fundraising Regulator. Our fundraising promise is:

'When you support you can be sure of the following:

- *We will never sell your contact details to anyone;*
- *We will only contact you if you have expressed an interest in our work;*
- *If we phone you, we will always check you are happy to take the call;*
- *If you ask us to change how we communicate with you, or stop, we will respect that;*
- *We do not engage in cold-calling, door to door or street fundraising;*
- *We try hard to ensure no one ever feels pressurised to support our work; and*
- *All our activities are open, fair, honest and legal.*

In 2019-2020, the School worked with the Demelza Hospice Care for Children, Kent Search and Rescue and Dog's Trust.

We have robust policies in place when dealing with vulnerable people and do not put any pressure on our donors. No complaints about fundraising activity were received in the year.

Overall fundraising performance during the year

£2,200	Senior School Charity - Demelza Hospice Care for Children;
£1,545	Preparatory School Charity - Demelza House and Kent Search & Rescue;
£605	Preparatory School Charity - Dogs Trust; and
£2,095	East Africa Charities.

Group Structure and Relationships

Uniting Directions have been issued by the Charities Commission allowing the combination of financial information for King's School Rochester, Rochester Cathedral King's School Endowment Trust ('RCKSET') and the Geoffrey Harmsworth Charitable Trust.

Rochester Cathedral King's School Endowment Trust is a subsidiary of the Charity whose income is used to fund prizes.

Roffa Limited is a subsidiary company whose activities are detailed in the Accounts at Note 4. Where applicable the company transfers taxable profits by Gift Aid to the School.

A subsidiary charity was established in 2009 in the name of an Old Roffensian who died during that year. The Geoffrey Harmsworth Charitable Trust provides financial support to families suffering financial hardship.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

ISI Inspection

The ISI Inspection in January 2020 found King's to be "*excellent in all areas*". All three parts of King's – Nursery and Pre-Preparatory School, Preparatory School and Senior School were scrutinised for the quality of their work with pupils, academic achievement and personal development and well-being and findings in every section were first-class.

Operational Performance of the School

Covid-19 had a major impact on the School's operations and events from March 2020 with the immediate move to on-line learning for all pupils from ages 3 to 18 to continue the educational excellence provided by King's.

A Level examinations produced another excellent year of results. The overall pass rate was 100% with 59% obtaining A*-B results. 50% of GCSE grades were at 9-7 and over 45% of the cohort gaining at least half of their grades at 9-7. The principle destination for leavers has again been universities.

The Preparatory School maintains a broad curriculum throughout the school, allowing pupils to experience a range of academic, sporting, musical and dramatic subjects. The excellence and breadth of the curriculum was evidenced in the ISI Inspection in January 2020 where all areas of the school were judged to be 'Excellent'. The school achieved some exceptional 11+ grammar school entry results and the use of InCAS and MidYIS data from on-line tests serviced by CEM at the University of Durham Centre allows for close monitoring of pupil performance, ensuring that pupils' aspirations exceed their baseline. Several pupils play sport at county or national level and several musicians are (from Year 5) grade 5 or above; ABRSM music and LAMDA exams could not take place this year due to COVID.

The Pre-Preparatory School, including Nursery, continues to offer an exciting and varied curriculum throughout the school. This means pupils experience a range of subjects including, German, Music and Sport as well as core learning right from the start. The school tracks pupils using assessments produced and analysed by CEM at the University of Durham Centre. In Nursery, ASPECTS is used to show how each child has progressed during their time in the setting. In Reception, BASE is used to benchmark our children's performance against national averages and demonstrates the progress that each child has made during the year. This year, only start of year data was captured in both Nursery and Reception due to COVID. However, it remains useful data. Year 1 - 3 use InCAS data which tracks these pupils' performance year on year and provides age-standardised and age-equivalent scores each year ensuring progress is made. Ballet, ABRSM music and LAMDA exams could not take place this year due to COVID.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors report that the consolidated activities of the School had a deficit of £300,947 before investment gains in the 12 months to 31 August 2020 (2019: surplus of £66,121).

Income decreased by 3.6% and expenditure increased by 0.2% following increased education operating costs. Investment in marketing was maintained and improvements to the School's building fabric and computer facilities continued during the year.

Roffa Ltd's trading performance during the year was affected both by the decreased level of trading revenue and of costs associated with providing subsidised use of the Sports Centre by the School and local community coupled with the impact of Covid-19.

Since March 2020 the school has been working in an environment that is completely different to previous years as Covid-19 impacted daily operations. The national lockdown and measures taken by the school to contain the virus have impacted the school's financial activity during the year. During the Midsummer Term of 2020, the impact of Covid-19 on financial performance can be seen as a decrease in income due to a reduction in fees for the term whilst the school site was closed to pupils. Throughout this period the school focused on achieving cost savings along with Government support schemes.

Future Plans

The Strategic Business Plan for 2020-2025 was reviewed and approval by the Governors early in the financial year. Changes in leadership and management along with the outcome of the ISI inspections have led to a new strategic vision for the next five years, the three over-arching aims are:

- Futureproofing King's for a Sustainable Future;
- King's as One School; and
- A School for Life.

Current key operational plans are:

1. To challenge and support each pupil to make the most of their academic and personal potential;
2. To achieve excellent results through developing an enquiring mind and a passion for learning;
3. To develop skills, qualities and interests through activities and opportunities beyond the classroom;
4. To be a nurturing community that develops values within the setting of Christianity;
5. To communicate effectively to existing and prospective members of the School community;
6. To ensure strategic planning and financial structures are in place which support current and future development;
7. To maintain a motivated and effective teaching and support staff; and
8. To have an engaged and effective structure of leadership and governance.

Due to the impact of Covid-19, the Governors communicated to parents in April 2020 that the decision had been made not to increase the level of fees at the start of the next academic year. Pupil numbers to date have remained consistent and despite there being no current loans the Governors decided to delay any major capital projects until future years. The school aims to minimise the impact of any potential continuing disruption caused by Covid-19 by ensuring that cash resources are in place to operate successfully.

Governors are confident that should it prove necessary the school will continue to provide a high-quality remote curriculum to ensure all pupils will continue their academic progress during any future lockdown period. Alongside this, the school during remote learning to date has delivered highly engaging remote co-curricular and pastoral programme which constitute as full an educational, co-curricular and pastoral experience as possible.

Acknowledgement

The Governors wish to record their thanks the Principal, Heads of each School, teachers and all School staff for their loyalty and dedication, continuing hard work and support.

Reserves Policy

The Group has total reserves of £14,042,003, these include Endowed Funds of £2,291,595; Restricted Funds of £6,920 and Unrestricted Funds of £11,743,488.

The Reserves Policy of the School has been based on the School's objectives. Its main features are:

- a) To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the management of the School's buildings maintenance programme; and
- b) To provide resources to fund the School to provide cover for unexpected or unavoidable items of expenditure.

In order to meet the criteria in (a) and (b) above, the Governors consider that the minimum targeted level of reserves desired is as follows:

Working capital of £1.6m, or two months' expenditure. This should be represented by liquid resources.

When certain fixed assets totalling £10.1m are deducted from unrestricted funds this gives rise to free reserves of £1.6m. Due to Covid-19 uncertainties, the policy is therefore to maintain building up reserves of annual operating surpluses at the

current level of two months expenditure, subject to the prior demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

The School's Bursary Fund which currently stands at £1,102,417 (Designated Fund) was established with the objective of generating investment income to support the families of existing pupils suffering financial hardship and to enrol pupils who would otherwise be unable to afford to attend the school. The fund to date has reinvested all income generated. Its medium term objective is to increase the Fund to enable it to generate an annual income in support of the above objectives.

Investment Policy and Objectives

The Board aims to maximise the total investment return within the objectives of maintaining income without taking undue risk, while continuing to preserve the real value of endowed investments and to maximise income on invested restricted funds. The management of the School's funds to be reviewed regularly by Governors.

The school's primary investment manager Ruffer took a cautious investment strategic position during the year given their view on the worldwide economy and political uncertainty in the UK. Actual market performance on returns were in line with relevant market indices. Investment gains during the year amount to 3% of opening value.

Risk Management

King's School Board of Governors is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Finance and Estates Sub-Committee, assisted by the Executive Board. Risks are identified, assessed and controls established throughout the year. A formal review of the School's risk management processes is undertaken on an annual basis.

The major potential risks identified are addressed by Governor sub-committee meetings. During the year these risks are discussed in detail and monitored for action as necessary. Each sub-committee reports in detail to the Governing Body. The Governors consider the major potential risks to the School are:

- Covid-19 pandemic resulting in continued school closure and provision of on-line learning;
- A challenging economic environment due to Covid-19 which may create affordability issues for parents which affect pupil numbers, fee and expense levels and greater pressure on bursary/hardship funds;
- Further increases to pension contribution rates and changes to deficit repayments;
- The uncertainties around BREXIT on pupil numbers from the European Economic Area;
- Political uncertainty and the consequences of any sector wide changes such as the imposition of VAT on school fees, removal of business rates charitable relief;
- Inflationary pressures on certain costs;
- Competition from both independent and state schools for pupils;
- Safeguarding and Inspections in an increasingly regulated environment; and
- Risk management of Health and Safety.

The key controls used by the School to mitigate risks include:

- Formal agendas for all Committee and Board activity;
- Detailed terms of reference for all Committees;
- Establishment of a responsive Covid-19 Committee;
- Comprehensive strategic planning, budgeting, forecasting and management accounting;
- Robust on-line learning and blended learning provisions;
- Health & Safety committee to consider current risks;
- Investment in the school's marketing and communications functions;
- Established organisational structure and lines of reporting;
- Formal written policies and annual adherence monitoring as appropriate;
- Clear authorisation and approval levels;
- Safer recruitment as required by law for the protection of the vulnerable; and
- Staff training, Child Protection and Safeguarding.

In recent months Covid-19 has impacted both the financial and operational performance of the school causing the closure of the school site to pupils, a successful move to online learning and a reduction to Midsummer Term fees. The recent ISI inspection plus excellent online learning provision has assisted in holding up pupil numbers and the Governors strived to mitigate the loss in revenue by implementing cost savings where possible along with making use of Government provided support.

Through the risk management processes established by the School, King's School Governors are satisfied that the major risks identified have been identified and adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

STATUS AND ADMINISTRATION

The origin of the School dates back to the foundation of a monastery by St Justus in 604 AD. King's School emerged as a distinct entity in 1542 when Henry VIII dissolved the Monastery and re-founded the Cathedral Grammar School. The Foundation has been amended during subsequent years. The liability of the members is Limited by Guarantee. Details of the Charity's Governors and executive officers are listed on page 2. The Charity's addresses and particulars of the Charity's professional advisors are given on page 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Memorandum and Articles of Association, adopted on 11 October 2000 as amended by Special Resolution on 9 November 2015.

Appointment and re-Appointment of Governors

The Scheme approved by the Charity Commission provides for a maximum of 18 Trustees who are Governors of the School, one-fifth of the Nominative and Co-optative Governors retire each year.

The Governors would like to take this opportunity to thank Mr John Franklin (who retired in August 2020) and Mrs A Rouse (who retired in December 2020), for their hard work, dedication and support.

Recruitment and Training of Governors

The Charity's elected Governors are appointed at the first ordinary Meeting of the Governors following their nomination or co-option and a visit to the School. Prospective Governors are supplied with a pack of information as recommended by AGBIS (Association of Governing Bodies of Independent Schools). This includes Charity Commission handbook CC3 "Responsibilities of Charity Trustees", the School's Memorandum and Articles of Association, the Prospectus, list of staff, maps of the school and recent Governing body meeting minutes. During their first year and annually thereafter Governors are invited to attend courses sponsored by AGBIS and others. In addition, ad hoc strategic planning sessions are held when appropriate.

Organisational Management

The Governors, as trustees of the Charity, are legally responsible for the overall management and control of the School, and meet at least four times a year. The work of implementing most of their policies is carried out by three sub-committees, each under the chairmanship of a Governor. During the year the Finance Sub-Committee merged with the Buildings & Facilities Sub-Committee to form the Finance and Estates Sub-Committee. **The Finance and Estates Sub-Committee**, chaired by Mr Markham Chesterfield meets four times per year and has responsibility to recommend the budgets and finalise the audited accounts and annual report for approval by the Board. The Committee also undertakes the annual risk assessment on behalf of the Governing Body, monitors current estates projects and prioritise budgets for proposed future undertakings. **The Personnel & Legislation Sub-Committee**, chaired by Mr C R Shepherd meets termly and reviews the legislative framework in which the School operates, particularly in regard to Human Resources. **The Education & Pastoral Sub-Committee** has been chaired by Mrs A Rouse (and will be chaired in future by Canon C Dench) meets termly; it reviews

educational matters and Inspection findings. The remit of each of the sub-committees has been drawn up and agreed by the Governing Body. Each of the sub-committees reports in detail to the Governing Body.

The day to day running of the School is delegated to the Executive Board, details of which are listed on page 2. Executive Board members attend meetings of the Governing Body and the Sub-Committees.

Key Management Pay Policy

Management pay policy is determined in conjunction with the Governors, Principal and Bursar and takes into account current market demand for pupils in the School's catchment areas, the financial strength of the School, the economic outlook and the 'going rate of remuneration' for senior management remuneration in the independent schools market in the south east of England. The key management roles are detailed in note 6 of the accounts.

Employment Policy

The school is an equal opportunities employer and positively encourages applications from suitably qualified and eligible candidates regardless of sex, race, disability, age, sexual orientation, gender reassignment, religion or belief, marital status, or pregnancy and maternity.

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.

Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to apprise staff of current issues. Three examples of briefings approved by the Governing Body in the last year are Child Protection Training to all staff, the GDPR regulation training on record keeping and data processing and fire extinguisher training to all staff.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors for the company) are responsible for preparing the annual report and the financial statements in accordance with applicable law and UK GAAP.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees 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 company and the Group and of the income and expenditure of the Group for that period. In preparing these financial statements, the Trustees are required to:

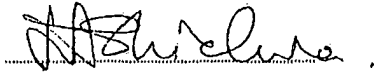
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed 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 company will continue in business.

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

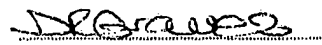
So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report, which incorporates the Strategic Report, was approved by the Board of Governors on 23 March 2021 and signed on their behalf by:



Miss J A Shicluna



Mr D R Graves

Registered Office
Satis House
Boley Hill
Rochester
Kent, ME1 1TE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOL ROCHESTER

Opinion

We have audited the financial statements of King's School, Rochester for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of 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 of the parent charitable company's affairs as at 31 August 2020 and of the group's net movement in funds, including the 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.

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (which includes the strategic report and the directors' 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 Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' 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 accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

Tracey Young (Senior statutory auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

31 March

.....2021

COMPANY NO. 3791543

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM:						
Income from charitable activities						
School fees receivable	2	8,345,720	-	-	8,345,720	9,029,918
Other educational income		102,735	-	-	102,735	41,578
Other trading activities						
- Rent and commission receivable		41,774	-	7,950	49,724	188,030
- Trading income	4	274,817	-	-	274,817	373,124
Investment income						
		23,592	-	14,205	37,797	32,114
Donations and grants						
	3	563,113	-	30	563,143	57,372
Other income		700	-	-	700	-
Total Income		9,352,451	-	22,185	9,374,636	9,722,136
EXPENDITURE ON:						
Costs of raising funds						
Trading expenses	4	431,826	-	-	431,826	536,232
Interest payable		54	-	-	54	2,796
		431,880	-	-	431,880	539,028
Charitable activities						
- Education		5,897,873	-	-	5,897,873	5,742,706
- Premises		1,336,623	-	18,517	1,355,140	1,353,472
- Welfare		643,491	-	-	643,491	761,804
- Support of schooling		1,327,257	-	991	1,328,248	1,239,549
- Grants, awards and prizes		5,220	-	13,731	18,951	19,456
Total charitable expenditure		9,210,464	-	33,239	9,243,703	9,116,987
Total expenditure	7	9,642,344	-	33,239	9,675,583	9,656,015
Net (expenditure)/income before						
Investment gains		(289,893)	-	(11,054)	(300,947)	66,121
Net investment gains	9	46,204	-	26,060	72,264	47,943
Net (expenditure)/income before						
transfers		(243,689)	-	15,006	(228,683)	114,064
Transfers						
NET MOVEMENT IN FUNDS	5	(243,689)	-	15,006	(228,683)	114,064
Reconciliation of funds						
Fund balances at 1 September 2019		11,987,177	6,920	2,276,589	14,270,686	14,156,622
FUND BALANCES AT 31 AUGUST						
2020	15	11,743,488	6,920	2,291,595	14,042,003	14,270,686

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the Statement of Financial Activities. The comparative year's Statement of Financial Activities is included in note 20. No separate Income and Expenditure account has been produced because the Net Income for Companies Act purposes is the same as the Net Movement in Funds on the Unrestricted Funds.

The notes on pages 21 to 37 form part of these financial statements.

BALANCE SHEETS
AT 31 AUGUST 2020

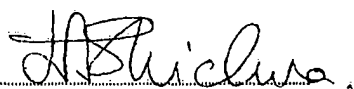
Company Number: 3791543

	Notes	GROUP 2020 £	GROUP 2019 £	SCHOOL 2020 £	SCHOOL 2019 £
FIXED ASSETS					
Tangible assets	8	11,209,937	11,516,779	10,793,947	11,062,255
Investments	9	2,379,813	2,290,932	2,965,913	3,391,032
		<u>13,589,750</u>	<u>13,807,711</u>	<u>13,759,860</u>	<u>14,453,287</u>
CURRENT ASSETS					
Stocks		3,938	9,472	-	-
Debtors	10	412,245	374,419	401,950	280,804
Cash at bank and in hand		2,696,301	2,812,564	2,522,538	2,588,080
		<u>3,112,484</u>	<u>3,196,455</u>	<u>2,924,488</u>	<u>2,868,884</u>
CURRENT LIABILITIES:					
Creditors: amounts falling due within one year	11	<u>(1,617,314)</u>	<u>(1,674,425)</u>	<u>(1,575,681)</u>	<u>(1,552,744)</u>
NET CURRENT ASSETS		<u>1,495,170</u>	<u>1,522,030</u>	<u>1,348,807</u>	<u>1,316,140</u>
LONG TERM LIABILITIES					
Creditors: amounts falling due after more than one year	12	<u>(1,042,917)</u>	<u>(1,059,055)</u>	<u>(1,042,917)</u>	<u>(1,059,055)</u>
TOTAL NET ASSETS	14	<u>14,042,003</u>	<u>14,270,686</u>	<u>14,065,750</u>	<u>14,710,372</u>
Representing:					
Unrestricted Funds	15a	11,743,488	11,987,177	11,767,235	12,426,863
Restricted Funds	15b	6,920	6,920	6,920	6,920
Endowed Funds					
- Expendable Endowment Funds	15c	1,253,143	1,223,698	1,253,143	1,223,698
- Permanent Endowment Funds	15c	1,038,452	1,052,891	1,038,452	1,052,891
TOTAL FUNDS		<u>14,042,003</u>	<u>14,270,686</u>	<u>14,065,750</u>	<u>14,710,372</u>

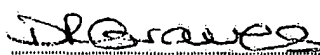
King's School, Rochester has taken the exemption from presenting its unconsolidated statement of financial activities under section 408 of the Companies Act 2006. The net movement in funds of the Charity was a deficit of £644,622 (2019: surplus £169,261).

The notes on pages 21 to 37 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Governors on 23 March 2021 and were signed below on its behalf by:



Miss J A Shicluna



Mr D R Graves

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020**

	2020 £	2019 £	
Net cash inflow from operating activities			
Net movement in funds	(228,683)	114,064	
Investment income and interest receivable	(37,797)	(32,114)	
Interest payable	54	2,796	
Depreciation	423,616	439,594	
Unrealised (gain) on investments	(72,264)	(47,943)	
Decrease/(increase) in stocks	5,534	(4,860)	
(Increase) in debtors	(37,826)	(124,566)	
Increase in creditors	57,717	16,339	
(Decrease)/increase in pension deficit	(61,935)	7,000	
Net cash provided by operating activities	<u>48,416</u>	<u>370,310</u>	
Cash flow from investing activities			
Investment income and interest received	37,797	32,114	
Purchase of tangible fixed assets	(116,774)	(161,462)	
Purchase of fixed asset investments	(16,617)	(1,645,032)	
Sale of fixed asset investments	-	1,635,503	
Net cash used in investing activities	<u>(95,594)</u>	<u>(138,877)</u>	
Cash flows from financing activities			
Loan repayments	(69,031)	(296,664)	
Interest paid	(54)	(2,796)	
Net cash used in financing activities	<u>(69,085)</u>	<u>(299,460)</u>	
Net change in cash and cash equivalents in the year	<u>(116,263)</u>	<u>(68,027)</u>	
Cash and cash equivalents at the beginning of the year	<u>2,812,564</u>	<u>2,880,591</u>	
Cash and cash equivalents at the end of the year	<u>2,696,301</u>	<u>2,812,564</u>	
Analysis of cash and cash equivalents			
Cash at bank	396,301	362,564	
Deposits	2,300,000	2,450,000	
	<u>2,696,301</u>	<u>2,812,564</u>	
Analysis of changes in net funds/debt	At start of year £	Cash Flows £	At end of year £
Cash at bank	362,564	33,737	396,301
Deposits	2,450,000	(150,000)	2,300,000
Bank borrowing	(69,031)	69,031	-
	<u>2,743,533</u>	<u>(47,232)</u>	<u>2,696,301</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed assets investments at market value and certain freehold land and buildings at revalued amounts. The format of the financial statements has been presented to comply with the Companies Act 2006, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* the Statement of Recommended Practice for Charities (SORP) (Second Edition, effective 1 January 2019). Figures are presented in sterling and rounded to the nearest pound. The Charity is a Public Benefit Entity as defined by FRS102.

Going Concern

Having reviewed the school's budgets and forecasts with the expected ongoing demand for places at the school, the Trustees consider that there are no material uncertainties which would cast doubt on the School's ability to continue as a going concern.

In response to the ever changing impact of the Covid-19 pandemic, the Trustees have re-visited their business plans, forecasts and cash flows to cover a period up to 31st August 2022 and introduced further sensitivity analysis in order to assess the expected financial implications for the School.

Forecasts for going concern assessment have considered reduced pupil numbers and associated income along with reduced fundraising opportunities for future cash flow projections. With a potentially long recession, investments are not expected to perform any better in the near future and recoverability of existing debts is forecast to be more difficult than in previous years.

However, the School has no loans in place and has delayed any major capital plans; Governors are also taking steps to address uncertainties with increased resources for the marketing function and a cost focus through to August 2022. Given the school has sufficient reserves, the Trustees consider that there are no material uncertainties which would cast doubt on the School's ability to continue as a going concern

Group Accounts

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Roffa Limited on a line by line basis. A separate Statement of Financial Activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. The Net Movement in Funds of the school was a deficit of £644,622.

General Information

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 3791543) and a charity registered in England and Wales (charity number: 1084266). The School was converted from its classification as Rochester Cathedral (King's) School, an Unincorporated Body to Limited Company status and began trading as King's School, Rochester on 1 September 2000.

Significant Estimates and Judgements

In preparing these financial statements the trustees have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no key areas subject to estimates or judgement where adjustments would have a material effect on the accounts.

Income

All income is included in the Statement of Financial Activities when the Charity is entitled to the income, its receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations are accounted for on a received basis. Legacies are recognised on a receivable basis, when the conditions of entitlement, probability and measurement are met. Where the probability and/or measurement criteria for legacies and donations are not satisfied as at the balance sheet date but subsequent events resolve the uncertainty such that the criteria are met, an adjustment is made to recognise the income. Furloughing grants are recognised on a receivable basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

Fees receivable includes both general tuition fees and other fees and recharges, net of scholarships and remissions, is accounted for in the period in which the service is provided. General tuition fees comprise all amounts in relation to tuition, boarding and lunches.

Investment income is accounted for in the period in which the charity is entitled to receipt.

Rent and interest is accounted for on an accruals basis.

Expenditure

Expenditure are accounted for on an accruals basis. Expenditure is allocated to expense headings on a direct cost basis except for central costs which are apportioned on the basis of the Governors' estimate of time spent on the relevant functions.

Expenditure on raising funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and finance costs.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs represent staff and other costs incurred in directly supporting the teaching function and general running of the School. Governance costs include expenditure on compliance with constitutional and statutory requirements. These are included within support costs.

Grants and Bursaries

Grants and bursaries from restricted funds are included as expenditure in the period for which the award is given. Bursaries and allowances from unrestricted funds towards school fees at the Schools are treated as a reduction in those fees.

Tangible Fixed Assets and Depreciation

Freehold and leasehold land and buildings are included in the balance sheet at a valuation by Messrs Burkill Johnson and Messrs Michael Rogers, Chartered Surveyors at incorporation on 1 September 1999, with additions since that date being included at cost.

Expenditure on repairs and alterations which do not add value to the premises is charged to the Statement of Financial Activities in the financial year in which it is incurred.

Depreciation of Freehold buildings is provided on a straight line basis over 10, 20, 30 and 50 years.

Depreciation of leasehold buildings is provided on a straight line basis over the unexpired portion of the leases, the remaining useful life of each building, or 50 years, whichever is shortest.

Expenditure on furniture and equipment, fixtures and fittings and vehicles with a minimum project value of £1,000, which have an expected useful life in excess of one year, are included in the balance sheet at cost. Depreciation is provided on a straight-line basis at rates varying between 5% and 25%. Expenditure on smaller items is charged to the Statement of Financial Activities in the year of acquisition.

Investment Property

The investment property is included at fair value at a valuation completed by Ledgerwood Limited (Chartered Surveyors) at 31 August 2018.

Financial Instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

Investments

Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Bank borrowings

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

Fee in advance scheme

The School has an advance fees scheme whereby parents and others make advance payments, which together with the discount accruing thereon, provide for a set contribution each term towards the pupils' fees. The capital portion outstanding is recognised as a liability and the amount of discount crystallised in the year is included in the Statement of Financial Activities.

Stocks

Consumable stocks, provisions, stationery and school books are charged to the Statement of Financial Activities in the year of purchase. Stocks of goods for resale are stated at the lower of cost and net realisable value.

Pensions

The School operates two pension schemes to provide retirement benefits for certain staff members. The pension costs charged to the Statement of Financial Activities are determined as follows:

The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The Pensions Trust Scheme is a multi-employer defined benefit scheme for which the School's share of the underlying assets and liabilities cannot be separately identified. This scheme is therefore accounted for as a defined contribution scheme in accordance with section 28 of FRS102 and agreed pension deficit funding payments are provided for on a discounted basis.

Operating Leases

Rentals for operating leases are charged to the Statement of Financial Activities as they are incurred.

Funds

Unrestricted funds are those available to further the School's charitable objects at the discretion of the Governors.

Restricted funds are monies that are subject to restrictions by the donors.

Permanent endowed funds are funds where the original capital must be maintained.

Expendable endowment funds are funds where the original capital can be converted into income for spending either at the Governors' own discretion.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2 FEES RECEIVABLE

	2020	2019
	£	£
Gross Fees	9,694,754	10,462,649
Less bursaries and discounts	(1,362,765)	(1,448,275)
	<u>8,331,989</u>	<u>9,014,374</u>
Bursaries funded by restricted fund	13,731	15,544
Fees Receivable	<u>8,345,720</u>	<u>9,029,918</u>

3 DONATIONS AND GRANTS

Donations and grants income includes furloughing grants of £544,285 claimed by the group during the year (2019: £Nil).

4 NET EXPENDITURE FROM TRADING SUBSIDIARY

Trading activities not connected with the Charity's purpose are carried out by Roffa Ltd (company number 02235699), a wholly owned subsidiary company. The company transfers taxable profits by Gift Aid to the School.

	2020	2019
	£	£
Turnover		
Rent and Commission Receivable	804	130,706
Trading Income	367,344	394,213
	<u>368,148</u>	<u>524,919</u>
Cost of sales	431,823	536,235
Operating costs recharged by King's School	29,084	37,900
Trading Expenses	<u>460,907</u>	<u>574,135</u>
Gross Loss	(92,759)	(49,216)
Administrative costs	(5,302)	(5,981)
Operating Loss	(98,061)	(55,197)
Interest payable to school	-	-
Net Loss	(98,061)	(55,197)
Gift aid	-	-
Retained loss for the year	<u>(98,061)</u>	<u>(55,197)</u>
Balance Sheet		
Fixed Assets	415,990	454,524
Stock	3,938	9,472
Debtors	15,050	108,729
Cash at bank	173,763	224,484
Creditors due < 1 year	(46,388)	(136,795)
Creditors due > 1 year	(1,100,000)	(1,100,000)
Net liabilities	<u>(537,647)</u>	<u>(439,586)</u>
Share capital and reserves		
Share capital	100	100
Profit and loss account	(537,747)	(439,686)
Equity shareholders funds	<u>(537,647)</u>	<u>(439,586)</u>

£50,510 (2019: £57,755) of turnover and £50,510 (2019: £57,755) of cost of sales relate to transactions with King's School, Rochester. These have been eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

5 NET MOVEMENT IN FUNDS

	2020	2019
	£	£
Net movement in funds is stated after charging:		
Depreciation charge for the year		
Tangible fixed assets owned	423,616	439,594
Operating lease payments		
- King's School, Rochester	111,012	111,012
- Roffa Limited	20,000	17,667
Auditors' remuneration for audit services		
- King's School, Rochester	14,100	13,200
- Roffa Limited	4,450	4,250
Auditors' remuneration for other services	6,990	6,875

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

6 EMPLOYEE INFORMATION

The average weekly number of employees during the year was made up as follows:

	2020 Number	2019 Number
Teaching Staff	112	105
Other Staff	133	135
Roffa Limited	17	17
	262	257
Employee		
Staff costs		
Salaries and wages	5,788,322	5,838,867
Social security costs	518,597	527,637
Pension contributions	848,118	583,796
	7,155,037	6,950,300

During the year there were no termination payments for the School or for Roffa Limited (2019: £6,892 for the School and £6,988 for Roffa Limited).

The number of employees earning over £60,000 in the year were:

	2020 Number	2019 Number
£60,001 - £70,000	2	3
£90,001 - £100,000	1	1
£110,000 - £120,000	1	-

Three (2019: Three) of the employees earning more than £60,000 are members of the 'Teachers' Pension Scheme. One of the employees earning more than £60,000 is a member of a scheme run by the Independent Schools' Pension Scheme.

Key management personnel

The key management roles in the school were the Governors, who are not paid, the Principal, Headmaster of the Preparatory School, Headmistress of the Pre-preparatory School and the Bursar & Clerk to the Governors. Their total emoluments including benefits and employer's pension and national insurance contributions paid was £433,033 (2019: £428,345).

Transactions with Governors

None of the Governors received any remuneration during the period (2019: £Nil). The aggregate amount of expenses reimbursed to Governors during the year was £Nil (2019: £50 – travel expenses for one Governor). Two children of one Governor attended King's School and they received some assistance towards payment of school fees on an arms-length basis.

Donations totalling £2,443 (2019: £8,286) were received from Governors during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

7 ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Other £	Depreciation £	2020 £
Charitable activities				
<i>School operating costs:</i>				
Education	5,404,450	433,504	59,919	5,897,873
Premises	428,771	627,865	298,504	1,355,140
Welfare	402,848	225,369	15,274	643,491
Support	720,930	572,279	10,634	1,303,843
Governance costs	-	24,405	-	24,405
Grants, awards and prizes	-	18,951	-	18,951
	6,956,999	1,902,373	384,331	9,243,703
Costs of raising funds				
Interest payable	-	54	-	54
Total for charity	6,956,999	1,902,427	384,331	9,243,757
Trading costs of the subsidiary	198,038	194,503	39,285	431,826
Total for group	7,155,037	2,096,930	423,616	9,675,583

Comparative Analysis of Total Expenditure:

	Staff costs £	Other £	Depreciation £	2019 £
Charitable activities				
<i>School operating costs:</i>				
Education	5,176,762	491,148	74,796	5,742,706
Premises	415,232	635,912	302,328	1,353,472
Welfare	445,246	305,040	11,518	761,804
Support	692,184	513,107	10,579	1,215,870
Governance costs	-	23,679	-	23,679
Grants, awards and prizes	-	19,456	-	19,456
	6,729,424	1,988,342	399,221	9,116,987
Costs of raising funds				
Interest payable	-	2,796	-	2,796
Total for charity	6,729,424	1,991,138	399,221	9,119,783
Trading costs of the subsidiary	220,876	274,983	40,373	536,232
Total for group	6,950,300	2,266,121	439,594	9,656,015

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

8 SCHOOL AND GROUP TANGIBLE ASSETS

Group				
	Freehold land and buildings £	Leasehold buildings £	Vehicles and equipment £	Total £
Cost or valuation				
At 1 September 2019	12,697,209	2,370,701	2,330,033	17,397,943
Additions	12,060	-	104,714	116,774
Disposals	-	-	(7,168)	(7,168)
At 31 August 2020	12,709,269	2,370,701	2,427,579	17,507,549
Depreciation				
At 1 September 2019	3,313,051	880,561	1,687,552	5,881,164
Providing during year	204,033	76,937	142,646	423,616
Disposals	-	-	(7,168)	(7,168)
At 31 August 2020	3,517,084	957,498	1,823,030	6,297,612
Total net book value				
At 31 August 2020	9,192,185	1,413,203	604,549	11,209,937
Total net book value				
At 1 September 2019	9,384,158	1,490,140	642,481	11,516,779
School				
	Freehold land and buildings £	Leasehold buildings £	Vehicles and equipment £	Total £
Cost or valuation				
At 1 September 2019	12,697,209	1,795,475	2,215,205	16,707,889
Additions	12,060	-	103,963	116,023
Disposals	-	-	(7,168)	(7,168)
At 31 August 2020	12,709,269	1,795,475	2,312,000	16,816,744
Depreciation				
At 1 September 2019	3,313,051	723,599	1,608,984	5,645,634
Providing during year	204,033	45,617	134,681	384,331
Disposals	-	-	(7,168)	(7,168)
At 31 August 2020	3,517,084	769,216	1,736,497	6,022,797
Total net book value				
At 31 August 2020	9,192,185	1,026,259	575,503	10,793,947
Total net book value				
At 1 September 2019	9,384,158	1,071,876	606,221	11,062,255

None of the buildings or land are held for investment purposes.

On the formation of the Company, certain endowed properties were retained by a separate charity, Rochester Cathedral King's School Endowment Trust (Charity Number 307922).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

9 FIXED ASSET INVESTMENTS

	Investment Property £	Group Quoted Investments £	Total £
Market value 1 September 2019	285,000	2,005,932	2,290,932
Reinvested income/additions	-	16,617	16,617
Unrealised profit on revaluation to market value	-	72,264	72,264
Market value 31 August 2020	285,000	2,094,813	2,379,813

	Investment In subsidiary (unquoted) £	Investment Property £	School Quoted investments £	Total £
Market value 1 September 2019	1,100,100	285,000	2,005,932	3,391,032
Reinvested income/additions	-	-	16,617	16,617
Impairment	(514,000)	-	-	(514,000)
Unrealised profit on revaluation to market value	-	-	72,264	72,264
Market value 31 August 2020	586,100	285,000	2,094,813	2,965,913

The investment in the subsidiary, Roffa Limited represents 100% of the company's share capital and £1,100,000 of Redeemable Shares. Following losses in Roffa Limited and an impairment review performed by Trustees, the Redeemable Shares have been written down to the Trustees' estimate of their recoverable amount. Roffa Limited was incorporated in March 1988, its principal activities being the external hiring of a sports centre, letting of school premises and related facilities and the sale of confectionery and snacks.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

10 DEBTORS

	Group		School	
	2020	2019	2020	2019
	£	£	£	£
Fees	170,360	87,132	170,360	87,132
Sundry debtors	18,145	75,635	3,095	19,460
Prepaid expenses	223,740	211,652	223,740	159,098
Roffa Limited – intercompany	-	-	4,755	15,114
	<u>412,245</u>	<u>374,419</u>	<u>401,950</u>	<u>280,804</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		School	
	2020	2019	2020	2019
	£	£	£	£
Bank borrowing	-	69,031	-	69,031
Trade creditors	103,802	176,159	103,802	119,661
Prepaid fees	557,471	463,003	557,471	463,003
Fees in advance (note 13)	343,803	349,546	343,803	349,546
Pupil deposits	36,976	48,020	36,976	48,020
Taxation and social security	126,333	165,535	126,333	132,177
Pension deficit reduction contributions (note 17)	49,337	48,000	49,337	48,000
Other creditors	258,017	171,763	228,842	171,763
Accrued expenses	141,575	183,368	129,117	151,543
	<u>1,617,314</u>	<u>1,674,425</u>	<u>1,575,681</u>	<u>1,552,744</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		School	
	2020	2019	2020	2019
	£	£	£	£
Pension deficit reduction contributions (note 17)	445,728	509,000	445,728	509,000
Fees in advance (note 13)	248,421	155,158	248,421	155,158
Pupil deposits	348,768	394,897	348,768	394,897
	<u>1,042,917</u>	<u>1,059,055</u>	<u>1,042,917</u>	<u>1,059,055</u>

Bank borrowing was secured by a negative pledge on the school's property. The loan was repaid in October 2019 at an interest rate of 0.7% above base rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

13. FEES IN ADVANCE

Parents have the option of paying school fees in advance for either part of or the whole time that the pupil is at the school. The money is returned if the child is withdrawn from the School, after any outstanding fees are deducted and amounts owing are added. Assuming pupils will remain in the School, advanced fees will be applied as follows:

	2020 £	2019 £
Within one year	343,803	349,546
Within one to two years	134,027	103,446
Within two to five years	114,394	51,712
	<u>248,421</u>	<u>155,158</u>
	<u>592,224</u>	<u>504,704</u>
The movements during the year were:		
Balance at 1 September 2019	504,704	478,663
Additions to scheme	463,176	537,597
Payments of fees	(375,656)	(511,556)
Balance at 31 August 2020	<u>592,224</u>	<u>504,704</u>

14. ALLOCATION OF GROUP NET ASSETS

	Tangible assets £	Investments £	Net current assets £	Long term liabilities £	Total £
At 31 August 2020					
Unrestricted funds	10,102,210	1,185,395	1,498,800	(1,042,917)	11,743,488
Restricted	-	-	6,920	-	6,920
Expendable Endowment	-	1,194,418	58,725	-	1,253,143
Permanent Endowment	1,107,727	-	(69,275)	-	1,038,452
	<u>11,209,937</u>	<u>2,379,813</u>	<u>1,495,170</u>	<u>(1,042,917)</u>	<u>14,042,003</u>

Comparative Allocation of Group Net Assets:

	Tangible assets £	Investments £	Net current assets £	Long term liabilities £	Total £
At 31 August 2019					
Unrestricted funds	10,394,613	1,122,574	1,529,045	(1,059,055)	11,987,177
Restricted	-	-	6,920	-	6,920
Expendable Endowment	-	1,168,358	55,340	-	1,223,698
Permanent Endowment	1,122,166	-	(69,275)	-	1,052,891
	<u>11,516,779</u>	<u>2,290,932</u>	<u>1,522,030</u>	<u>(1,059,055)</u>	<u>14,270,686</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

15 FUNDS

15a Unrestricted Funds

Unrestricted Funds – Group	Balance at 31 August 2019	Income	Expenditure	Investments gains/ losses) and transfers	Balance at 31 August 2020
	£	£	£	£	£
General fund	11,423,950	9,019,359	(9,226,645)	(37,846)	11,178,818
Bursary Fund	1,002,913	15,454	-	84,050	1,102,417
	12,426,863	9,034,813	(9,226,645)	46,204	12,281,235
Subsidiary funds	(439,686)	317,638	(415,699)	-	(537,747)
	11,987,177	9,352,451	(9,642,344)	46,204	11,743,488
Unrestricted Funds – School					
General fund	11,423,950	9,019,359	(9,226,645)	(551,846)	10,664,818
Bursary Fund	1,002,913	15,454	-	84,050	1,102,417
	12,426,863	9,034,813	(9,226,645)	(467,796)	11,767,235
Comparative 2019					
	Balance at 31 August 2018	Income	Expenditure	Investments gains/(losses) transfers	Balance at 31 August 2019
	£	£	£	£	£
Unrestricted Funds – Group					
General fund	11,292,648	9,201,890	(9,100,190)	29,602	11,423,950
Bursary Fund	974,741	-	-	28,172	1,002,913
	12,267,389	9,201,890	(9,100,190)	57,774	12,426,863
Subsidiary funds	(384,489)	467,164	(522,361)	-	(439,686)
	11,882,900	9,669,054	(9,622,551)	57,774	11,987,177
Unrestricted Funds – School					
General fund	11,292,648	9,201,890	(9,100,190)	29,602	11,423,950
Bursary Fund	974,741	-	-	28,172	1,002,913
	12,267,389	9,201,890	(9,100,190)	57,774	12,426,863

15b Restricted Funds – Group and School

	Balance at 31 August 2019	Income	Expenditure	Transfers	Balance at 31 August 2020
	£	£	£	£	£
Restricted Funds					
Music Project Fund	6,920	-	-	-	6,920
Comparative 2019					
	Balance at 31 August 2018	Income	Expenditure	Transfers	Balance at 31 August 2019
	£	£	£	£	£
Restricted Funds					
Grand Piano Fund	10,260	33,340	-	(36,680)	6,920

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

15 FUNDS (continued)

15c Endowment Funds – Group and School

Endowment Funds	Balance at 31 August 2019	Income	Expenditure	Investments gains/ losses)	Balance at 31 August 2020
	£	£	£	£	£
Expendable Endowment Fund					
Geoffrey Harmsworth Trust	974,409	17,543	(15,038)	26,422	1,003,336
Augustine Carnell Fund	90,126	-	-	(141)	89,985
RCKSET	159,163	4,642	(3,762)	(221)	159,822
	1,223,698	22,185	(18,800)	26,060	1,253,143
Permanent Endowment Funds	1,052,891	-	(14,439)	-	1,038,452
Endowment Funds Total	2,276,589	22,185	(33,239)	26,060	2,291,595

Comparative 2019

Endowment Funds	Balance at 31 August 2018	Income	Expenditure	Investments gains/ losses)	Balance at 31 August 2019
	£	£	£	£	£
Expendable Endowment Fund					
Geoffrey Harmsworth Trust	964,822	12,300	(13,421)	10,708	974,409
Augustine Carnell Fund	83,861	-	-	6,265	90,126
RCKSET	147,449	7,442	(5,604)	9,876	159,163
	1,196,132	19,742	(19,025)	26,849	1,223,698
Permanent Endowment Funds	1,067,330	-	(14,439)	-	1,052,891
Endowment Funds Total	2,263,462	19,742	(33,464)	26,849	2,276,589

The Permanent Endowed Funds comprise a number of properties used by the School. The Expendable Endowment Funds comprises of bequests for prizes and a legacy for the relief of hardship.

The Augustine Carnell Fund is to be used to provide travel prizes to sixth form students.

The Music Project Fund is to be used for a music project. Permission was obtained from the donor to change the purpose of the remaining balance on the fund following the purchase of a grand piano. Transfers in 2019 represented funds spent on fixed assets.

The Bursary Fund income continues to be reinvested until it has reached sufficient size to make a worthwhile contribution to bursaries for pupils.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

16 FINANCIAL COMMITMENTS

The total of the future minimum lease payments at the end of the year are:

	2020	2019
	Land and buildings £	Land and buildings £
Not later than 1 year	131,012	131,012
Later than 1 year and not later than 5 years	413,036	524,048
Later than 5 years	<u>1,771,667</u>	<u>1,791,667</u>
	<u>2,315,715</u>	<u>2,446,727</u>
	2020	2019
Capital commitments at 31 August	£	£
Approved and contracted for	<u>-</u>	<u>-</u>

17 PENSION CONTRIBUTIONS

The company operates two pension schemes, both of which provide benefits based on a final pensionable salary.

Teachers' Pension Scheme

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 £785,525 (2019: £534,289) and at the year-end £93,580 (2019 - £70,737) 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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

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 the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

17 PENSION CONTRIBUTIONS (continued)

Teachers' Pension Scheme (continued)

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 consultation and the cost cap mechanism review are 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.

Independent Schools' Pension Scheme (operated by the Pensions Trust)

Some support and administrative staff are members of a defined benefit pension scheme run by Verity Trustees Limited. Verity is the Trustee of the Pensions Trust for Charities and Voluntary Organisations; the pension scheme has become part of The Independent Schools' Pension Scheme (ISPS), a scheme within the Trust. The employee rate of contribution in the year was 8.35%, the School's contribution was 10.95%. The ISPS scheme is a multi-employer defined benefit scheme with guaranteed benefits for current and former employees of the former scheme based on 1/80th of final salary.

The School would have a liability if it ceased to participate in the ISPS which at 30 September 2017 was calculated as £2,965,615. The next valuation is due at 30 September 2020 (valuation report has not yet been published). As the School currently has no plans to leave the scheme, this contingent liability has not been provided for in the accounts, and as the Actuary is unable to identify its share of the underlying assets and liabilities at 31 August 2020, the scheme has been accounted for as a defined contribution scheme as permitted by FRS102 and contributions are accounted for when due. Any agreed pension deficit funding payments are provided for on a discounted basis.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 September 2017 to 30 April 2030	£2,387,357 per annum (payable monthly and increasing by 3% each on 1st September)
--	--

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

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the school recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The annual amount due by the school from 1 September 2020 to 30 April 2030 is £49,000 (payable monthly and increasing by 3% each on 1st September).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

Independent Schools' Pension Scheme (operated by the Pensions Trust)

	2020 £'000	2019 £'000
Reconciliation of opening and closing provisions:		
Provision at start of period	557	550
Unwinding of discount factor (interest expense)	9	11
Deficit contribution paid	(48)	(47)
Remeasurements – impact of any change in assumptions	(23)	43
Provision at end of period	<u>495</u>	<u>557</u>
Split as follows:		
Due within one year	49	48
Due after one year	446	509
	<u>495</u>	<u>557</u>

ASSUMPTIONS

	31 August 2020	31 August 2019	31 August 2018
Rate of discount - % per annum	2.57	1.66	1.96

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

18 CONNECTED CHARITIES

Under a scheme approved by the Charity Commission on 16 November 2000, the endowment funds in the charity known as Rochester Cathedral Grammar School were retained in the charity under the new name 'Rochester Cathedral Kings School Endowment Trust' and the non Endowment Funds were transferred to Kings School Rochester. The School is the trustee of the Endowment Trust.

The terms of the Scheme stipulate that the properties and investments in the Endowment Trust are held for the benefit of King's School Rochester. Accordingly, no rent is charged by the Endowment Trust to the School while the School undertakes to maintain and manage the assets of the Endowment Trust.

Uniting Directions have been issued by the Charities Commission allowing the combination of financial information for King's School Rochester, Rochester Cathedral King's School Endowment Trust ('RCKSET') and the Geoffrey Harmsworth Charitable Trust.

19 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

20 STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2019 £
INCOME AND ENDOWMENTS				
FROM:				
Income from charitable activities				
School fees receivable	9,029,918	-	-	9,029,918
Other educational income	41,578	-	-	41,578
Other trading activities				
- Rent and commission receivable	182,793	-	5,237	188,030
- Trading income	373,124	-	-	373,124
Investment income	17,969	-	14,145	32,114
Donations	23,672	33,340	360	57,372
Other income	-	-	-	-
Total Income	9,669,054	33,340	19,742	9,722,136
EXPENDITURE ON:				
Costs of raising funds				
Trading expenses	536,232	-	-	536,232
Interest payable	2,796	-	-	2,796
	539,028	-	-	539,028
Charitable activities				
- Education	5,742,706	-	-	5,742,706
- Premises	1,336,193	-	17,279	1,353,472
- Welfare	761,804	-	-	761,804
- Support of schooling	1,238,908	-	641	1,239,549
- Grants, awards and prizes	3,912	-	15,544	19,456
Total charitable expenditure	9,083,523	-	33,464	9,116,987
Total expenditure	9,622,551	-	33,464	9,656,015
Net income/(expenditure) before				
Investment gains	46,503	33,340	(13,722)	66,121
Net investment gains	21,094	-	26,849	47,943
Net income/(expenditure)	67,597	33,340	13,127	114,064
Transfers	36,680	(36,680)	-	-
NET MOVEMENT IN FUNDS	104,277	(3,340)	13,127	114,064
Reconciliation of funds				
Fund balances at 1 September 2018	11,882,900	10,260	2,263,462	14,156,622
FUND BALANCES AT 31 AUGUST 2019	11,987,177	6,920	2,276,589	14,270,686