

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

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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, CEd (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, CEd
Mrs P M C Stewart, MSc, LL.M, 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:

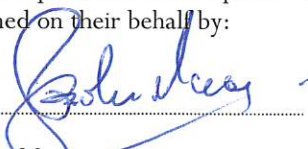

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (Statement of Recommended Practice);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed,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

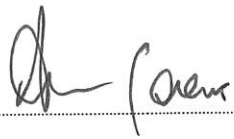
		GROUP 2023	GROUP 2022 As restated	SCHOOL 2023	SCHOOL 2022 As restated
		£	£	£	£
	Notes				
FIXED ASSETS					
Tangible assets	8	10,949,092	10,906,983	10,632,902	10,556,752
Investments	9	2,962,131	2,570,192	3,359,481	3,028,347
		13,911,223	13,477,175	13,992,383	13,585,099
CURRENT ASSETS					
Stocks		3,270	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 22/04 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)
	10,666,538	9,720,938
Bursaries and scholarships funded by restricted fund	147,748	13,949
Fees Receivable	10,814,286	9,734,887

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	368,795	388,301
Cost of sales	380,386	386,982
Operating costs recharged by King's School	44,975	39,379
Trading Expenses	425,361	426,361
Gross Loss	(56,566)	(38,060)
Administrative costs	(31,655)	(31,501)
Operating Loss	(88,221)	(69,561)
Interest receivable	5	-
Retained loss for the year	(88,216)	(69,561)
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	(1,100,000)	(1,100,000)
Net liabilities	(804,929)	(716,713)
Share capital and reserves		
Share capital	100	100
Profit and loss account	(805,029)	(716,813)
Equity shareholders funds	(804,929)	(716,713)

£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
	607,465	646,557

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	601,096	414,244
Within one to two years	187,589	162,212
Within two to five years	-	67,772
	187,589	229,984
	788,685	644,228
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	788,685	644,228

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	10,632,902	3,359,481	1,512,647	(891,189)	14,613,841
Subsidiary	316,190	(397,350)	(21,119)	-	(102,279)
Group total	10,949,092	2,962,131	1,491,528	(891,189)	14,511,562

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	10,556,752	3,028,347	1,760,671	(967,351)	14,378,419
Subsidiary	350,231	(458,155)	33,056	-	(74,868)
Group total	10,906,983	2,570,192	1,793,727	(967,351)	14,303,551

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 Land and buildings £	2022 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
Provision at end of period	<u>397</u>	<u>453</u>
Split as follows:		
Due within one year	51	50
Due after one year	<u>346</u>	<u>403</u>
	<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