# KING'S SCHOOLS TAUNTON LTD

England & Wales · Charity number 1103346

## Details

| | |
|---|---|
| **Other names** | WOODARD SCHOOLS TAUNTON LIMITED |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 05084301 |
| **Registered** | 2004-04-22 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Kings College<br>Mailroom<br>20 Holway Avenue<br>Taunton<br>TA1 3AR |
| **Phone** | 01823328100 |
| **Email** | clerk@kings-taunton.co.uk |
| **Website** | www.kings-taunton.co.uk/ |

## Activities

**Objects:** TO PROMOTE AND EXTEND EDUCATION IN ACCORDANCE WITH THE PRINCIPLES WHICH GOVERN THE CHARITY CALLED THE WOODARD CORPORATION ("THE CORPORATION") WITHIN THE DIOCESE OF BATH AND WELLS BY CARRYING ON THE SCHOOLS KNOWN AS KING'S COLLEGE TAUNTON AND KING'S HALL PREPARATORY SCHOOL TAUNTON AND ANY SCHOOL OR SCHOOLS ASSOCIATED WITH THEM.

**Activities:** King's Schools Taunton Ltd promotes and extends education in accordance with the principles which govern the Woodard Corporation by operating the schools King's College Taunton and King's Hall School.

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## Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

## Geography

- **Area of benefit:** WITHIN THE DIOCESE OF BATH AND WELLS
- India
- Qatar
- Somerset

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-08-31 | £16,761,742 | £18,087,192 | £19,885,379 | 320 |
| 2024-08-31 | £18,538,389 | £18,158,938 | £21,132,643 | 289 |
| 2023-08-31 | £18,756,442 | £17,225,482 | £20,505,407 | 290 |
| 2022-08-31 | £17,241,767 | £16,706,606 | £19,075,374 | 277 |
| 2021-08-31 | £14,550,714 | £14,577,268 | £18,652,125 | 272 |
| 2020-08-31 | £14,104,883 | £14,180,560 | £18,393,570 | 267 |

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## Trustees

| Name | Role | Appointed |
|---|---|---|
| **Jolyon Robert Alban Woodard** | Chair | 2019-11-26 |
| CHARIS CAVAGHAN-PACK BED JP | | 2012-07-17 |
| Dr Helene Dominique Plant | | 2025-09-01 |
| John Edward Knill | | 2022-09-01 |
| MAX NICHOLAS BRITTEN | | 2025-06-06 |
| Marcus Anthony Gunn | | 2021-03-17 |
| Nicholas Ramsay Dixon | | 2025-09-01 |
| Rebecca Wells-Cole | | 2022-09-01 |
| Roger Mark Uvedale Lambert | | 2020-06-24 |
| William John Morrison | | 2020-06-24 |

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**KING'S SCHOOLS TAUNTON LTD**

England & Wales - Charity number 1103346

# Accounts

**Charity Registration No. 1103346**

**Company Registration No. 05084301 (England and Wales)**

# KING'S SCHOOLS TAUNTON LIMITED

# DIRECTORS' REPORT

# and

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 AUGUST 2025

# KING'S SCHOOLS TAUNTON LIMITED

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# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
## *YEAR ENDED 31 AUGUST 2025*

| | |
|---|---|
| **Directors** | L M Nash BEd FIOD ISM (Chair and Custos) (resigned 5 July 2025)<br>Commodore J R A Woodard RN (ret'd) ChPP, BASC (Hons), MSc, PG Cert (Chair and Custos from 5 July 2025)<br>C H Hirst MA (Vice-Custos)<br>R C Amess (appointed 6 February 2025)<br>M N Britten (appointed 7 June 2025)<br>C A Cavaghan-Pack BEd JP<br>N R Dixon (appointed 1 September 2025)<br>M D Featherstone MA PGCE (resigned 27 June 2025)<br>M A Gunn MA (Ed)<br>J E R Houghton MA<br>J E Knill<br>R M U Lambert MA<br>W J Morrison BSc MRICS<br>H D Plant (appointed 1 September 2025)<br>Bishop W N Stock BA, Dip Theol.<br>R Wells-Cole BA (Hons) |
| **Company Secretary** | S C Worthy BA MBA (resigned 31 July 2025)<br>S C Taylor (appointed 1 August 2025) |
| **Charity Number** | 1103346 |
| **Company Number** | 05084301 |
| **Registered Office** | 20 Holway Avenue<br>Taunton<br>TA1 3AR |
| **Principal Addresses** | King's College Taunton<br>South Road<br>Taunton<br>Somerset<br>TA1 3LA<br><br>King's College Prep (WEF 01/09/2023 – previously King's Hall School)<br>Kingston Road<br>Taunton<br>Somerset<br>TA2 8AA |
| **Key Management Personnel** | |
| **Heads** | M P Sloan, BA (King's College Taunton)<br>J T S Chippendale, BSc (King's College Prep) (to 31 August 2025)<br>H Berry BA(Hons), MBA (Dist) (appointed 1 September 2025) |

# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
*YEAR ENDED 31 AUGUST 2025*

| | |
|---|---|
| **Director of Finance and Operations** | S C Worthy BA MBA (to 31 July 2025) |
| **Bursar** | J R Drew MA ACA (appointed 1 September 2025) |
| **Auditor** | Moore Kingston Smith LLP<br>6th Floor<br>9 Appold Street<br>London<br>EC2A 2AP |
| **Tax advisers** | RSM UK Tax and Accounting Limited<br>10th floor<br>103 Colmore Row<br>Birmingham<br>West Midlands<br>B3 3AG<br><br>Cubed Tax Support Limited<br>11c Oakmoore Court<br>Kingswood Road<br>Droitwich<br>WR9 0QH<br><br>PKF Francis Clark LLP<br>Sigma House<br>Oak View Close<br>Edginswell Park<br>Torquay<br>Devon<br>TQ2 7FF |
| **Bankers** | National Westminster Bank plc<br>49 North Street<br>Taunton<br>TA1 1NB |
| **Solicitors** | DAS Law Limited<br>North Quay<br>Temple Back<br>Bristol<br>BS1 6FL<br><br>Porter Dodson<br>The Quad<br>Blackbrook Park Avenue<br>Taunton<br>TA1 2PX<br><br>Veale Wasbrough Vizards<br>Narrow Quay House<br>Narrow Quay<br>Bristol<br>BS1 4QA |
| **Investment Advisers** | Cazenove Capital<br>1 London Wall Place<br>London<br>EC2Y 5AU |

# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
***YEAR ENDED 31 AUGUST 2025***

| | |
|---|---|
| **Insurance Brokers** | Marsh Insurance Brokers Limited<br>1 Tower Place West<br>Tower Place<br>London<br>EC3R 5BU |

# KING'S SCHOOLS TAUNTON LIMITED

## DIRECTORS' REPORT (incorporating the STRATEGIC REPORT)
## *YEAR ENDED 31 AUGUST 2025*

The Directors present their report and financial statements for the year ended 31 August 2025 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

### REFERENCE AND ADMINISTRATIVE INFORMATION

The Company was incorporated on 25 March 2004 and commenced operations on 1 September 2004 when the business, assets and liabilities relating to King's College Prep and King's College Taunton were transferred from Woodard Schools (Western Division) Limited. On 15 July 2012 the Company changed its name from Woodard Schools Taunton Limited to King's Schools Taunton Limited. The Company is a limited liability company incorporated in the United Kingdom and a wholly owned subsidiary of The Woodard Corporation, which is also a registered charity (number 1096270). The Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

As Woodard schools, King's College Prep (changed from 'King's Hall School' with effect from 1 September 2023) and King's College Taunton (the Schools) share an educational vision which empowers and adds value to a child's development, within an actively Christian environment. King's College Prep is an independent co-educational preparatory school for day and boarding pupils aged 2 to 13 and incorporates pre-preparatory and nursery departments. King's College Taunton is an independent co-educational senior school for boarding and day pupils aged 13 to 19. The Schools are forward-thinking and dynamic places of learning with dedicated staff, excellent facilities and a warm and open culture.

Note 29 on page 51 provides details of a connected charity, namely the parent charity, the Woodard Corporation.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 20 March 2013, replacing those dated 18 March 2004 amended by Special Resolution(s) dated 25 January 2006, 28 April 2009 and 23 June 2009. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects, and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the Company.

#### School Council (Governing Body)

The Council Members are the Directors and charitable trustees of the Company and comprise the Council of King's College Prep and King's College Taunton. The Directors are also Governors for the purpose of Charity law. They are elected to hold office for five years. Any retiring Director may be re-appointed. The Directors determine the policy and strategy of the Company. It is the collective responsibility of the School Council to ensure that the Schools are fit for purpose and to determine and support its strategic direction in order to enable it to attain their stated objectives. The day-to-day management of the Schools is delegated to the Heads and Director of Finance and Operations (Bursar from 1 September 2025), who operates across both schools, supported by the Senior Management Teams in each School. The chair of the Council is known as the Custos.

#### Recruitment and Training of Council Members

All Council Members are Corporate Fellows of the Woodard Corporation. Corporate Fellows are responsible for electing the Woodard Corporation Board. Council Members are recruited on the basis of nominations from school contacts and from an external recruitment company and from selection when a post becomes available.

The Council looks to ensure a mix of skills and selects new Council Members on the basis of background, competence, specialist skills and commitment to supporting the Christian ethos/practices of the Schools. Specific attention is paid to the succession planning of Council Members, both with a view to their skill sets and in relation to the chairmanship of the Council and its sub-committees.

Council Members are provided with induction training by the Heads, Clerk to the Governors and other key staff and a wider programme of training events is organised by the Woodard Corporation and other organisations. Council Members are also encouraged to attend events run by the Association of Governing Bodies of Independent Schools (AGBIS) and other relevant organisations.

**Organisational Management**

The Schools are governed by the Council which delegates work to a number of committees. Membership of each committee is outlined on page 23. The Directors determine the general policy of the Company. The day-to-day management of the Company is delegated to the Heads and the Director of Finance and Operations, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by Council which provide for only significant expenditure decisions and major capital projects to be referred to Council for prior approval.

The Heads oversee the recruitment of all educational staff, whilst the Director of Finance and Operations oversees the recruitment of operational staff. The Heads and Director of Finance and Operations are invited to attend Council meetings.

The full Council met for a full meeting three times during the year and had one virtual extraordinary meeting in March 2025. They attended one Education Day at King's College and one Education Day at King's College Prep.

*Education and Pastoral Committee* – the Education and Pastoral Committee is responsible for oversight of the academic performance of the Schools and educational and pastoral policy, making recommendations to Council for approval. The Education and Pastoral Committee met three times during the year.

*Finance and Estates Committee* – the Finance and Estates Committee has a remit to consider budgets, both revenue and capital, cash flow information, financial reports, including the financial statements, financial policies and relevant financial regulations. It does this through consideration of audit management letters and other reports relating to governance and control of the Schools. It also oversees the Schools' estates strategies, including capital developments and maintenance of the buildings. It makes recommendations to Council for approval. The Finance and Estates Committee met three times during the year and had one virtual extraordinary meeting in May 2025.

*Remuneration Committee* – the Remuneration Committee reviews the performance and remuneration of the Executive. It makes recommendations to Council for approval. The Remuneration Committee met twice during the year and had one extraordinary meeting in May 2025.

*Appointments Committee* – the Appointments Committee is responsible for managing the recruitment of new Council Members to Council. It ensures an orderly succession policy is in place and that the Council has an appropriate mix of skills and experience. It makes recommendations to Council for approval. The Appointments Committee met twice during the year.

*Compliance Group* – the Compliance Group is charged with overseeing the compliance of both King's College and King's College Prep with all relevant legislation and regulatory requirements. It makes recommendations to Council for approval. The Compliance Group met once during the year.

**Group Structure and Relationships**

The Company has two wholly owned non-charitable subsidiaries, WST Enterprises Limited and King's College Schools International Limited.

The Schools have developed links with a variety of organisations by means of which they enjoy access to information on best practice which enables them to offer the widest possible access to the facilities and educational opportunities which they provide. Council Members and staff ensure that they are able to attain the highest standards of quality and performance through membership of professional associations including the Independent Schools Council, the Headmasters' and Headmistresses' Conference, the Independent Association of Preparatory Schools, the Independent Schools' Bursars

Association, the Association of Governing Bodies of Independent Schools, the Boarding Schools' Association, and the Somerset Chamber of Commerce, as well as through involvement in the work of the Independent Schools' Inspectorate, various examining bodies, through networking with peer groups and by many other means.

All the pupils in the two Schools are encouraged to develop an awareness of the social context of the all-round education they receive at the Schools and they are engaged in a number of activities to enhance their understanding and to enrich their experience. There is a thriving association of former pupils of King's College, the Old Aluredian Club, which supports the work of that School. Beyond King's was introduced in 2019; this is an online initiative, which combines a directory of alumni, pupils, parents and Friends of King's, who are able to connect, support and mentor each other, whilst at school and beyond. Two further organisations, The Friends of King's College and The Pelicans (Friends of King's College Prep), membership of which is open to past and present parents of pupils at the Schools, neighbours and others, also supports the work of the Schools. King's Schools Taunton Limited is a substantial employer in the Taunton area and has responsibility for the care and upkeep of several listed properties and important parts of the local environment.

King's Schools Taunton Limited also cooperates with many local schools and charities in its on-going endeavours to widen public access to the schooling it provides, to optimise the educational use of its cultural and sporting facilities and to awaken in its pupils, in the public interest, an awareness of the social context of the all-round education they receive.

**How the Board Complies with its Section 172 Duty**

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

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

As set out on pages 5 and 6 within "Group Structure and Relationships" the Schools have developed links with a wide range of organisations to ensure the widest possible access to our facilities and education. Through membership of HMC, IAPS, AGBIS, BSA, and ISBA and through networking with peer groups we ensure that we are able to attain the highest standards of quality and performance.

Details of how the Schools have engaged with employees and had regard to employee interests can be found within the Employment Policy and Employee Involvement sections on page 9. Details of volunteer engagement can also be found on page 10.

The Directors can demonstrate the promotion and success of the charity for the benefit of the stakeholders through the review of achievements and performance for the year, included within this Strategic Report. The Schools have continued to benefit from access to high quality academic education as well as pastoral and social support. The Schools also play an important role in providing activities for local community groups and access to their facilities.

The Trustees are responsible for strategic planning and policy-making for the Schools and, accordingly, all key decisions, the current performance and future longer-term plans of the charity and stakeholders are referred to and taken by the Board. The Schools are governed by the governing body (Council) which delegates work to a number of committees. Membership of each committee is outlined on page 23. The Governors, who are also the directors, determine the general policy of the company.

As set out in the Strategic report, our culture, staff, volunteer and pupil welfare and wellbeing, has been fundamental to continued success. Further information on King's continued success can be found in our Strategic Report and the detailed review of achievements and performance for the year.

## CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

### Charitable Objects

The Company's objects, as set out in the Articles of Association, are to promote and extend education in accordance with the doctrines and principles of the Church of England, through its two schools, King's College Prep and King's College Taunton. The Council has a written statement of its own Aims, Vision and Values last updated in June 2024, which enshrines the Company's objectives in its own context. From this document flows the Company's strategic plan against which the principal activities are monitored regularly.

In setting the objectives and planning the activities of the Schools, the Council gives careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. King's Schools Taunton Limited is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the Schools and at a level that is consistent with the aim of providing a first class education to all pupils.

The Schools' charitable objectives are 'to promote and extend education', and these objectives are recognised as benefiting the public when pursued in the context of formal education in a body where all surplus funds are re-invested. The Woodard Corporation and all of the schools it owns are charitable bodies, with no external shareholders and no possibility of making distributions, including in the form of dividends. All surpluses are re-invested in education.

### Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education and they see themselves as communities working together for the benefit of all concerned, and of the Church and the nation. They are strong Christian foundations which adhere to Catholic belief as found in the Church of England, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain. A Woodard education values both the spiritual and moral development of each person within the school community giving strength, confidence and respect for others.

### Objectives of and Principal Activities for the Year

The principal objective and activity of the Schools is the delivery of education to pupils ranging from 2 to 19 years of age. The Schools aim to support children in reaching their potential in all areas of their activity at the Schools, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life. King's Schools Taunton also aims to further extend access to the schools' facilities to the local community.

### Public Benefit

Within the objects, the Schools aim to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. They provide them with a first class independent education and a wide range of sporting and cultural opportunities. The Schools' public benefit aim is that all pupils will be self-confident and instilled with a desire to contribute to the wider community.

In the furtherance of these aims the Directors of King's Schools Taunton Limited as the Company's trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the

Public Benefit requirement under that Act.

The Schools welcome pupils from all backgrounds. To admit a prospective pupil, the Schools need to be satisfied that they will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the Schools and parents that potential pupils can cope with the pace of learning and benefit from the education they provide. An individual's gender, ethnicity, race, religion or disability do not form part of the assessment processes.

The Schools are a part of a wider community and are keen that their staff and pupils participate. The Schools also offer a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. The Council is committed to developing the programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of the schools are explained in the 'Review of Achievements and Performance for the Year' section of this report.

Woodard and its schools provide a significant benefit to the public. The schools strive to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay fees. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individuals or elements of Woodard are incidental to the delivery of the charitable objectives.

**ACCESS POLICY**

It is important to the Schools that access to the education offered is not restricted to those who can afford the fees. The School Council believes that pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

The Schools' Awards policies, including for bursaries, contribute to a widening of access to the education they offer and the facilities its pupils enjoy.

**Bursary Policy**

The Schools Council views bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by the Schools. Assistance with fees, or "bursaries" is designed to help those in financial need to afford the school fees at King's. Since demand for fee assistance always greatly exceeds supply, pupils must be registered candidates and "qualify" to be considered for fee assistance on the basis of achieving high scores in the entrance assessments, by winning a scholarship or exhibition award, or, for current pupils, to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy.

In assessing means the methodology promulgated by the Independent Schools' Bursars Association is used, which takes a number of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. The funds available for bursaries are limited. When considering awards, the Schools have to be mindful that they must ensure a balance between those parents paying full fees, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

In January 2015 the School Council allocated £1 million of unrestricted funds to a designated Bursary

Fund. These funds are invested and the objective is to build this fund significantly through fund raising and accumulating investment income and capital growth. A percentage of the capital sum is contributed to the Schools' bursary programme annually.

The bursary awards range up to 50% remission of fees. Information about fee assistance through bursaries is provided to all applying to the schools. Further details of the current bursary policy and how to apply are available from the Finance or Admissions offices.

**Other Policies on Assistance:**

***Family discounts policy***
To underline the value placed on continuity for families, discounts are offered where parents have more than one child at the Schools.

***Promoting high academic standards - scholarship policy***
The purpose of scholarship awards is to recognise high academic potential or the ability to excel in co-curricular activities. Scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to co-curricular activities. Scholarships are awarded with a fixed remission of fees of between 10% and 50%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary up to a total remission of 50%. The Schools include details of the various awards available in their prospectuses and on their websites.

***Assistance for teaching staff***
As part of its emphasis on attracting and retaining high calibre staff, the Schools offer a discount scheme for those staff members who choose to educate their children at the Schools.

***Further assistance***
Support is also available to children of MOD employees and the Clergy.

**Grant Making Policy**

The Schools provided scholarships, grants, prizes and other awards totalling £612,151 from unrestricted funds. In common with other independent schools, King's College Taunton and King's College Prep make these awards based on the educational potential of the pupil (subject to the particular conditions imposed by the original donor where the award is out of restricted funds). The Schools also provided means tested bursaries totalling £946,018 (5.5% of gross fees) to families who would not otherwise be able to afford the fees or where the pupil's education and future prospects would otherwise be at risk. They provided assistance to 76 pupils. In support of refugees and in partnership with Royal SpringBoard, four of these received over 100% remission of fees. The availability of all such awards for fee-assistance, together with the terms and conditions for each kind of award, is advertised on the Schools' websites.

**Employment Policy**

King's Schools Taunton Limited is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability. The Schools will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

**Employee Involvement**

The Schools encourage the involvement of its employees in its management through regular meetings of the staff with management and Governors (in particular with the Governor responsible for staff welfare). Management at all levels have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy. Employees are required to play an active part in appraisal of their performance and are also requested to comment on what the Schools do well and what could be improved.

### Disabled Persons

The Schools will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise.

There will be a training scheme made available for any employees who become injured or disabled during the course of their employment so they can, where possible, continue in employment with the Schools.

### Volunteers

The Schools enjoy the support of a large number of volunteer groups and individuals including, in particular, parents, who help the Schools to raise funds and assist with specific activities and school events. The Council records its deep appreciation for the work of these volunteers; the assistance given would extend to several hundred hours of voluntary service.

### Investment Policy and Objectives

The Company's articles of association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Council's policy is to preserve and enhance the capital value of investments and maximise income consistent with maintaining a balanced investment return from income and capital, with moderate risk.

## STRATEGIC REPORT

### REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

### Responding to External Pressures

The independent schools' sector, including Woodard independent schools, stood up well to the problems created by the 'cost of living crisis' but independent schools remained concerned, and many were planning for pressure on pupil numbers, particularly once the new Labour Government confirmed the introduction of VAT on school fees from 1st January 2025.

The increases in the cost of living impacted all areas of cost for independent schools, particularly in staff costs. The more recent return to long term rates of inflation has lessened this impact, but schools have all faced an issue in recovering their costs through fee rises. This will continue with the introduction of VAT.

### King's College

The School's high educational standards are validated through strong public examination results, our measure of value added and through external inspection. The School offers a broad range of subjects, though the emphasis is on traditional, academically rigorous disciplines. We have particular strength in mathematics, the sciences, languages, design technology and sports studies. The School underwent a scheduled compliance inspection by the Independent School's Inspectorate (ISI) in October 2022 and in a glowing report was found to be fully compliant in all areas.

#### *Academic Results*

At both GCSE and A-level there were some outstanding outcomes for pupils. We are confident that the grades are a fair reflection of the ability and hard work of the two cohorts.

At A-level and BTEC, the overall A* to B rate was 65%. We take a broad range of academic ability levels, and are pleased and proud when a pupil fulfils their own individual potential and takes the next step in their journey no matter where that may lead, be that a vocational course or an elite university. Given that range, some find it helpful to understand that the top half of the year achieved close to 87%

A*-B at A-level this year, placing us in line with many schools who are highly selective at entry point. A very pleasing 90% of pupils who held offers from universities have been accepted onto their first-choice courses, including those selected for highly selective courses, such as Medicine; we have an outstanding bespoke programme at King's to guide pupils who wish to study Medicine. Pupils at King's College, Taunton are celebrating outstanding A Level and BTEC results today, having secured places at several world-class universities including Edinburgh, York, Exeter, Loughborough, UCL, Liverpool, Nottingham, Bath, Durham, Leeds, Warwick and Bristol.

In addition to securing places at top UK universities, King's pupils have also achieved international success, gaining admission to prestigious institutions such as the Ivy League University of Columbia in the United States, as well as other outstanding Universities in Canada, Switzerland, and Hong Kong.

King's Year 11 pupils performed very well at GCSE, the Grade 9-7 (A*-A) rate was 50%. 20 pupils achieved 9 or more grades 9-7 across their subjects. Success in English Literature and Maths has been a particular highlight this year, with 20 pupils gaining a 9 in English Literature and 29 pupils securing a 9 in Maths.

This success reflects the hard work of both the pupils and teachers. Our breadth of opportunity is demonstrated by the fact that many of our pupils have also excelled outside of the classroom. Their ability to balance their studies and to throw themselves into a number of additional pursuits is commendable, and our staff are highly experienced in providing the support required.

King's College uses CEM centre data to calculate added value as one measure of educational progress. Added value measures the difference between the expected grade from a pupil's baseline assessment score at the beginning of their course and the grade they actually achieved. Value added at GCSE at King's College is 0.4 meaning that, on average, an Example College education added 0.4 of a grade to every pupil's result, across all subjects. For the second year running, and fourth year in five, this level of value-added was classified as being statistically significant. At A level value added was 0.05. Here, results for many individuals showed positive significant value added, but was 0.05 across the cohort as a whole.

***Improving Facilities***

Throughout the summer work has continued on our new Junior Common Room, a social space for our pupils in Years 9-11. This will double as a sports café at weekend for our parents and visitors. The majority of the cost of this project has come from fundraising within our community. The building is due to be complete in October 2025. In addition, we have refreshed and restored the Woodard Room, one of the most historic spaces within the school; this room is used for public and social events, hosts music recitals, debates and doubles as an examinations room at points in the year.

***Arts, Music and Drama***

The number and range of musical events took place over the course of the year, including 20 concerts, 30 sung Eucharists and over 4000 instrumental lessons. The Chapel Choir are a feature of the school, singing weekly in our Eucharist Service and throughout the year at various Chapel Services. We have had the guitar ensemble, pianist recital, string concert and Evensong recently. The school ran the young musician of the year award, a chamber concert and a woodwind concert. A wide range of pupils enjoy our musical endeavours.

In Drama, over 100 pupils brought Beauty and the Beast to life in one of our most ambitious productions yet, while The Railway Children, performed outdoors this week, was a sunlit triumph-complete with our very own miniature steam railway.

King's pupils achieved outstanding results in LAMDA Speech and Drama Acting exams. We had eleven pupils from Year 10 to Year 13 entered for them at the highest grades with four taking Bronze (Grade 6), six taking Silver (Grade 7) and one taking Gold (Grade 8). Ten of the pupils achieved the highest assessment level possible, Distinction, which means they scored over 80%.

***Sport and Outdoor Pursuits***

Our talented boys' U15 cricket team won the national T20 Cup final.

Our girls' 1st XI cricket team also won a national title, capping an outstanding season where they won 13 of their 14 matches.

The girls' football 1st XI won their league and the boys 1st XI reached the regional FA Cup final.

Our boys 1st XV rugby team reached the last 16 of the national cup.

A number of boys and girls competed at an international level in a range of sports, including athletics, cricket, water polo and badminton. A L6th boy has been offered a contract to play professional cricket for Somerset, he also captains the U19 England Team and will compete in the World Cup next year.

The squash team won a national title.

In swimming, our boys' and girls' teams were second in the 100th edition of the annual Meade-King Cup quadrangular gala.

Riding had a successful year this year, with pupils representing the school at the National School Equestrian Association finals at Hickstead.

***CCF***

The school's Royal Marines section performed brilliantly at the annual Pringle Trophy, taking home silverware. The Royal Navy Section has enjoyed visits to HMS Richmond and sailing at Wimbleball Lake, as well as a once-in-a-lifetime opportunity to visit the Royal Navy's flagship aircraft carrier HMS Queen Elizabeth.

***Ten Tors***

King's once entered two determined teams for the 35, 45 miles challenge Ten Tors Challenge, successfully tacking the challenging routes of Dartmoor, showing exceptional resilience despite the heavy loads and tough weather.

***Partnerships & Community Engagement***

This year has seen continued growth in our partnerships and outreach work, with a renewed focus on expanding opportunities for pupil involvement. From September, a revised timetable will allow all Lower Sixth pupils to participate in meaningful service activities, either through leadership roles within school or placements with external partners.

Our long-standing partnership with Holy Trinity Primary School has flourished once again. Cricket coaching sessions led by our senior pupils provided a lively and inclusive experience for visiting children, many of whom were new to the sport. These sessions were followed by a repeat of the popular DT glider project, with pupils designing and testing their models using our facilities. The Reading Mentors programme has continued successfully at both Holy Trinity and Holway Park, with pupils returning in the new academic year.

Community sport remains a key focus. A tag rugby tournament for local primary schools, supported by coaching sessions, will take place this term, alongside the final events in our cross-country series. These have welcomed hundreds of pupils from over 25 schools, the majority from the state sector. Our Sports Leaders programme concludes with pupils supporting Holy Trinity's Sports Day and gaining nationally recognised qualifications. We also hosted Castle School's annual swimming gala and will welcome over 400 pupils for the Knight Frank Schools Triathlon later this term.
Musicians from King's have continued their visits to local care homes, with new venues added this

year, strengthening intergenerational connections through music.

The Sixth Form Bursary Scheme has expanded with the launch of the Somerset Scholarship, awarded to a pupil from a local state secondary school. This initiative reflects our commitment to transformational bursaries and is supported by generous contributions from alumni and benefactors. Charitable giving has been strong throughout the year, with fundraising efforts from boarding houses, academic departments, and individual challenges raising over £10,000 for various causes.
A new staff volunteering scheme was introduced this term, offering teaching staff the opportunity to engage in community service. This initiative aims to deepen our connections with local organisations and broaden the impact of our outreach.

Looking ahead, a coordinated plan will bring together outreach activities across both King's College and King's College Prep, ensuring a unified and strategic approach to community engagement.

**King's College Prep**

King's College Prep provides a very high standard of education and this is validated by review of the academic results and other achievements and through external inspection. The School offers a broad curriculum and educates children with a wide range of ability. It has an exceptional Forest School on site utilised by all children which makes full use of the School's stunning rural position and proves very popular with children and staff alike. 'Woodland Adventures' and a variety of technological, sporting and artistic courses are run during the school holidays as part of the wrap-around care provision. As well as achieving high academic attainment, the School is a strong force on the sporting front, especially in rugby, cricket, hockey, netball, tennis, athletics and multi-eventing. The School has impressive musical performers; artists with great talent; self-motivated and able designers; its drama and performing arts programme is full, varied and of a very high standard.

The School aims to support children in reaching their potential in all areas of their activity at the School. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or design technology: Year 8 leavers secured 46 scholarships this year and around 200 awards to senior schools have been gained in these six disciplines over the last six years. The School produces well-rounded individuals who are able to make a positive contribution to society. An effective democratically elected Pupil Council operates successfully from Year 3 upwards with 'Pupil Voice' existing in Pre-Prep. There are constant charitable events taking place, with a significant focus this year being towards funds for Love Musgrove, Hospice South West, and Open Door.

***Academic Performance***

Year 8 leavers gained nine academic scholarships to senior schools. 100% of Year 8 children gained access to their chosen senior school. Year 6 children gained three academic scholarships to continue to King's College after Year 8.

***Sport***

King's College Prep continues to compete at a very high level, especially in rugby, hockey, cricket, athletics, tennis, football and netball. In sporting competition outside of school, King's College Prep children were successful. The boys U13 and U11 rugby teams had very positive seasons. The boys' and girls' hockey teams won the vast majority of their matches, and beyond inter-school fixtures various teams reached regional and national finals. All children, girls and boys, play cricket at the same time. The girls U13 cricket team were County Champions and the boys U13, U12 and U11 cricket teams all reaching the final stages. A good number of boys and girls were selected to play for Somerset at their age group.

The tennis teams performed strongly, a large number of children competed in the Exmoor Challenge with one team winning the event. Our riding team won several Show Jumping Classes during the year and also competed at Hickstead. In conjunction with the College, our Junior squash team are County Champions. Four children competed in the National Athletic finals. Six children were at the National

Biathle or Laser Run championships with two going on to represent Great Britain internationally. Our pistol shooting team reached the National Schools finals once again.

Eleven children gained sports scholarships to their senior schools and six won awards in Year 6 to continue on to King's College.

***Art, DT, Music, Drama and Performing Arts***

An impressive and diverse Art and DT exhibition at the end of the year displayed the various creative talents in the School. The Specialist Art group undertook a wide range of enrichment activities to extend their knowledge and understanding. The music department put on extremely high quality concerts. Involvement in festivals and competitions such as Taunton Music Festival was fulsome with impressive results. All children in Years 2, 3 and 4 have, respectively, class lessons on the violin, trumpet/trombone and junior sax.

Drama productions continued to be plentiful with the Michaelmas Term seeing Year 7 and 8 create a terrific production of Bugsy Malone. An extremely high quality show with sound including radio microphones, computerised lighting, vibrant set, props and costumes. December saw two excellent nativity productions from Pre-Prep. In March Year 6 produced energetic and vivacious performances of The Jungle Book. Year 4 performed outside in the Summer to two parental audiences and Pre-Prep delivered their Summer Show with great style. The Speech and Drama activity continues to thrive with many children taking part including the Taunton Drama Festival and LAMDA exams – with much success.

The King's College Prep Arts Week welcomed an enormous range of visitors across the curriculum enriching the experience for the children as well as numerous trips and productions taking place. The theme was 'Light'. There were workshops, trips, visiting artists, authors, storytellers and dance as well as some following the remarkable puppeteers.

Four music, two art, eleven DT and six drama/performing arts scholarships were gained by Year 8 children to senior schools.

***Significant projects***

The building of a large, stilted, treehouse classroom as well as significant redevelopment of the Pre-Prep outdoor areas as well as a full refurbishment of a boarding shower room has taken place. In addition, the creation of a Dance studio/drama space with wider co-curricular benefits has also been completed.

***Partnerships & Community Engagement***

The Head and senior staff regularly visit local primary schools to discuss share opportunities. These include: Trull, North Town, Cheddon Fitzpaine, Kingston St Mary, Thurlbear, St George's, Enmore and Parkfield.

We host the SASP county Year 3 & 4 Primary School's Cross Country events which sees about 300 children using our site.

An enrichment programme for Year 6 children including STEM, Languages, Cookery, Football and Cricket for a wide range of Primary Schools.

Cricket net sessions with North Town Primary school.

Swimming gala with North Town, St Georges and Cheddon Fitzpaine.

Swimming gala with Castle School.

Netball festival with North Town, Trull and St Andrews primary schools.

Facilitating PE cluster meetings with local Primary Schools.

We hosted Cheddon Fitzpaine and Kingston St Mary's Primary School's Sports Day for all children and parents.

A football festival with North Town and St George's.

Some Year 8 (as part of their French studies) taught Cheddon Fitzpaine Year 5 about the Olympic Games in France.

A range of Primary School pupils come to watch drama productions and join some workshops.

Primary School pupils come to share in sessions given by visiting authors (eg Abi Elphinstone this year).

Every Wednesday Taunton Blades (Fencing) use the sports hall.

Every Wednesday the Taunton Youth Orchestra use the Arts Centre.

**International Schools**

KST has a subsidiary company to take advantage of the opportunity to develop schools internationally, applying the successful King's College and King's College Prep approach to education and personal development. This company works with selected partners who are generally responsible for the day-to-day operation of the schools while King's assist with recruiting key personnel, curriculum and policies. Once a school is operating, personnel from the UK schools provide support to the local management and undertake regular educational and compliance audits to ensure that the King's formula is being applied successfully.

***Qatar***

King's College Doha opened on 18 September 2016. It now has two campuses. In total, there are 1700 children up to Year 13. The iGCSE and A Level results were excellent and the pupils (and school) rightly very proud of their achievements. There continues to be close dialogue and support for the school including pupil and staff visits, the monitoring of standards and responsibilities conducted through both a formal inspection as well as regular reports.

***Saudi Arabia***

King's College Riyadh opened in September 2021 welcoming 169 pupils up to Year 3. It now has 770 children up to Year 7. A new Head has taken up post this year. The engagement levels are high and a mutually beneficial exchange of best practice, pupil visit to the UK as well as the peer review of standards and quality, are pursued through an annual programme.

***India***

Numbers at King's College Rohtak are steady. There is a change of Head over the Summer of 2025. Pupils who took their A levels last year have all moved on to universities or colleges, including in the UK.

A fourth school, King's College Gurugram, is to open over the summer of 2025.

***Future Schools***

New, known campus opportunities in Doha and Riyadh are maturing. We are in positive discussions with our current and new partners about further opportunities overseas.

**Key Performance Indicators**

KST uses KPIs internally and externally in line with anonymised results from national surveys. These KPIs include surplus, pupil numbers, and academic results. These KPIs are analysed within KST, by Governors and also by the Woodard Corporation.

**Funds held as custodian trustee on behalf of others**

KST does not hold funds or act as custodian trustee on behalf of others.

## FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The net income for the year amounted to a deficit of £1,247,264. This is above expectations mainly due to capitalisation of significant investment in freehold land and buildings, furniture & fittings and plant and equipment and ongoing development of property. Material premises cost savings were achieved, compared to budget, as a result of reduced energy costs. Although the cost-of-living challenges and the cricket governing body's decisions on youth competitive cricket has had some impact on lettings, WST Enterprises Limited continued to hire out the Schools' facilities during holidays and school hours where it can, as well as undertaking commercial activity on behalf of the Schools and externally. The national and international cricket festival again took place over five weeks in the summer 2025. WST Enterprises Limited contributed £117,845 to the Schools' operating results with turnover of £356,099. King's College Schools International Limited contributed £663,385 to the Schools' operating results with turnover of £686,440 contributing to the Group results.

The parents of pupils often make significant sacrifices to pay the fees. In doing so they help to relieve UK taxpayers of the financial burden of educating a significant number of UK based children. The saving made by the Schools is estimated to have a value in the last year of £4.5 million.

Up to January 2025, the Company was unable to recover the VAT on purchases it made. Up to the end of December 2024, King's Schools Taunton Limited paid an estimated £227,026 in irrecoverable VAT on goods and services.

## RESERVES POLICY

It has been the Council's policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the Schools without the requirement to have recourse to sales of tangible fixed assets, except where those are no longer required for the primary purpose of the Schools. At year end the Council consider that the Charity holds sufficient funds to meet these needs.

In common with most independent schools, and due to the having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. Although there is not a specific target, KST intends to build them up over time. At the present stage in the development cycle the free reserves are being utilised in order to finance on-going improvements and the provision of additional facilities in accordance with the Schools' strategic plan. The Schools continue to invest in their infrastructure, both with new capital projects and to deliver significant repairs and improvements to existing facilities. The school's total reserves of £19.89m at the year-end included £0.39m of restricted funds and £3.35m unrestricted designated funds. Fixed assets held for charity use totalled £20.26m, leaving no free reserves. Like all schools, KST operates on its cashflow. KST's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use.

The Council continues to keep the Schools' banking facilities under review to ensure they remain appropriate to support the Schools' working capital requirements. The unrestricted reserve is invested both in cash and a balanced range of quoted investments. The unrestricted reserves are primarily invested in tangible fixed assets and investments which are all used for the Schools' direct charitable activities.

*Bursary fund.* The Council recognises the long term need to support families who could otherwise not afford the full school fees. In 2015 the Council allocated £1m to a Bursary fund, the income from which goes to support the Council's extensive bursary programme. It is the intention to grow this fund in the long term. In 2022, the decision was taken to move our investments to the Responsible Multi-Asset

Fund. At 31 August 2025 the investments within this Bursary fund were valued at £2,983,291.

*Pension Deficit fund*. The Company has a contingent liability of some £31,545 in relation to a deficit on its Pension Trust Growth Plan scheme (see also note 26). In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund is now larger than the deficit – in March 2021, £587,258 was re-allocated to the Bursary Fund. At 31 August 2025 the investments within this Fund were valued at £373,131.

**Investment Performance against Objectives**

***Bursary Fund***
The portfolio, managed by Cazenove Capital, was valued at £2,983,291 on 31 August 2025 (31 August 2024: £2,559,565), included in this fund is £350,242 (2024: £330,601) of advance fees payment.

Over the period the portfolio return was 5.7%, adjusted for additions and withdrawals. The trustees have adopted a total return approach, and the withdrawals are met from a combination of income and capital as appropriate. The portfolio is invested in accordance with the agreed investment strategy.

***Pension Deficit Fund***
The portfolio, managed by Cazenove Capital, was valued at £373,131 on 31 August 2025 (31 August 2024: £356,305).

Over the period the portfolio return was 4.7%, adjusted for additions and withdrawals. This portfolio was held fully in cash and cash equivalent investments throughout the period.

N.B. Cazenove are currently also managing our Advance Fees Account valued at £2,211,405 on 31 August 2025 (31 August 2024: £307,825).

**Engagement with Suppliers, Customers and Others in a Business Relationship with KST**

King's Schools Taunton seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the schools' operations.

During the year the schools have further promoted this engagement though specific initiatives including:

- Regular communication and engagement with parents and prospective parents of pupils attending King's to enhance the understanding of the provision to each pupil and to fully coordinate support to pupils from parents and the schools;
- Engagement with other educational organisations and partners at local and national levels to share best practice and to provide peer support;
- Dialogues with local councils on matters which impact children and families in the community as well as those that relate to the operation of each school;
- Engaging with local businesses to promote career and educational opportunities for pupils for their mutual benefit;
- Seeking opportunities to engage with local and national suppliers in the area;
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to King's;
- Promoting and encouraging pupil and staff opportunities to engage in local voluntary and other projects to support the community; and
- Providing community access to King's and, in many cases, adopting a role that puts the school at the heart of the community.

**How the School Council Complies with Section 172 of the Companies Act**

***Promoting the success of the charitable group***

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charitable group to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

***The likely consequence of any decision in the long term***

King's makes all key decisions through reference to its long-term strategic plan and after projecting the timing and impact of such decisions. This strategy is primarily designed around the objective to improve the educational outcome for pupils. Every decision and strategy or policy adopted is regularly reviewed for its impact on stakeholders, and the need for any change is identified and implemented.

***The interests of the charitable group's employees***

Our employees are vital to KST and we regard ongoing, regular engagement with them as a top priority. KST seeks employee engagement through regular feedback and meetings, including formal appraisals and through the KST (staff) Consultation Committee (in September 2023, the name was changed to KCTCC). We address any issues raised by our employees as quickly as possible and communicate back to them what we have done. Staff are offered access to support, and all parts of KST seek to ensure that staff welfare is actively considered and addressed. Through application of up-to-date health and safety policies, and regular meetings and consultations, we also actively seek to ensure that the working environment meets necessary high standards of safety and security.

***The need to foster the charitable group's business relationships with suppliers, customers, and others***

Our relationships with partners and suppliers are key to our effectiveness. KST actively seeks to engage in service reviews with key suppliers, and the Woodard procurement manager assists in this process for business-critical activities. These reviews are focussed on a two-way relationship with KST based with an aim of helping one another to achieve an optimum service as efficiently as possible, achieving best value for money. Where KST has procured outsourced services, we seek to ensure that staff and management from that contractor are supported as an equal member of the school communities, and as stakeholders.

***The impact of the charitable group's operations on the community and the environment***

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. As well as covering environmental issues in our schools' curriculums, KST encourages staff and pupils to participate in initiatives to reduce negative environmental impacts. Our school promotes recycling of waste and is involved in actions to maximise efficiency in energy consumption.

***The desirability of the group maintaining a reputation for high standards of business conduct***

Our reputation and public trust in KST is fundamental to our future success. Our ethos and values are a fundamental part of employee recruitment and training to ensure that we maintain high standards; the same basis is used in appraisal processes. We apply similar values and procedures in choosing school partners and suppliers both in the UK and abroad.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Risk Management**

Like most trustees, the governors keep under consideration the impact of a catastrophic event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible.

The governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. There is no room for complacency with pupil numbers across both schools. With increased costs the governing body decided

to increase the fees in September 2024 above RPI inflation to support the continuing excellent provision at the schools.

The independent sector as a whole is currently subject to increased political risk following the introduction of VAT on school fees, and the removal of business rates relief. The introduction of VAT creates a level of uncertainty in business planning for all independent schools. Planning future income based on pupil numbers has become more difficult due to an increased level of uncertainty in demand. The full effect will not be known until levels of demand settle down, schools adapt and parents become more secure in their finances. This is unlikely to happen for a number of pupil recruitment cycles.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the respective schools' sites on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The Council is responsible for the identification and management of risks. It has a Risk Management Policy and maintains a Risk Register for the Schools and the subsidiary trading companies. It undertakes regular reviews of the risk management processes which are in place and examines the major specific risks which the Schools face each financial year when considering forward plans. The Schools and the subsidiary companies have developed systems to monitor and control these and sundry lesser risks to mitigate any impact that they may have on the Schools and the Group in the future.

The principal risks to which the Schools are exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas include:

- the governors consider possible serious critical incidents/events and ensure that the school has a plan in place to allow education to continue in a range of different scenarios;
- the market in which the Schools operate, which is highly competitive and requires us to monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience;
- the fact that the Schools operate in a highly regulated sector, including the area of child protection and safeguarding. To assist us we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements as well as having school or individual membership of bodies being the constituent associations of the Independent Schools Council, ensuring that we have access to up to date information and support;
- the fact that the Schools operate in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all relevant challenges; and
- the difficult economic conditions, locally, nationally and internationally and particularly in relation to the impact of inflation; Directors and senior managers in the Schools keep abreast of economic and political conditions to identify trends and develop plans to address issues.

**The key controls used by the Schools include:**

- formal agendas and minutes for all meetings of the Council and committees;
- terms of reference for all committees;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and clear reporting lines;
- comprehensive formal written policies regarding key areas;
- clear authorisation limits;
- vetting procedures as required by law, for protection of the vulnerable;
- regular contact between the Custos, chairs of Council committees, senior officers and other staff;
- regular attendance on relevant training courses by Council Members and staff; and
- the maintenance and regular review of a detailed Risk Register.

The Schools plan strategically having regard for risk. The management provides the School Council with regular reports which include details of the principal strategic objectives and the activity to achieve those objectives. The Schools also record significant achievements and update the Council and the Woodard Board on short-term plans.

**Financial Risk Management Objectives and Policies**

The Company is currently debt free and therefore has no interest risk exposure. The Company uses its trade debtors, creditors and operating lease arrangements to manage its cash flow and ensure that liquidity risk is minimised. The Company's investments are managed externally by a firm of professional investment managers.

**GOING CONCERN**

The governing body continues to review any potential impact of the current global political and economic challenges on parents/potential parents and school operations and finances. School managers and governors continue to work hard to ensure the Schools and the strategic plan are fully resourced, with no detrimental impact to our pupils, and to mitigate any potential financial impact: further developing our excellent offering at King's, exploiting our sustainability efforts, improving our marketing and admissions, and continuing to develop other sources of income including our oversees operations.

The factors considered in the going concern assessment include available cash, near cash and other readily realisable resources as at the balance sheet date, as well as expected cash inflows and outflows and the extent of liabilities falling due in the near term. Market conditions, tax and regulatory risks as well as political issues are considered when assessing cash inflows and outflows in the near term.

Monitoring closely current and forecast economics and political decisions, having considered all factors and after reviewing the available evidence including our cash flow position and forecasts, the directors have a reasonable expectation that the group will be able to continue operating for at least 12 months from the date of approval of the financial statements and therefore, the financial statements have been prepared on a going concern basis. This information related to the adoption of the going concern basis can also be found in the accounting policies on page 34.

**FUTURE PLANS**

**King's Schools Taunton**
The objectives set for the year were largely achieved or are ongoing.

The key aims for 2025-26 are:

1. To continue to manage the effects of VAT and the removal of BRR while ensuring economic sustainability through cost-effectiveness and surplus generation.
2. To optimise pupil numbers and boarding provision by determining realistic headmarks and aligning estate and staffing accordingly.
3. To embed the Senior Executive structure, integrate new members, and support governance transitions including the Custos.
4. To support leadership transitions including the new Head of King's College Prep and Director of International Schools, and establish clear objectives for international development.
5. To deliver key capital projects including the Nursery expansion, Junior Common Room and Padel courts, ensuring value and utility for the school.
6. To continue progress on environmental sustainability through Solar PV and LED development plans and broader energy efficiency initiatives.
7. To enhance international revenue and expansion through strategic partnerships and development of the global school network.
8. To maximise commercial income from a broad range of revenue-generating activities, ensuring alignment with the school's strategic and financial goals.

**King's College**
The objectives set for the year were largely achieved or are ongoing.

The key aims for 2025-26 are:

1. To sustain and improve academic outcomes with positive value-added results across all departments.
2. To achieve sustainable pupil numbers while optimising boarding provision To ensure continuous inspection readiness through robust academic and pastoral frameworks.
3. To increase philanthropic engagement to support bursaries and capital projects.
4. To promote cutting-edge pedagogy through blended learning approaches, digital innovation, and staff awareness of emerging technologies including generative AI.
5. To continue improving environmental sustainability including reduction in energy use and carbon impact.

**King's College Prep**
The objectives set for the year were largely achieved or are ongoing.

The key aims for 2025-26 are:

1. To sustain high levels of scholarship and 13+ outcomes with strong value-added performance.
2. To continue reviewing the Prep/Pre-Prep model for cost-effectiveness and sustainability.
3. To execute the nursery expansion plan and explore future nursery models as appropriate.
4. To maintain inspection readiness through continuous improvement in teaching and pastoral care.
5. To strengthen partnerships with local nurseries and primary schools.
6. To continue improving environmental sustainability including reduction in energy use and carbon impact.

More detail on King's College strategic Five-Year Plan can be found here

**GROUP STREAMLINED ENERGY AND CARBON REPORTING**

| | 2024-25 | 2023-24 |
|---|---|---|
| **Energy consumption used to calculate emissions (kwh)** | **4,610,893.39** | **4,898,476.32** |
| **Energy consumption break down (kwh)** | | |
| Business Travel Land (Employee Owned Vehicles) | **11,665.71** | 10,784.62 |
| Combustion Engine Fuels (Owned Transport, Plant and Machinery) | **370,316.77** | 342,391.98 |
| Heating Oil | **332,204.91** | 414,784.52 |
| Natural Gas | **2,490,773.00** | 2,733,704.00 |
| UK Grid Electricity Supply | **1,405,933.00** | 1,396,811.20 |
| Grand Total | **4,610,893.39** | **4,898,476.32** |
| **Scope 1 emissions in metric tonnes CO2e** | | |
| Natural Gas | **459.52** | 504.34 |
| Combustion Engine Fuels (Owned Transport, Plant and Machinery) | **90.54** | 82.98 |
| Heating Oil | **86.37** | 107.84 |
| **Total Scope 1** | **636.44** | **695.16** |
| **Scope 2 emissions in metric tonnes CO2e** | | |
| UK Grid Electricity Supply | **291.10** | 289.21 |

| | | |
|---|---|---|
| **Total Scope 2** | **291.10** | **289.21** |
| **Scope 3 emissions in metric tonnes CO2e (selected)** | | |
| Business Travel Land (Employee Owned Vehicles) | **2.82** | **2.62** |
| **Total Gross Emissions in metric tonnes CO2e before Offset** | **930.35** | **986.99** |
| Intensity Ratio Tonnes CO2e Per Pupil before Offset | **1.42** | 1.38 |
| (Total Pupils) | **654** | 716 |
| **Out of Scope Emissions in metric tonnes CO2e** | | |
| Combustion Engine Fuels (Owned Transport, Plant and Machinery) | **5.59** | 5.17 |
| **Offset Emissions in metric tonnes CO2e** | | |
| UK Grid Electricity Supply | **291.10** | 289.21 |
| Business Travel Land (Employee Owned Vehicles) | **0.28** | 0.05 |
| Renewable Electricity Generation | **4.25** | 3.89 |
| **Total Offset Emissions** | **295.63** | **293.15** |
| **Total Gross Emissions in metric tonnes CO2e after Offset** | **634.73** | **693.84** |
| Intensity Ratio Tonnes CO2e Per Pupil after Offset | **0.97** | 0.97 |

Note: All electricity used for KST is REGO.

Group reporting requires us to include all subsidiaries and related companies that qualify. The reporting has been prepared on an operational control basis, meaning we include emissions from entities over which we have operational control. The numbers above include all qualifying subsidiaries and related companies, being King's Schools Taunton Limited, WST Enterprises Limited and King's College Schools International Limited.

*Quantification and reporting methodology*

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas (GHG) Reporting Protocol – Corporate Standard and the 2024 UK Government's Conversion Factors for Company Reporting.

*Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil. The number of pupils (654) used is those as at September, 2024.

*Measures taken to improve efficiency*

During recent years, the schools implemented a number of initiatives to improve the efficiency of energy use. These included:

- Publication of Sustainability Strategy
- Including energy efficiency as a high priority item in the new 6th Form Centre – carbon neutral for energy - with underfloor heating, energy controls, PV panels and air source heat pumps
- Continuing reviews of light fittings across both sites to seek alternatives, and installation of LED lighting where possible;
- Further encouraging staff to turn off lights and close windows when exiting rooms and installing motion sensors so that lighting is only on when rooms are being used;
- Encouraging staff, through communication, to turn down radiators;

- Greater centralised control of heating systems;
- Replacement of old inefficient gas boilers with more efficient condensing boilers;
- appointment of Sustainability Champions in departments and houses;
- Adjusting timers on lighting and heating systems to minimise the energy demand when not required or to minimise the time delays on switch off timers to minimum practical levels; and
- Initiating new salary exchange scheme for leasing electric vehicles and for electric bikes.

Going forward the school is engaging in a number of projects to improve energy efficiency in future years as follows:

- Ongoing review of settings and the operation of building management systems to ensure that energy use is minimised according to the need of pupils and staff;
- Installation of campus-wide building management systems to optimise energy usage;
- Replacement of diesel-powered equipment with electric items;
- Encouraging staff to use public transport, bicycles and walking as an alternative mode of transport including promotion of the Cycle to Work Scheme
- Encouraging staff to minimise travel and promoting the use of technology for meetings and other communications; and
- Reinvigoration of KCT Sustainability group.

**DIRECTORS**

The Directors who served during the year, and the committees of which they are members, are:

| | | |
|---|---|---|
| L M Nash (Custos) | (resigned 5 July 2025) | All committees |
| Commodore J R A Woodard RN (Ret'd) | (Custos from 5 July 2025) | Finance and Estates |
| R C Amess | (appointed 6 February 2025) | Education and Pastoral |
| M N Britten | (appointed 7 June 2025) | Finance and Estates |
| C A Cavaghan-Pack | | Education and Pastoral |
| M D Featherstone | (resigned 27 June 2025) | Education and Pastoral |
| M A Gunn | | Education and Pastoral, Appointments |
| C H Hirst (Vice-Custos) | | All committees |
| J E R Houghton | | Finance and Estates |
| J E Knill | | Finance and Estates, Remuneration |
| R M U Lambert | | Finance and Estates, Remuneration, Appointments |
| W J Morrison | | Finance and Estates |
| Bishop Nigel Stock | | Education and Pastoral |
| R Wells-Cole | | Education and Pastoral |

None of the Directors has any beneficial interest in the Company.

**AUDITOR**

Moore Kingston Smith LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Directors' Report, the Strategic Report included within the Directors' Report and the financial statements in accordance with applicable law and regulations.

## DIRECTORS' REPORT (incorporating the STRATEGIC REPORT)
*YEAR ENDED 31 AUGUST 2025*

Company law requires the Directors to prepare group and company financial statements for each financial year. Under that law, the Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period.

In preparing each of the group and company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

This Directors' Report (including the Strategic Report) was approved by the board of directors of King's Schools Taunton Limited on 9 Dec 2025 and signed on their behalf:

**J R A Woodard**
Chair

# KING'S SCHOOLS TAUNTON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED
## *YEAR ENDED 31 AUGUST 2025*

### Opinion

We have audited the financial statements of King's Schools Taunton Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2025 which comprise the Consolidated Statement of Financial Activities (including an Income and Expenditure Account), the charitable company Statement of Financial Activities (including an Income and Expenditure Account), the Consolidated and charitable company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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 Directors' Report and the incorporated Strategic Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' responsibilities set out on page 23, 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 directors 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 directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.
- There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**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.

Moore Kingston Smith

……

Shivani Kothari (Senior Statutory Auditor)
For and on behalf of Moore Kingston Smith LLP, Statutory Auditor
Chartered Accountants
6th Floor
9 Appold Street
London
EC2A 2AP

19.12.2025

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2025*

| | Notes | Unrestricted Funds | Restricted Funds | Total 2025 | *Total 2024* |
|---|---|---|---|---|---|
| | | £ | £ | £ | *£* |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | 2 | 13,258,954 | - | **13,258,954** | *15,555,928* |
| Ancillary trading income | 3 | 1,839,653 | - | **1,839,653** | *1,746,890* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 4 | 1,062,339 | - | **1,062,339** | *881,328* |
| Other activities | 4 | 8,242 | - | **8,242** | *3,570* |
| **Investments** | | | | | |
| Investment Income | 5 | 214,678 | - | **214,678** | *195,895* |
| Bank and other interest | 5 | 27,924 | - | **27,924** | 28,245 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 6 | 91,952 | 258,000 | **349,952** | *126,533* |
| **TOTAL INCOME** | | **16,503,742** | **258,000** | **16,761,742** | *18,538,389* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Non-ancillary trading | 7 | 261,309 | - | **261,309** | *255,259* |
| Financing costs | 8 | 71,694 | - | **71,694** | *6,295* |
| Investment management | 8 | 16,621 | - | **16,621** | *10,001* |
| | | **349,624** | **-** | **349,624** | *271,555* |
| **Charitable Activities** | | | | | |
| Education and grant making | 7 | 17,726,224 | 11,344 | **17,737,568** | *17,887,383* |
| **TOTAL EXPENDITURE** | | **18,075,848** | **11,344** | **18,087,192** | *18,158,938* |
| **Net income and expenditure before transfers** | | **(1,572,106)** | **246,656** | **(1,325,450)** | *379,451* |
| Realised (losses)/gains on investment assets | 13 | (47,410) | - | **(47,410)** | *64,208* |
| Unrealised gains on investment assets | 13 | 125,596 | - | **125,596** | *183,577* |
| **Net income** | | **(1,493,920)** | **246,656** | **(1,247,264)** | **627,236** |
| Transfers between funds | 21 | - | - | **-** | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **(1,493,920)** | **246,656** | **(1,247,264)** | *627,236* |
| Fund balances at 1 September 2024 | | 20,987,602 | 144,941 | **21,132,543** | *20,505,307* |
| **FUND BALANCES at 31 August 2025** | | **19,493,682** | **391,597** | **19,885,279** | *21,132,543* |

In the prior year, all income and expenditure related to unrestricted funds, with the exception of £69,987 of voluntary income and £4,700 of grant making expenditure which related to restricted funds.

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 notes on pages 34 to 52 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2025*

| | Notes | Unrestricted Funds | Restricted Funds | Total 2025 | *Total 2024* |
|---|---|---|---|---|---|
| | | £ | £ | £ | *£* |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | 2 | 13,258,954 | - | **13,258,954** | *15,555,928* |
| Ancillary trading income | 3 | 1,839,653 | - | **1,839,653** | *1,746,890* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 4 | 801,030 | - | **801,030** | *626,069* |
| Other activities | 4 | 8,242 | - | **8,242** | 3,570 |
| **Investments** | | | | | |
| Investment Income | 5 | 214,678 | - | **214,678** | *195,895* |
| Bank and other interest | 5 | 27,924 | - | **27,924** | 28,245 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 6 | 91,952 | 258,000 | **349,952** | *126,533* |
| **TOTAL INCOME** | | **16,242,433** | **258,000** | **16,500,433** | *18,283,130* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Financing costs | 8 | 71,694 | - | **71,694** | *6,295* |
| Investment management | 8 | 16,621 | - | **16,621** | *10,001* |
| | | **88,315** | - | **88,315** | *16,296* |
| **Charitable Activities** | | | | | |
| Education and grant making | 7 | 17,726,224 | 11,344 | **17,737,568** | *17,887,383* |
| **TOTAL EXPENDITURE** | | **17,814,539** | **11,344** | **17,825,883** | *17,903,679* |
| **Net income and expenditure before transfers** | | **(1,572,106)** | **246,656** | **(1,325,450)** | *379,451* |
| Realised (losses)/gains on investment assets | 13 | (47,410) | - | **(47,410)** | *64,208* |
| Unrealised gains on investment assets | 13 | 125,596 | - | **125,596** | *183,577* |
| **Net income** | | **(1,493,920)** | **246,656** | **(1,247,264)** | *627,236* |
| Transfers between funds | 21 | - | - | **-** | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **(1,493,920)** | **246,656** | **(1,247,264)** | *627,236* |
| Fund balances at 1 September 2024 | | 20,987,602 | 144,941 | **21,132,543** | *20,505,307* |
| **FUND BALANCES at 31 August 2025** | | **19,493,682** | **391,597** | **19,885,279** | *21,132,543* |

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 notes on pages 34 to 52 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED AND CHARITY BALANCE SHEETS
## *AS AT 31 AUGUST 2025*

| | Notes | GROUP 2025 £ | GROUP *2024* £ | CHARITY 2025 £ | CHARITY *2024* £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 13 | **20,256,777** | *19,980,173* | **20,256,777** | *19,980,173* |
| Investments | 13 | **5,491,632** | *5,924,025* | **5,491,632** | *5,924,025* |
| Investments in subsidaries | 13 | **-** | *-* | **101** | *101* |
| | | **25,748,409** | *25,904,198* | **25,748,510** | *25,904,299* |
| **CURRENT ASSETS** | | | | | |
| Stocks | | **23,901** | *20,093* | **23,901** | *20,093* |
| Debtors | 14 | **1,909,204** | *1,125,530* | **2,249,618** | *1,673,886* |
| Cash | | **1,843,018** | *4,195,406* | **1,470,880** | *3,618,213* |
| | | **3,776,123** | *5,341,029* | **3,744,399** | *5,312,192* |
| **CREDITORS:** due within one year | 15 | **(6,515,183)** | *(6,354,229)* | **(6,483,560)** | *(6,325,493)* |
| **NET CURRENT LIABILITIES** | | **(2,739,060)** | *(1,013,200)* | **(2,739,161)** | *(1,013,301)* |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **23,009,349** | *24,890,998* | **23,009,349** | *24,890,998* |
| **CREDITORS:** due after more than one year | 16 | **(3,123,970)** | *(3,758,355)* | **(3,123,970)** | *(3,758,355)* |
| **TOTAL NET ASSETS** | | **19,885,379** | *21,132,643* | **19,885,379** | *21,132,643* |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 19 | **100** | *100* | **100** | *100* |
| **FUNDS** | | | | | |
| Restricted funds | 21 | **391,597** | *144,941* | **391,597** | *144,941* |
| Unrestricted funds | | | | | |
| General | 21 | **16,145,659** | *17,531,389* | **16,145,659** | *17,531,389* |
| Designated | 21 | **3,348,023** | *3,456,213* | **3,348,023** | *3,456,213* |
| | | **19,493,682** | *20,987,602* | **19,493,682** | *20,987,602* |
| **EQUITY SHAREHOLDERS' FUNDS** | | **19,885,379** | *21,132,643* | **19,885,379** | *21,132,643* |

The notes on pages 34 to 52 form part of these financial statements. The financial statements were approved and authorised for issue by the Board on 9 Dec 2025 and signed on its behalf by

**J R A Woodard**
**Director**

Company registration number 05084301

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS AND NOTES TO THE CASH FLOW STATEMENT
## *AS AT 31 AUGUST 2025*

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| **Cash flows from operating activities:** | | |
| **Net cash provided by (used in) operating activities** | **(1,230,263)** | *624,329* |
| **Cash flows from investing activities:** | | |
| Dividends, interest and rents from investments | **242,602** | *224,140* |
| Purchase of property, plant and equipment | **(1,109,263)** | *(896,221)* |
| Disposal of property, plant and equipment | **-** | *-* |
| Proceeds from sale of investments | **7,431,158** | *12,490,425* |
| Purchase of investments | **(6,937,201)** | *(14,407,954)* |
| **Net cash provided by (used in) investing activities** | **(372,704)** | *(2,589,610)* |
| **Cash flows from financing activities:** | | |
| Financing costs | **(18,181)** | *(15,284)* |
| Fees in advance - deposits (paid)/received | **(133,181)** | *(228,502)* |
| Fees in advance - payment of fees | **(912,073)** | *-* |
| Fees in advance - new contracts | **314,015** | *2,089,103* |
| **Net cash provided by (used in) financing activities** | **(749,420)** | *1,845,317* |
| **Change in cash and cash equivalents in the year** | **(2,352,388)** | *(119,965)* |
| **Cash and cash equivalents at the beginning of the year** | **4,195,406** | *4,315,371* |
| **Cash and cash equivalents at the end of the year** | **1,843,018** | *4,195,406* |

**Reconciliation of net income/(expenditure) to net cash flow from operating activities**

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| **Net income/(expenditure) for period (as per the Statement of Financial Activities)** | **(1,247,264)** | *627,236* |
| **Adjustments for:** | | |
| Depreciation charges | **832,659** | *733,986* |
| Losses/(Gains) on investments | **(78,185)** | *(247,785)* |
| Dividends, interest and rents from investments | **(242,602)** | *(224,140)* |
| Financing costs | **34,802** | *25,285* |
| (Increase)/decrease in stocks | **(3,808)** | *728* |
| (Increase)/decrease in debtors | **(783,674)** | *(358,742)* |
| Increase/(decrease) in creditors | **257,809** | *67,761* |
| **Net cash provided by (used in) operating activities** | **(1,230,263)** | *624,329* |

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS AND NOTES TO THE CASH FLOW STATEMENT
## *AS AT 31 AUGUST 2025*

| | 2025 | *2024* |
|---|---|---|
| | £ | *£* |
| **Analysis of cash and cash equivalents** | | |
| Cash at bank and in hand | **1,843,018** | *4,195,406* |
| **Total cash and cash equivalents** | **1,843,018** | *4,195,406* |

**Analysis of changes in Net Debt**

| | At 31st Aug 2024 | Cash flows | Other non-cash changes | At 31st Aug 2025 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cash and cash equivalents** | | | | |
| Cash at bank and in hand | **4,195,406** | **(2,352,388)** | **-** | **1,843,018** |
| **Total** | **4,195,406** | **(2,352,388)** | **-** | **1,843,018** |

## 1 ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) **Basis of accounting**

The accounts of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK accounting standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

King's Schools Taunton Limited meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 30 and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in Sterling (£) and the functional currency is sterling (£).

b) **Going Concern**

The accounts have been prepared on a going concern basis. The King's Schools' Board reviews the financial information for the company and the group and considers whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts. This assessment has taken into account the Groups financial position, including its net current liabilities of £2,739,060 (2024: £1,013,200).

The factors that have been considered in the going concern assessment include available cash, near cash and other readily realisable resources as at the balance sheet date, as well as expected cash inflows and outflows and the extent of liabilities falling due in the near term. Market conditions, tax and regulatory risks as well as political issues are considered when assessing cash inflows and outflows in the near term.

Having considered all factors and reviewing the available evidence, the directors have a reasonable expectation that the group will be able to continue operating for a period of at least 12 months from the date of approval of the accounts and the financial statements have therefore been prepared on a going concern basis.

c) **Group accounts**

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Enitities are consolidated where King's Schools Taunton Limited exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

d) **School fees receivable and similar income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

1. **ACCOUNTING POLICIES** (continued)

e) **Ancillary and non-ancillary trading income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

f) **Voluntary sources, grants and donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

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

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

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

The cost of refurbishing and converting existing buildings is written off in the year in which it is incurred except where the useful life has been extended.

h) **Pension costs**

The Company participates in The Teachers' Pensions Scheme, which is an unfunded government scheme which provide benefits based on final pensionable pay. The funds of the scheme are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes. The Company also contributes to defined contribution pension schemes for teaching and non-teaching staff.

The Company historically offered membership of The Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth Plan is a multi employer pension scheme where the scheme assets are pooled for investment purposes and cannot be atributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the company remains potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion which is similar to a defined contribution scheme.

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. More detail is given in notes 23 and 26.

1. **ACCOUNTING POLICIES** (continued)

i) **Tangible fixed assets and depreciation**

In accordance with Section 35.10 (d) of FRS102, King's Schools Taunton Limited has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads. Assets in the course of construction are not depreciated.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

| | |
|---|---|
| - Freehold land is not depreciated | |
| - Freehold buildings: | Variable according to the building and written off over the expected useful life (see paragraph below) |
| - Freehold improvements: | Over the useful economic life of the improvement |
| - Computer equipment | 25% on cost |
| - Fixtures and fittings | 4% - 50% on cost |
| - Plant and machinery | 10% - 20% on cost |
| - Motor vehicles | 25% on cost |

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. Where the calculated depreciation charge is a material figure, it is charged in these financial statements but, where the carrying value is not more than the estimated recoverable amount and the depreciation on the building is not material to these financial statements, it has been assessed, but not charged on the basis that it is not material. The directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

King's Schools Taunton Limited exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

1. **ACCOUNTING POLICIES** (continued)

j) **Financial instruments**

King's Schools Taunton Limited only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

k) **Investments and Fees in Advance Investments**

Investments and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Realised and unrealised investment gains and losses are recognised as 'net gains/(losses) on investment assets' in the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

l) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

m) **Leasing commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

n) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet.

o) **Fund accounts**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1. **ACCOUNTING POLICIES** (continued)

p) **Taxation**

King's Schools Taunton Limited is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

Total Incoming Resources exclude VAT on taxable outputs and Total Expenditure excludes recoverable VAT. Irrecoverable VAT is included as a cost, where applicable.

The company has two subsidiary companies that are subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The corporation tax arising on the subsidiary companies' profit for the year is mitigated by the payment of Gift Aid by these entities to the School.

q) **Termination Payments**

The best estimate of the expenditure required to settle an obligation for termination benefits, is recognised immediately as an expense, when the group is demonstrably committed to terminate the employment of an employee, or to provide termination benefits.

r) **Finance and Other Costs**

Bank interest payable is accounted for on an accruals basis. Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

s) **Cash**

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

## 2 SCHOOL FEES

| | Group and Charity | |
|---|---|---|
| | **2025** | *2024* |
| **(a) The Schools' fees income comprises:** | **£** | *£* |
| Gross fees | **17,146,443** | *19,622,908* |
| Less: Total scholarships, bursaries, etc | **(3,887,489)** | *(4,066,980)* |
| | **13,258,954** | *15,555,928* |

## 3 CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME

| | Group and Charity | |
|---|---|---|
| | **2025** | *2024* |
| | **£** | *£* |
| Extra subjects | **1,101,358** | *1,271,237* |
| Entrance and registration fees and fees in lieu of notice | **99,136** | *156,160* |
| Commissions and other income | **639,159** | *319,493* |
| | **1,839,653** | *1,746,890* |

## 4 OTHER TRADING ACTIVITIES

| | Group | |
|---|---|---|
| | **2025** | *2024* |
| **Non-ancillary trading income** | **£** | *£* |
| Rents receivable and other sales | **19,800** | *23,115* |
| WST Enterprises Limited | **356,099** | *384,573* |
| King's College Schools International Limited | **686,440** | *473,640* |
| | **1,062,339** | *881,328* |

| | Charity | |
|---|---|---|
| | **2025** | *2024* |
| **Non-ancillary trading income** | **£** | *£* |
| Rents receivable and other sales | **19,800** | *23,115* |
| WST Enterprises Limited | **117,845** | *138,494* |
| King's College Schools International Limited | **663,385** | *464,460* |
| | **801,030** | *626,069* |

| | Group and Charity | |
|---|---|---|
| **Other activities** | **2025** | *2024* |
| | **£** | *£* |
| Interest on overdue fees | **8,242** | *3,570* |
| Loss on sale of fixed asset | **-** | - |
| | **8,242** | *3,570* |

## 5 INVESTMENTS

| | | | Group and Charity | |
|---|---|---|---|---|
| | | | **Total** | *Total* |
| | **Unrestricted** | **Restricted** | **2025** | *2024* |
| **Securities investment income** | **£** | **£** | **£** | *£* |
| Equities | 77,406 | - | **77,406** | - |
| Fixed interest | 60,205 | - | **60,205** | - |
| Alternatives | 77,067 | - | **77,067** | *195,895* |
| | 214,678 | **-** | **214,678** | *195,895* |

| | | | Group and Charity | |
|---|---|---|---|---|
| **Bank and other interest** | | | **Total** | *Total* |
| | **Unrestricted** | **Restricted** | **2025** | *2024* |
| | **£** | **£** | **£** | *£* |
| Bank interest | 27,924 | - | **27,924** | *28,245* |
| | 27,924 | **-** | **27,924** | *28,245* |

## 6 VOLUNTARY SOURCES - GRANTS AND DONATIONS

| | Unrestricted | Restricted | Group and Charity Total 2025 | *Total 2024* |
|---|---|---|---|---|
| Donations | 91,952 | 258,000 | **349,952** | *126,533* |
| | 91,952 | 258,000 | **349,952** | *126,533* |

## 7 ANALYSIS OF EXPENDITURE

### a) Total Expenditure

| | Group | | | | |
|---|---|---|---|---|---|
| | **Staff Costs (note 9) £** | **Support Costs £** | **Depreciation (note 12) £** | **Total 2025 £** | *Total 2024 £* |
| **Costs of raising funds:** | | | | | |
| Non ancillary trading | 99,191 | 162,118 | - | **261,309** | *255,259* |
| Financing cost (note 8) | - | 71,694 | - | **71,694** | *6,295* |
| Investment management | - | 16,621 | - | **16,621** | *10,001* |
| **Total cost of raising funds** | 99,191 | 250,433 | - | 349,624 | *271,555* |
| **Charitable expenditure** | | | | | |
| Teaching | 7,363,370 | 820,176 | 109,943 | **8,293,489** | *8,381,809* |
| Welfare | 826,940 | 1,802,311 | 1,004 | **2,630,255** | *2,806,683* |
| Premises | 1,183,112 | 1,747,781 | 461,838 | **3,392,731** | *3,686,132* |
| School administration | 1,524,933 | 1,500,291 | 259,874 | **3,285,098** | *2,912,671* |
| Grants, awards and prizes (all from unrestricted funds) | - | 10,756 | - | **10,756** | *8,294* |
| Governance | - | 113,895 | - | **113,895** | *87,094* |
| Expenditure from restricted funds | - | 11,344 | - | **11,344** | *4,700* |
| **Total charitable expenditure** | 10,898,355 | 6,006,554 | 832,659 | **17,737,568** | *17,887,383* |
| **Total expenditure** | 10,997,546 | 6,256,987 | 832,659 | **18,087,192** | *18,158,938* |

### b) Governance included in support costs

King's Schools Taunton Limited reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. Three governors were reimbursed a total of £5,107 during the year (2024: two were reimbursed a total of £3,434).

Included within the above charitable expenditure is payments to governors for consutancy services provided. One governor was paid a total of £5,000 during the year (2024 £5,000).

| | **Total 2025 £** | *Total 2024 £* |
|---|---|---|
| Remuneration paid to auditor for audit services | **29,544** | *25,939* |
| Reimbursement of personal expenses to governors | **5,107** | *3,434* |
| | **34,651** | *29,373* |

## 8 FINANCING COSTS

| | Group and Company 2025 | *2024* |
|---|---|---|
| | **£** | *£* |
| Other interest paid | **9,831** | 5,887 |
| Bank charges | **8,350** | *9,397* |
| Fees In Advance debt financing costs | **14,217** | *-* |
| Provision for bad and doubtful debts | **39,295** | *(8,989)* |
| | **71,693** | *6,295* |

**9 STAFF COSTS**

| The aggregate payroll costs for the year were: | Group 2025 £ | Group 2024 £ |
|---|---|---|
| Wages and salaries | **9,012,814** | *8,791,308* |
| Social security costs | **816,698** | *764,832* |
| Teachers' pension contributions | **960,433** | *974,330* |
| Other pension contributions | **132,210** | *126,297* |
| Termination costs | **66,253** | *-* |
| Private Medical Insurance | **9,137** | *9,594* |
| | **10,997,545** | *10,666,361* |

| | Charity 2025 £ | Charity 2024 £ |
|---|---|---|
| Wages and salaries | **8,913,623** | *8,701,539* |
| Social security costs | **882,951** | *764,832* |
| Teachers' pension contributions | **960,433** | *974,330* |
| Other pension contributions | **132,210** | *126,297* |
| Private Medical Insurance | **9,137** | *9,594* |
| | **10,898,354** | *10,576,592* |

None of the governors received remuneration or other benefits from King's Schools Taunton Limited or from any connected body.

| | 2025 £ | 2024 £ |
|---|---|---|
| Aggregate employee benefits of key management personnel | **544,522** | *467,474* |

The Directors of the Charitable Company, the Headmasters and the Director of Finance and Operations are classed by the School as being the Key Management Personnel.

The number of employees whose annual emoluments were £ 60,000 or more was:

| | 2025 (number) | 2024 (number) |
|---|---|---|
| £ 60,001 - £ 70,000 | ***4*** | *1* |
| £ 70,001 - £ 80,000 | ***1*** | *2* |
| £ 80,001 - £ 90,000 | ***-*** | *-* |
| £ 90,001 - £ 100,000 | ***1*** | *-* |
| £ 100,001 - £ 110,000 | ***-*** | *1* |
| £ 110,001 - £ 120,000 | ***-*** | *-* |
| £ 120,001 - £ 130,000 | ***1*** | *2* |
| £ 130,001 - £ 140,000 | ***-*** | *-* |
| £ 140,001 - £ 150,000 | ***-*** | *-* |
| £ 150,001 - £ 160,000 | ***-*** | *-* |
| £ 160,001 - £ 170,000 | ***-*** | *-* |
| £ 170,001 - £ 180,000 | ***-*** | *-* |
| £ 180,001 - £ 190,000 | ***1*** | *-* |

The average number of employees during the year calculated on a head count basis was:

| | 2025 (number) | 2024 (number) |
|---|---|---|
| Teaching staff | **163** | *141* |
| Others | **157** | *148* |
| | **320** | *289* |

Included in staff costs are termination payments made to 4 employees (2024: 1) totalling £66,253 (2024: £8,500). The amount outstanding at the year-end was £17,688 (2024: £8,500).

**10 DIRECTORS**

None of the directors (or any persons connected with them) received any remuneration during the year. Remissions of £608 were awarded to one child of one director attending the School (2024: £10,339).

During the year, 3 (2024: 2) directors received reimbursement of travel and training expenses totalling £5,107 (2024: £3,434).

### 11 TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

### 12 TANGIBLE FIXED ASSETS

| GROUP | Freehold Land & Buildings £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 September 2024 | 21,846,789 | 1,724,446 | 1,572,192 | 1,553,869 | 23,400 | **26,720,696** |
| Additions | 235,879 | 102,916 | 458,605 | 311,863 | - | **1,109,263** |
| Transfers | - 159,233 | | 159,233 | | | **-** |
| **At 31 August 2025** | **21,923,435** | **1,827,362** | **2,190,030** | **1,865,732** | **23,400** | **27,829,959** |
| **Depreciation** | | | | | | |
| At 1 September 2024 | 3,957,405 | 690,244 | 1,044,487 | 1,024,987 | 23,400 | **6,740,523** |
| Charge for the year | 341,585 | 128,717 | 121,257 | 241,100 | - | **832,659** |
| **At 31 August 2025** | **4,298,990** | **818,961** | **1,165,744** | **1,266,087** | **23,400** | **7,573,182** |
| **Net book value** | | | | | | |
| **At 31 August 2025** | **17,624,445** | **1,008,401** | **1,024,286** | **599,645** | **-** | **20,256,777** |
| Net book value at 31 August 2024 | 17,889,384 | 1,034,202 | 527,705 | 528,882 | - | 19,980,173 |

| COMPANY | Land & Buildings Freehold £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 September 2024 | 21,846,789 | 1,724,446 | 1,572,192 | 1,553,869 | 23,400 | **26,720,696** |
| Additions | 235,879 | 102,916 | 458,605 | 311,863 | - | **1,109,263** |
| Transfers | - 159,233 | | 159,233 | | | **-** |
| **At 31 August 2025** | **21,923,435** | **1,827,362** | **2,190,030** | **1,865,732** | **23,400** | **27,829,959** |
| **Depreciation** | | | | | | |
| At 1 September 2024 | 3,957,405 | 690,244 | 1,044,487 | 1,024,987 | 23,400 | **6,740,523** |
| Charge for the year | 341,585 | 128,717 | 121,257 | 241,100 | - | **832,659** |
| **At 31 August 2025** | **4,298,990** | **818,961** | **1,165,744** | **1,266,087** | **23,400** | **7,573,182** |
| **Net book value** | | | | | | |
| **At 31 August 2025** | **17,624,445** | **1,008,401** | **1,024,286** | **599,645** | **-** | **20,256,777** |
| Net book value at 31 August 2024 | 17,889,384 | 1,034,202 | 527,705 | 528,882 | - | 19,980,173 |

All assets are used for charitable purposes.

### 13 SECURITIES INVESTMENTS

| | 2025 | *2024* |
|---|---|---|
| **Group investments** | **£** | *£* |
| At 1 September | 6,307,229 | *4,314,755* |
| New money invested | 3,490,748 | *2,957,000* |
| Reinvested income | 214,678 | *195,895* |
| Amounts extracted | (4,490,053) | *(1,398,205)* |
| Management fees | (16,621) | *(10,001)* |
| Realised gains on investments | (47,410) | *64,208* |
| Unrealised gains on investments | 125,596 | *183,577* |
| **Group investments at 31 August** | **5,584,167** | *6,307,229* |
| Less: Investments classified as cash | **(92,535)** | *(383,204)* |
| **Group investments at 31 August** | **5,491,632** | *5,924,025* |
| Investments in subsidaries | **101** | *101* |
| **Company investments at 31 August** | **5,491,733** | *5,924,126* |

| | | |
|---|---|---|
| **Investments comprise:** | | |
| **Listed investments** | | |
| Fixed interest | 2,490,904 | *1,770,889* |
| Equities | 2,183,071 | *1,820,265* |
| **Alternative investments** | | |
| Commercial property funds | - | - |
| Commodities and other | 817,657 | *2,332,871* |
| **Group investments at 31 August** | **5,491,632** | *5,924,025* |
| Investments in subsidiaries | **101** | *101* |
| **Company investments at 31 August** | **5,491,733** | *5,924,126* |

King's Schools Taunton Limited owns all of the share capital of WST Enterprises Limited, a company incorporated in England and Wales. Results of the company are shown in note 25 and further details are provided in note 29.

King's Schools Taunton Limited owns all of the share capital of King's College Schools International Limited, a company incorporated in England and Wales. Results of the company are shown in note 25 and further details are provided in note 29.

The main investments and Fees in Advance Scheme investments deposits are managed for King's Schools Taunton Limited by Cazenove Capital.

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

At 31 August 2025, three investments (2024: four) had a carrying value equal to 5% or more of the value of the investment portfolio, being:

| | **£** | |
|---|---|---|
| SUTL Cazenove Charity Sustainable | 2,606,642 | 47.47% |
| SUTL Cazenove Charity Sustainable | 350,242 | 6.38% |
| UK T-Gilt 2017 - 22-07-2027 | 362,304 | 6.60% |

**14 DEBTORS**

| | Group | | Company | |
|---|---|---|---|---|
| | **2025** | *2024* | **2025** | *2024* |
| | **£** | *£* | **£** | *£* |
| School fees receivable | **731,119** | *217,118* | **731,119** | *217,118* |
| Trade debtors | **13,631** | *22,249* | - | - |
| Other debtors | **46,881** | *56,915* | **46,881** | *56,551* |
| Prepayments and accrued income | **1,117,314** | *828,989* | **704,790** | *527,721* |
| Amounts owed by group undertakings | **-** | *-* | **766,569** | *872,237* |
| Woodard Corporation | **259** | *259* | **259** | *259* |
| | **1,909,204** | *1,125,530* | **2,249,618** | *1,673,886* |

**15 CREDITORS: Amounts falling due within one year**

| | Group | | Company | |
|---|---|---|---|---|
| | **2025** | *2024* | **2025** | *2024* |
| | **£** | *£* | **£** | *£* |
| Deposits from parents | **275,615** | *306,772* | **275,615** | *306,772* |
| Fees received in advance of term | **1,712,440** | *2,652,753* | **1,712,440** | *2,652,753* |
| Fees in advance schemes | **1,022,643** | *1,119,498* | **1,022,643** | *1,119,498* |
| Trade creditors | **1,185,220** | *956,813* | **1,185,220** | *956,813* |
| Taxes and Social Security costs | **1,034,531** | *215,454* | **1,011,258** | *195,960* |
| Pension Scheme Deficit Recovery Plan | **31,545** | *31,545* | **31,545** | *31,545* |
| Other creditors | **573,790** | *660,490* | **573,790** | *659,588* |
| Accruals | **679,399** | *410,904* | **671,049** | *402,564* |
| | **6,515,183** | *6,354,229* | **6,483,560** | *6,325,493* |

**Summary of movement in deferred income**

| | **2025** | *2024* |
|---|---|---|
| Balance at 1 September 2024 | **2,652,753** | *3,021,414* |
| Amounts arising in the year | **1,712,440** | *2,652,753* |
| Amounts transferred to SOFA | **(2,652,753)** | *(3,021,414)* |
| Balance at 31 August 2025 | **1,712,440** | *2,652,753* |

Deferred income arises due to school fee invoices for the autumn term being issued and applied to the fees ledger prior to the year end. The income that relates to the following term is deferreduntil the term to which the income relates.

**16 CREDITORS: Amounts falling due after one year**

| | Group and Company | |
|---|---|---|
| | **2025** | *2024* |
| | **£** | *£* |
| Deposits from parents | **840,811** | *973,992* |
| Fees In Advance | **2,283,159** | *2,784,363* |
| | **3,123,970** | *3,758,355* |

Parents pay to the school a deposit in advance. The deposits are refunded on the pupils' last terms school bill.

**17 FEES IN ADVANCE SCHEME**

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

| | Group and Company | |
|---|---|---|
| | **2025** | *2024* |
| After 5 years | **817,892** | *980,918* |
| Within 2 - 5 years | **984,538** | *1,043,104* |
| Within 1 to 2 years | **480,729** | *760,341* |
| Due after more than one year | **2,283,159** | *2,784,363* |
| Within 1 year | **1,022,643** | *1,119,498* |
| Balance at 31 August 2025 | **3,305,802** | *3,903,860* |

| **Summary of movements in liability** | |
|---|---|
| **Balance at 1 September 2024** | **3,903,860** |
| New Contracts | *314,015* |
| Repayments | - |
| Amounts used to pay fees | (912,073) |
| Amounts accrued to contract as debt financing cost | - |
| **Balance at 31 August 2025** | **3,305,802** |

**18 COMMITMENTS UNDER OPERATING LEASES**

The future minimum commitments under non-cancellable operating leases for vehicles and temporary buildings are:

| | **Group and Company** | |
|---|---|---|
| | **2025** | *2024* |
| | **£** | *£* |
| within 1 year | **67,735** | *75,376* |
| within 1 to 5 years | **115,782** | *139,891* |
| after 5 years | **-** | *1,424* |
| | **183,517** | *216,691* |

**19 SHARE CAPITAL**

| | **Group and Company** | |
|---|---|---|
| | **2025** | *2024* |
| | **£** | *£* |
| **Authorised** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |
| **Allotted, called up and fully paid** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |

**20 FINANCIAL INSTRUMENTS**

| | **Group and Company** | |
|---|---|---|
| | **2025** | *2024* |
| **FINANCIAL ASSETS:** | **£** | *£* |
| Investments held at FV through Profit and Loss | **5,491,632** | *5,924,025* |

**21 SUMMARY OF MOVEMENTS ON MAJOR FUNDS**

| | At 1 Sep 2024 | Incoming resources | Resources expended | Transfers | Gains /(losses) | At 31 Aug 2025 |
|---|---|---|---|---|---|---|
| **GROUP AND CHARITY** | | | | | | £ |
| **Restricted Funds** | | | | | | |
| Michael J Baker travel fund | 27,156 | - | (1,600) | **-** | **-** | **25,556** |
| Library fund | 101 | - | **-** | **-** | **-** | **101** |
| Joan Sewell bequest fund | 23,313 | - | (3,500) | **-** | **-** | **19,813** |
| John Crabtree award | 17,295 | | (1,100) | **-** | **-** | **16,195** |
| Sixth Form Centre | - | 258,000 | - | **-** | **-** | **258,000** |
| The James Brothers' Music scholarship | 25,823 | - | (5,144) | **-** | **-** | **20,679** |
| Giving Day fund | 37,253 | - | - | **-** | **-** | **37,253** |
| Foundation for Sport | - | | | | | **-** |
| and the Arts - grant | 14,000 | **-** | **-** | | **-** | **14,000** |
| | **144,941** | **258,000** | **(11,344)** | **-** | **-** | **391,597** |

The Michael Baker Travel Fund was set up in memory of Michael Baker who died in 1999. It is awarded to one or two leavers each year for travel outside of Europe for specific goals ie: helping local communities.

The Joan Sewell Bequest fund helps support various academic projects in the school, including essay prizes and educational trips.

The John Crabtree award is presented annually to the most gifted mathematician in the Lower Sixth Form.

The Foundation for Sport and the Arts Grant was a grant towards the construction of the sports hall. The figure is reduced annually as per the initial agreement.

The Sixth Form Centre is donations received towards the construction of a new Sixth Form Centre Building.

The Giving Day 2024 was an event where the whole school community came together to raise funds for school projects and bursarial support. The projects were:

- A new Junior Common Room and sports social space overlooking the sports fields, to connect pupils across our houses and provide space for our community to come together.
- Enhancements to the provision of performing arts at King's College Prep School to nurture creativity and expression in those important early years.
- Transformational Sixth Form bursaries to help future generations enjoy the same life-changing experiences at King's College as so many OAs before them.

The James Brothers' Music scholarship provides one organ or singing lesson to Organ and Choral Scholars for up to 4 pupils per year. Ensuring a full and competitive provision for church musicians and maintains and expands the reputation of chapel music at the school.

| | | | | | | |
|---|---|---|---|---|---|---|
| **GROUP** | | | | | | |
| **Unrestricted Funds** | | | | | | |
| General reserves | 17,531,389 | 16,380,436 | (18,068,998) | 287,178 | 15,654 | **16,145,659** |
| Designated - Bursary | 2,812,729 | 106,481 | (6,850) | - | 62,532 | **2,974,892** |
| Designated - Pension Deficit | 643,484 | 16,825 | - | (287,178) | - | **373,131** |
| | **20,987,602** | **16,503,742** | **(18,075,848)** | **-** | **78,186** | **19,493,682** |
| **CHARITY** | | | | | | |
| **Unrestricted Funds** | | | | | | |
| General reserves | 17,531,389 | 16,119,127 | (17,807,688) | 287,178 | 15,654 | **16,145,659** |
| Designated - Bursary | 2,812,729 | 106,481 | (6,850) | - | 62,532 | **2,974,892** |
| Designated - Pension Deficit | 643,484 | 16,825 | - | (287,178) | - | **373,131** |
| | **20,987,602** | **16,242,433** | **(17,814,538)** | **-** | **78,186** | **19,493,682** |

Bursary Fund - in 2015 the School allocated substantial funds to support KST's extensive bursary programme to support families who could otherwise not afford the fees.

The Company has a contingent liability of some £31,545 in relation to a deficit on its Pension Trust Growth Plan scheme. In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund became larger than the deficit. In March 2021, £587,258 was re-allocated to the Bursary Fund. It was and is the Council's intention to buy-out the liability using the remaining Pension Deficit fund. KST withdrew from the scheme with effect from 1st September, 2021 and payment for 90% of the full provisional buy-out took place October, 2022. There is currently a court case pending (decision Q4 2025 at the earliest) which will impact liabilities. Should liabilities increase as a result of the Court case, KST's employer debt would increase. It should be noted that individual debt estimates will be recalculated as at the actual date of exit – 1st September, 2021. After the Court case, the revised amount will be calculated and The Pension Trust will then request the remaining balance. KST will maintain the Pension Deficit fund to cover the 10% currently remaining plus expected sufficient contingency to cover the future court decision.

## 22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group's net assets belong to the various funds as follows:

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 391,597 | - | **391,597** |
| Unrestricted funds | | | | | |
| General | 20,256,777 | 2,545,091 | (3,532,239) | (3,123,970) | **16,145,659** |
| Designated | - | 2,946,642 | 401,381 | - | **3,348,023** |
| **Company** | **20,256,777** | **5,491,733** | **(2,739,161)** | **(3,123,970)** | **19,885,379** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2025** | **20,256,777** | **5,491,632** | **(2,739,060)** | **(3,123,970)** | **19,885,379** |

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 144,941 | - | **144,941** |
| Unrestricted funds | | | | | |
| General | 19,980,173 | 3,064,968 | (1,755,397) | (3,758,355) | **17,531,389** |
| Designated | - | 2,859,158 | 597,055 | - | **3,456,213** |
| **Company** | **19,980,173** | **5,924,126** | **(1,013,301)** | **(3,758,355)** | **21,132,643** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2024** | **19,980,173** | **5,924,025** | **(1,013,200)** | **(3,758,355)** | **21,132,643** |

## 23 PENSION SCHEMES

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for some of its teaching staff. The pension charge for the year includes contributions payable to the TPS of £591,619 (2024: £814,530) and at the year-end £48,431 (2024: £55,044) was accrued in respect of contributions to this scheme.

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 School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect o benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at th valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI) (this change has had the greatest financial significance)

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy).

**Royal London Defined Contribution Scheme**

The School participates in a Royal London defined contribution scheme for some of its teaching staff and all of its support staff.

### 24 Consolidated Statement of Financial Activities - Comparative figures by fund type Year Ended 31 August 2024

| | Notes | Unrestricted Funds | Restricted Funds | TOTAL 2024 |
|---|---|---|---|---|
| | | £ | £ | £ |
| **INCOME FROM:** | | | | |
| **Charitable Activities** | | | | |
| School fees receivable | 2 | 15,555,928 | - | **15,555,928** |
| Ancillary trading income | 3 | 1,746,890 | - | **1,746,890** |
| **Other trading activities** | | | | |
| Non-ancillary trading income | 4 | 626,069 | - | **626,069** |
| Other activities | 4 | 3,570 | - | **3,570** |
| **Investments** | | | | |
| Investment Income | 5 | 195,895 | - | **195,895** |
| Bank and other interest | 6 | 28,245 | - | **28,245** |
| **Voluntary sources** | | | | |
| Appeal income and donations | 7 | 56,546 | 69,987 | **126,533** |
| **TOTAL INCOME** | | **18,213,143** | **69,987** | **18,283,130** |
| **EXPENDITURE ON:** | | | | |
| **Raising funds** | | | | |
| Non-ancillary trading | 8 | | | |
| Financing costs | 8 | 6,295 | - | **6,295** |
| Investment management | 8 | 10,001 | - | **10,001** |
| | | **16,296** | - | **16,296** |
| **Charitable Activities** | | | | |
| Education and grant making | 8 | 17,882,683 | 4,700 | **17,887,383** |
| **TOTAL EXPENDITURE** | | **17,898,979** | **4,700** | **17,903,679** |
| **Net income and expenditure before transfers** | | **314,164** | **65,287** | **379,451** |
| Realised (losses)/gains on investment assets | 14 | 64,208 | - | **64,208** |
| Unrealised gains on investment assets | 14 | 183,577 | - | **183,577** |
| **Net income** | | **561,949** | **65,287** | **627,236** |
| Transfers between funds | 23 | , | , | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **561,949** | **65,287** | **627,236** |
| Fund balances at 1 September 2023 | | 20,425,653 | 79,654 | 20,505,307 |
| **FUND BALANCES at 31 August 2024** | | **20,987,602** | **144,941** | **21,132,543** |

**25 SUBSIDIARIES**

The Company owns all of the share capital of WST Enterprises Limited, a company incorporated in England/Wales. This company carries out trading activity on behalf of the School including commercial letting of the School's buildings and sports facilities.

WST Enterprises Limited (company number: 05181894) had a turnover of £356,099 (2024: £384,573), profit on ordinary activities of £117,845 (2024: £138,494), and a profit before tax and gift aid of £117,845 in the year ended 31 August 2025 (2024: £138,494). At 31 August 2025 the Company had shareholder's funds of £100 (2024: £100).

The Company owns all of the share capital of King's College Schools International Limited, a company incorporated in England/Wales. This company carries out international activities on behalf of the School.

King's College Schools International Limited (company number: 09749938) had turnover of £686,440 (2024: £473,640), £663,385 profit on ordinary activities (2024: £464,460), and a profit before tax and gift aid of £663,385 (2024: £464,460) in the year ended 31 August 2025. At 31 August 2025 the Company had shareholder's funds of £1 (2024: £1).

Gross assets for WST Enterprises amount to £145,035 (2024: £426,773), and gross liabilities of £144,935 (2024: £426,673). King's College Schools International Limited (formerly KST International Ltd) had gross assets of £653,258 (2024: £474,303) and gross liabilities of £653,257 (2024: £474,302).

All subsidiaries have a common registered office with the school.

**26 CONTINGENT LIABILITIES**

King's Schools Taunton Limited has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan, based on the Plan's financial position as at 30 September 2020. As of this date the estimated employer debt for King's Schools Taunton Limited was £315,455 including Series 3 liabilities. King's Schools Taunton Limited have settled 90% of the estimated debt Oct 2022 leaving an estimated liability of £31,545 which has been provided for as a short term creditor, see note 15.

**27 CAPITAL COMMITMENTS**

As at 31 August 2025, the group had contracted capital expenditure of £87,699 (2024: £15,104).

**28 ULTIMATE CONTROLLING PARTY**

The Woodard Corporation is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements can be obtained from The Woodard Corporation, 1 Adam Street, London, WC2N 6LE. The accounts of King's Schools Taunton Limited are included within the consolidated financial statements of The Woodard Corporation Limited.

**29 RELATED PARTIES**

The Company is a wholly owned subsidiary of The Woodard Corporation, a registered charity number 1096270, which is incorporated in England and Wales. An amount of £130,250 (2024: £127,077) was paid in the period to the Corporation by way of a levy to meet Corporation running costs. At year end there was a balance of £259 owed by The Woodard Corporation to The Company.

The Company also controls two trading subsidiaries, WST Enterprises Limited and King's College Schools International Limited (formerly KST International Ltd). See note 25 above. WST Enterprises Limited makes use of the schools facilities for it's principal activity of lettings, the schools made recharges of £298,537 (2024: £236,216) to WST Enterprises Limited for costs incurred to support these lettings such as catering and staff cost, the debtor balance with WST Enterprises Limited at 31 August 2025 was £118,237 (2024: £401,855). King's College Schools International Limited's principal activity is the promotion of education overseas, the schools receive income from King's College Schools International Limited and provide support and advice to our overseas partner schools. The schools recharged £4,025 (2024: £4,675) for costs incurred and the debtor balance with King's College Schools International Ltd at 31 August 2025 was £648,332 (2024: £470,382).

**30 ACCOUNTING ESTIMATES AND JUDGEMENTS**

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

*Provision for bad debts*

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

*Deposits*

Refundable deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that pupils leave the school on one term's notice and as such the deposit would be refunded to the parents at that point. However the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in the school for their full years of education and therefore the deposit will be refunded to them when they leave the school. Short term deposits reflect those pupils that will be leaving the school within one year, and the long term element reflects those pupils that will be leaving the school after 12 months from the balance sheet date.

*Depreciation, impairment and residual values of fixed assets*

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates of depreciation and for matters of impairment.

**KING'S SCHOOLS TAUNTON LTD**

England & Wales - Charity number 1103346

# Accounts

**Charity Registration No. 1103346**

**Company Registration No. 05084301 (England and Wales)**

# KING'S SCHOOLS TAUNTON LIMITED

# DIRECTORS' REPORT

# and

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 AUGUST 2024

# KING'S SCHOOLS TAUNTON LIMITED

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# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
***YEAR ENDED 31 AUGUST 2024***

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| | |
|---|---|
| **Directors** | L M Nash BEd FIOD ISM (Chair and Custos)<br>C H Hirst MA (Vice-Custos)<br>C A Cavaghan-Pack BEd JP<br>M D Featherstone MA PGCE<br>M A Gunn MA (Ed)<br>J E R Houghton MA<br>J E Knill<br>R M U Lambert MA<br>W J Morrison BSc MRICS<br>Bishop W N Stock BA, Dip Theol.<br>R Wells-Cole BA (Hons)<br>Commodore J R A Woodard ChPP, BASC (Hons), MSc, PG Cert |
| **Company Secretary** | S C Worthy BA MBA |
| **Charity Number** | 1103346 |
| **Company Number** | 05084301 |
| **Registered Office** | 20 Holway Avenue<br>Taunton<br>TA1 3AR |
| **Principal Addresses** | King's College Taunton<br>South Road<br>Taunton<br>Somerset<br>TA1 3LA<br><br>King's College Prep (WEF 01/09/2023 – previously King's Hall School)<br>Kingston Road<br>Taunton<br>Somerset<br>TA2 8AA |
| **Key Management Personnel** | |
| **Heads** | M P Sloan, BA (King's College Taunton)<br>J T S Chippendale, BSc (King's College Prep) |
| **Director of Finance and Operations** | S C Worthy BA MBA |

# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
*YEAR ENDED 31 AUGUST 2024*

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| | |
|---|---|
| **Auditor** | Moore Kingston Smith LLP<br>6th Floor<br>9 Appold Street<br>London<br>EC2A 2AP |
| **Tax advisers** | RSM UK Tax and Accounting Limited<br>10th floor<br>103 Colmore Row<br>Birmingham<br>West Midlands<br>B3 3AG<br><br>Cubed Tax Support Limited<br>11c Oakmoore Court<br>Kingswood Road<br>Droitwich<br>WR9 0QH<br><br>PKF Francis Clark LLP<br>Sigma House<br>Oak View Close<br>Edginswell Park<br>Torquay<br>Devon<br>TQ2 7FF |
| **Bankers** | National Westminster Bank plc<br>49 North Street<br>Taunton<br>TA1 1NB |
| **Solicitors** | DAS Law Limited<br>North Quay<br>Temple Back<br>Bristol<br>BS1 6FL<br><br>Porter Dodson<br>The Quad<br>Blackbrook Park Avenue<br>Taunton<br>TA1 2PX<br><br>Veale Wasbrough Vizards<br>Narrow Quay House<br>Narrow Quay<br>Bristol<br>BS1 4QA |
| **Investment Advisers** | Cazenove Capital<br>1 London Wall Place<br>London<br>EC2Y 5AU |
| **Insurance Brokers** | Marsh Insurance Brokers Limited<br>1 Tower Place West<br>Tower Place<br>London<br>EC3R 5BU |

# KING'S SCHOOLS TAUNTON LIMITED

## DIRECTORS' REPORT (incorporating the STRATEGIC REPORT)
## *YEAR ENDED 31 AUGUST 2024*

The Directors present their report and financial statements for the year ended 31 August 2024 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

### REFERENCE AND ADMINISTRATIVE INFORMATION

The Company was incorporated on 25 March 2004 and commenced operations on 1 September 2004 when the business, assets and liabilities relating to King's College Prep and King's College Taunton were transferred from Woodard Schools (Western Division) Limited. On 15 July 2012 the Company changed its name from Woodard Schools Taunton Limited to King's Schools Taunton Limited. The Company is a limited liability company incorporated in the United Kingdom and a wholly owned subsidiary of The Woodard Corporation, which is also a registered charity (number 1096270). The Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

As Woodard schools, King's College Prep (changed from 'King's Hall School' with effect from 1 September 2023) and King's College Taunton (the Schools) share an educational vision which empowers and adds value to a child's development, within an actively Christian environment. King's College Prep is an independent co-educational preparatory school for day and boarding pupils aged 2 to 13 and incorporates pre-preparatory and nursery departments. King's College Taunton is an independent co-educational senior school for boarding and day pupils aged 13 to 19. The Schools are forward-thinking and dynamic places of learning with dedicated staff, excellent facilities and a warm and open culture.

Note 30 on page 48 provides details of a connected charity, namely the parent charity, the Woodard Corporation.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 20 March 2013, replacing those dated 18 March 2004 amended by Special Resolution(s) dated 25 January 2006, 28 April 2009 and 23 June 2009. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects, and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the Company.

#### School Council (Governing Body)

The Council Members are the Directors and charitable trustees of the Company and comprise the Council of King's College Prep and King's College Taunton. The Directors are also Governors for the purpose of Charity law. They are elected to hold office for five years. Any retiring Director may be re-appointed. The Directors determine the policy and strategy of the Company. It is the collective responsibility of the School Council to ensure that the Schools are fit for purpose and to determine and support its strategic direction in order to enable it to attain their stated objectives. The day-to-day management of the Schools is delegated to the Headmasters and Director of Finance and Operations (who operates across both schools), supported by the Senior Management Teams in each School. The chair of the Council is known as the Custos.

#### Recruitment and Training of Council Members

All Council Members are Corporate Fellows of the Woodard Corporation. Corporate Fellows are responsible for electing the Woodard Corporation Board. Council Members are recruited on the basis of nominations from school contacts and from an external recruitment company and from selection when a post becomes available.

The Council looks to ensure a mix of skills and selects new Council Members on the basis of background, competence, specialist skills and commitment to supporting the Christian ethos/practices of the Schools. Specific attention is paid to the succession planning of Council Members, both with a view to their skill sets and in relation to the chairmanship of the Council and its sub-committees.

Council Members are provided with induction training by the Headmasters, Director of Finance and Operations and their staff and a wider programme of training events is organised by the Woodard Corporation and other organisations. Council Members are also encouraged to attend events run by the Association of Governing Bodies of Independent Schools (AGBIS) and other relevant organisations.

**Organisational Management**

The Schools are governed by the Council which delegates work to a number of committees. Membership of each committee is outlined on page 21. The Directors determine the general policy of the Company. The day-to-day management of the Company is delegated to the Headmasters and the Director of Finance and Operations, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by Council which provide for only significant expenditure decisions and major capital projects to be referred to Council for prior approval.

The Headmasters oversee the recruitment of all educational staff, whilst the Director of Finance and Operations oversees the recruitment of operational staff. The Headmasters and Director of Finance and Operations are invited to attend Council meetings.

The full Council met for a full meeting three times during the year and had one virtual extraordinary meeting in October 2023. They attended one Education Day at King's College and one Education Day at King's College Prep.

*Education and Pastoral Committee* – the Education and Pastoral Committee is responsible for oversight of the academic performance of the Schools and educational and pastoral policy, making recommendations to Council for approval. The Education and Pastoral Committee met three times during the year.

*Finance and Estates Committee* – the Finance and Estates Committee has a remit to consider budgets, both revenue and capital, cash flow information, financial reports, including the financial statements, financial policies and relevant financial regulations. It does this through consideration of audit management letters and other reports relating to governance and control of the Schools. It also oversees the Schools' estates strategies, including capital developments and maintenance of the buildings. It makes recommendations to Council for approval. The Finance and Estates Committee met three times during the year.

*Remuneration Committee* – the Remuneration Committee reviews the performance and remuneration of the Executive. It makes recommendations to Council for approval. The Remuneration Committee met once during the year.

*Appointments Committee* – the Appointments Committee is responsible for managing the recruitment of new Council Members to Council. It ensures an orderly succession policy is in place and that the Council has an appropriate mix of skills and experience. It makes recommendations to Council for approval. The Appointments Committee met twice during the year.

*Compliance Group* – the Compliance Group is charged with overseeing the compliance of both King's College and King's College Prep with all relevant legislation and regulatory requirements. It makes recommendations to Council for approval. The Compliance Group met twice during the year.

**Group Structure and Relationships**

The Company has two wholly owned non-charitable subsidiaries, WST Enterprises Limited and King's College Schools International Limited.

The Schools have developed links with a variety of organisations by means of which they enjoy access to information on best practice which enables them to offer the widest possible access to the facilities and educational opportunities which they provide. Council Members and staff ensure that they are able to attain the highest standards of quality and performance through membership of professional associations including the Independent Schools Council, the Headmasters' and Headmistresses' Conference, the Independent Association of Preparatory Schools, the Independent Schools' Bursars

Association, the Association of Governing Bodies of Independent Schools, the Boarding Schools' Association, and the Somerset Chamber of Commerce, as well as through involvement in the work of the Independent Schools' Inspectorate, various examining bodies, through networking with peer groups and by many other means.

All the pupils in the two Schools are encouraged to develop an awareness of the social context of the all-round education they receive at the Schools and they are engaged in a number of activities to enhance their understanding and to enrich their experience. There is a thriving association of former pupils of King's College, the Old Aluredian Club, which supports the work of that School. Beyond King's was introduced in 2019; this is an online initiative, which combines a directory of alumni, pupils, parents and Friends of King's, who are able to connect, support and mentor each other, whilst at school and beyond. Two further organisations, The Friends of King's College and The Pelicans (Friends of King's College Prep), membership of which is open to past and present parents of pupils at the Schools, neighbours and others, also supports the work of the Schools. King's Schools Taunton Limited is a substantial employer in the Taunton area and has responsibility for the care and upkeep of several listed properties and important parts of the local environment.

King's Schools Taunton Limited also cooperates with many local schools and charities in its on-going endeavours to widen public access to the schooling it provides, to optimise the educational use of its cultural and sporting facilities and to awaken in its pupils, in the public interest, an awareness of the social context of the all-round education they receive.

**How the Board Complies with its Section 172 Duty**

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

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

The Directors welcome the new reporting requirement as an opportunity to explain how dialogue with stakeholders has informed and helped to shape decisions in promoting the success of the Schools to achieve their charitable purposes.

As set out on pages 4 and 5 within "Group Structure and Relationships" the Schools have developed links with a wide range of organisations to ensure the widest possible access to our facilities and education. Through membership of HMC, IAPS, AGBIS, BSA, and ISBA and through networking with peer groups we ensure that we are able to attain the highest standards of quality and performance.

Details of how the Schools have engaged with employees and had regard to employee interests can be found within the Employment Policy and Employee Involvement sections on pages 8 and 9. Details of volunteer engagement can also be found on page 9.

The Directors can demonstrate the promotion and success of the charity for the benefit of the stakeholders through the review of achievements and performance for the year, included within this Strategic Report. The Schools have continued to benefit from access to high quality academic education as well as pastoral and social support. The Schools also play an important role in providing activities for local community groups and access to their facilities.

The Trustees are responsible for strategic planning and policy-making for the Schools and, accordingly, all key decisions, the current performance and future longer-term plans of the charity and stakeholders

are referred to and taken by the Board. The Schools are governed by the governing body (Council) which delegates work to a number of committees. Membership of each committee is outlined on page 21. The Governors, who are also the directors, determine the general policy of the company.

As set out in the Strategic report, our culture, staff, volunteer and pupil welfare and wellbeing, has been fundamental to continued success. Further information on King's continued success can be found in our Strategic Report and the detailed review of achievements and performance for the year.

## CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

### Charitable Objects

The Company's objects, as set out in the Articles of Association, are to promote and extend education in accordance with the doctrines and principles of the Church of England, through its two schools, King's College Prep and King's College Taunton. The Council has a written statement of its own Aims, Vision and Values last updated in June 2024, which enshrines the Company's objectives in its own context. From this document flows the Company's strategic plan against which the principal activities are monitored regularly.

In setting the objectives and planning the activities of the Schools, the Council gives careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. King's Schools Taunton Limited is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the Schools and at a level that is consistent with the aim of providing a first class education to all pupils.

The Schools' charitable objectives are 'to promote and extend education', and these objectives are recognised as benefiting the public when pursued in the context of formal education in a body where all surplus funds are re-invested. The Woodard Corporation and all of the schools it owns are charitable bodies, with no external shareholders and no possibility of making distributions, including in the form of dividends. All surpluses are re-invested in education.

### Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education and they see themselves as communities working together for the benefit of all concerned, and of the Church and the nation. They are strong Christian foundations which adhere to Catholic belief as found in the Church of England, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain. A Woodard education values both the spiritual and moral development of each person within the school community giving strength, confidence and respect for others.

### Objectives of and Principal Activities for the Year

The principal objective and activity of the Schools is the delivery of education to pupils ranging from 2 to 19 years of age. The Schools aim to support children in reaching their potential in all areas of their activity at the Schools, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life. King's Schools Taunton also aims to further extend access to the schools' facilities to the local community.

### Public Benefit

Within the objects, the Schools aim to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. They provide them with a first class independent education and a wide range of sporting and cultural opportunities. The Schools' public benefit aim is that all pupils will be self-confident and instilled with a desire to contribute to the wider community.

In the furtherance of these aims the Directors of King's Schools Taunton Limited as the Company's trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

The Schools welcome pupils from all backgrounds. To admit a prospective pupil, the Schools need to be satisfied that they will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the Schools and parents that potential pupils can cope with the pace of learning and benefit from the education they provide. An individual's gender, ethnicity, race, religion or disability do not form part of the assessment processes.

The Schools are a part of a wider community and are keen that their staff and pupils participate. The Schools also offer a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. The Council is committed to developing the programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of the schools are explained in the 'Review of Achievements and Performance for the Year' section of this report.

Woodard and its schools provide a significant benefit to the public. The schools strive to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay fees. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individuals or elements of Woodard are incidental to the delivery of the charitable objectives.

### ACCESS POLICY

It is important to the Schools that access to the education offered is not restricted to those who can afford the fees. The School Council believes that pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

The Schools' Awards policies, including for bursaries, contribute to a widening of access to the education they offer and the facilities its pupils enjoy.

### Bursary Policy

The Schools Council views bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by the Schools. Assistance with fees, or "bursaries" is designed to help those in financial need to afford the school fees at King's. Since demand for fee assistance always greatly exceeds supply, pupils must be registered candidates and "qualify" to be considered for fee assistance on the basis of achieving high scores in the entrance assessments, by winning a scholarship or exhibition award, or, for current pupils, to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy.

In assessing means the methodology promulgated by the Independent Schools' Bursars Association is used, which takes a number of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. The funds available for bursaries are limited. When considering awards, the Schools have to be mindful that they must ensure a balance between those parents paying full fees, many of whom make considerable

personal sacrifices to fund their child's education, and those benefiting from the awards.

In January 2015 the School Council allocated £1 million of unrestricted funds to a designated Bursary Fund. These funds are invested and the objective is to build this fund significantly through fund raising and accumulating investment income and capital growth. A percentage of the capital sum is contributed to the Schools' bursary programme annually.

The bursary awards range up to 50% remission of fees. Information about fee assistance through bursaries is provided to all applying to the schools. Further details of the current bursary policy and how to apply are available from the Finance or Admissions offices.

**Other Policies on Assistance:**

***Family discounts policy***
To underline the value placed on continuity for families, discounts are offered where parents have more than one child at the Schools.

***Promoting high academic standards - scholarship policy***
The purpose of scholarship awards is to recognise high academic potential or the ability to excel in co-curricular activities. Scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to co-curricular activities. Scholarships are awarded with a fixed remission of fees of between 10% and 50%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary up to a total remission of 50%. The Schools include details of the various awards available in their prospectuses and on their websites.

***Assistance for teaching staff***
As part of its emphasis on attracting and retaining high calibre staff, the Schools offer a discount scheme for those staff members who choose to educate their children at the Schools.

***Further assistance***
Support is also available to children of MOD employees and the Clergy.

**Grant Making Policy**

The Schools provided scholarships, grants, prizes and other awards totalling £607,914 from unrestricted funds. In common with other independent schools, King's College Taunton and King's College Prep make these awards based on the educational potential of the pupil (subject to the particular conditions imposed by the original donor where the award is out of restricted funds). The Schools also provided means tested bursaries totalling £1,110,851 (5.7% of gross fees) to families who would not otherwise be able to afford the fees or where the pupil's education and future prospects would otherwise be at risk. They provided assistance to 86 pupils. In support of refugees and in partnership with Royal SpringBoard, four of these received over 100% remission of fees. The availability of all such awards for fee-assistance, together with the terms and conditions for each kind of award, is advertised on the Schools' websites.

**Employment Policy**

King's Schools Taunton Limited is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability. The Schools will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

**Employee Involvement**

The Schools encourage the involvement of its employees in its management through regular meetings of the staff with management and Governors (in particular with the Governor responsible for staff welfare). Management at all levels have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy. Employees are required to play an active part in appraisal of their performance and are also requested to comment on

what the Schools do well and what could be improved.

**Disabled Persons**

The Schools will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise.

There will be a training scheme made available for any employees who become injured or disabled during the course of their employment so they can, where possible, continue in employment with the Schools.

**Volunteers**

The Schools enjoy the support of a large number of volunteer groups and individuals including, in particular, parents, who help the Schools to raise funds and assist with specific activities and school events. The Council records its deep appreciation for the work of these volunteers; the assistance given would extend to several hundred hours of voluntary service.

**Investment Policy and Objectives**

The Company's articles of association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Council's policy is to preserve and enhance the capital value of investments and maximise income consistent with maintaining a balanced investment return from income and capital, with moderate risk.

## STRATEGIC REPORT

### REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

**Responding to External Pressures**

The independent schools' sector, including Woodard independent schools, stood up well to the problems created by the 'cost of living crisis' but independent schools remained concerned, and many were planning for pressure on pupil numbers, particularly once the new Labour Government confirmed the introduction of VAT on school fees from 1st January 2025.

The increases in the cost of living impacted all areas of cost for independent schools, particularly in staff costs. The more recent return to long term rates of inflation has lessened this impact, but schools have all faced an issue in recovering their costs through fee rises. This will continue with the introduction of VAT.

**King's College**

The School's high educational standards are validated through strong public examination results, our measure of value added and through external inspection. The School offers a broad range of subjects, though the emphasis is on traditional, academically rigorous disciplines. We have particular strength in mathematics, the sciences, languages, design technology and sports studies. The School underwent a scheduled compliance inspection by the Independent School's Inspectorate (ISI) in October 2022 and in a glowing report was found to be fully compliant in all areas.

***Academic Results***

At both GCSE and A-level there were some outstanding outcomes for pupils. We are confident that the grades are a fair reflection of the ability and hard work of the two cohorts.

At A-level and BTEC, the overall A* to B rate was 58%. We take a broad range of academic ability levels, and are pleased and proud when a pupil fulfils their own individual potential and takes the next step in

their journey no matter where that may lead, be that a vocational course or an elite university. Given that range, some find it helpful to understand that the top half of the year achieved close to 80% A*-B at A-level this year, placing us in line with many schools who are highly selective at entry point. A very pleasing 86% of pupils who held offers from universities have been accepted onto their first-choice courses, including those selected for highly selective courses, such as Medicine; we have an outstanding bespoke programme at King's to guide pupils who wish to study Medicine. King's leavers have started courses at universities including Oxford, Cambridge Imperial College, UCL, KCL, Durham, Nottingham, Bristol, Newcastle and Exeter. Increasingly, pupils are heading overseas to study; three have been accepted on scholarships to prestigious universities in the United Sates, one to Canada and one to Australia.

King's Year 11 pupils performed very well at GCSE, the Grade 9-7 (A*-A) rate was 50%. 14 pupils achieved a Grade 8 or above across all subjects. There were strong department showings from further maths (a new subject at GCSE), Latin, Spanish and music. It was heartening to see so many girls perform well in STEM subjects. One of our Ukrainian scholars (a refugee from the conflict) achieved superb results, given he took much of this content in one year.

This success reflects the hard work of both the pupils and teachers. Our breadth of opportunity is demonstrated by the fact that many of our pupils have also excelled outside of the classroom. Their ability to balance their studies and to throw themselves into a number of additional pursuits is commendable, and our staff are highly experienced in providing the support required.

***Improving Facilities***

Our new Sixth Form Centre, opened in 2023, continues to be at the centre of academic and social life of our sixth form. We are in the process of building a new Common Room for our junior pupils (Yr9-11), which will double as a sports café at weekend for our parents and visitors. This is due for completion in June 2025.

***Arts, Music and Drama***

The number and range of musical events took place over the course of the year, including 20 concerts, 30 sung Eucharists and over 4000 instrumental lessons. The Chapel Choir are a feature of the school, singing weekly in our Eucharist Service and throughout the year at various Chapel Services. We have had the guitar ensemble, pianist recital, string concert and Evensong recently. The school ran the young musician of the year award, a chamber concert and a woodwind concert. A wide range of pupils enjoy our musical endeavours.

We ran a highly entertaining 'Musical Extravaganza' which involved a large range of pupils who volunteered to take part –the usual dance and performing arts scholars, but also a number of pupils who have never performed before. The Junior Play was a brilliant performance of' *'The Thirty Nine Steps'*, performed in our open-air amphitheatre.

King's pupils achieved outstanding results in LAMDA Speech and Drama Acting exams. We had eleven pupils from Year 10 to Year 13 entered for them at the highest grades with four taking Bronze (Grade 6), six taking Silver (Grade 7) and one taking Gold (Grade 8). Ten of the pupils achieved the highest assessment level possible, Distinction, which means they scored over 80%.

***Sport and Outdoor Pursuits***

Our boys' U15 cricket team reached the national T20 Cup finals for the second year in a row.

The girls' football 1st XI won their league and the boys 1st XI reached the regional FA Cup final.

A number of boys and girls competed at an international level in a range of sports, including athletics, cricket, water polo and badminton. An U6th leaver has been offered a contract to play professional cricket for Somerset, following many others who have taken that pathway over the years.

The squash team won the HMC National plate title.

In swimming, our boys' and girls' teams were second in the annual Meade-King Cup quadrangular gala.

Riding had a successful year this year. Eight riders represented the school at the National School Equestrian Association finals at Hickstead, and our polo team continues to be successful.

***CCF***

The school's Royal Marines section once again won the prestigious Sir Steuart Pringle Trophy at Lympstone, for the ninth time in thirteen years. This means the school has extended its own record of having won the trophy more times than any other school in the country.

We CCF passed it biennial review in November 2023, conducted by Brigadier Mike Caldicott CBE.

***Ten Tors***

King's once entered two determined teams for the 35, 45 miles challenge Ten Tors Challenge, successfully tacking the challenging routes of Dartmoor, showing exceptional resilience despite the heavy loads and tough weather.

***Partnerships & Community Engagement***

Our partnership activities with Holy Trinity Primary School have continued this year, starting with a lively morning of cricket practice led by some of our Sixth Form pupils on the Sports Performance Programme under the supervision of our Head of Cricket. Followed by an enrichment event with our DT Department. The Year 5 cohort will be made, decorated and then tested model gliders, using the laser cutter. We have worked in advance with Holy Trinity so that their pupils have been learning about gliders as part of their DT this term, concluding the topic by making the models on their visit to King's. The KCAP (King's Community Action Plan) Friday service activity listening to Holy Trinity's pupils has continued this year, this has been extremely successful and rewarding for all concerned. The Sports Leaders Course has continued, involving our pupils helping with sports coaching at a range of primary schools, as does the community swimming initiative for the two pupils at Holy Trinity. The Schools Together website captures out full range of outreach activities run by the school.

We ran the ever popular 'Choir in a Day' event, involving a wide range of local primary schools, coming together to perform in our Chapel.

Our Springboard pupil (full scholarship) has very much benefited both academically and pastorally from the opportunity to be at King's.

***Facilities made available to the public***

Facilities used by groups from outside the school have included the Chapel, the swimming pool, playing fields, Astroturf pitches, squash courts, the indoor cricket facility and the theatre.

**King's College Prep**

King's College Prep provides a very high standard of education and this is validated by review of the academic results and other achievements and through external inspection. The School offers a broad curriculum and educates children with a wide range of ability. It has an exceptional Forest School on site utilised by all children which makes full use of the School's stunning rural position and proves very popular with children and staff alike. 'Woodland Adventures' and a variety of technological, sporting and artistic courses are run during the school holidays as part of the wrap-around care provision. As well as achieving high academic attainment the School is a strong force on the sporting front, especially in rugby, cricket, hockey, netball, tennis, athletics and multi-eventing. The School has impressive musical performers; artists with great talent; self-motivated and able designers; its drama and performing arts

programme is full, varied and of a very high standard.

The School aims to support children in reaching their potential in all areas of their activity at the School. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or design technology: Year 8 leavers secured 42 scholarships this year and around 200 awards to senior schools have been gained in these six disciplines over the last six years. The School produces well-rounded individuals who are able to make a positive contribution to society. An effective democratically elected Pupil Council operates successfully from Year 3 upwards with 'Pupil Voice' existing in Pre-Prep. There are constant charitable events taking place, with a significant focus this year being towards funds for The Nelson Trust, Hospice South West and Open Door.

***Academic Performance***

Year 8 leavers gained twelve academic scholarships to senior schools. 100% of Year 8 children gained access to their chosen senior school. Year 6 children gained three academic scholarships to continue to King's College after Year 8.

***Sport***

King's College Prep continues to compete at a very high level, especially in rugby, hockey, cricket, athletics, tennis, football and netball. In sporting competition outside of school, King's College Prep children were successful. The boys U13 and U11 rugby teams had very positive seasons. The boys' and girls' hockey teams won the vast majority of their matches. All children, girls and boys, play cricket at the same time. The girls U13 cricket team were County Champions as were the boys U12 and U11 cricket teams. A good number of boys and girls were selected to play for Somerset at their age group.

The tennis teams performed strongly with both boys and girls in the County squads and one boy is the County Tennis Champion for his age group. A large number of children competed in the Exmoor Challenge whilst our riding team won several Show Jumping Classes during the year and also competed at Hickstead. One boy became U14 County squash champion and, in conjunction with the College, our Junior squash team are County Champions. Two children competed in the National Athletic finals with one gaining a Bronze medal. Six children were at the National Biathle or Laser Run championships with two going on to represent Great Britain in Bali. Our pistol shooting team reached the National Schools and nearly defended their title.

Twelve children gained sports scholarships to their senior schools and five won awards in Year 6 to continue on to King's College.

***Art, DT, Music, Drama and Performing Arts***

An impressive and diverse Art and DT exhibition at the end of the year displayed the various creative talents in the School. The Specialist Art group undertook a wide range of enrichment activities to extend their knowledge and understanding. The music department put on extremely high quality concerts. Involvement in festivals and competitions such as Taunton Music Festival was fulsome with impressive results. All children in Years 2, 3 and 4 have, respectively, class lessons on the violin, trumpet/trombone and junior sax.

Drama productions continued to be plentiful with the Michaelmas Term seeing Year 7 and 8 create a terrific production of *Oliver!*. An extremely high quality show with sound including radio microphones, lighting, set and costumes. December saw two excellent nativity productions from Pre-Prep. In March Year 6 produced energetic and vibrant performances of Arabian Nights. Year 4 performed outside in the Summer to two parental audiences and Pre-Prep delivered their Summer Show with great style. The Speech and Drama activity continues to thrive with many children taking part including the Taunton Drama Festival and LAMDA exams – with much success.

The King's College Prep Arts Week welcomed an enormous range of visitors across the curriculum enriching the experience for the children as well as numerous trips and productions taking place. The

theme was 'Circus'. There were workshops, trips, visiting artists, authors, storytellers and dance as well as some following the remarkable puppeteers.

One music, six art, four DT and five drama/performing arts scholarships were gained by Year 8 children to senior schools and one music and three performing arts scholarships were gained by children in Year 6.

***Significant projects***

The major focus has been on refreshing the water main into the school and boarding house improvements.

***Partnerships & Community Engagement***

The Head and senior staff regularly visit local primary schools to discuss share opportunities. These include: Trull, North Town, Cheddon Fitzpaine, Kingston St Mary, Thurlbear, St George's, Enmore and Parkfield.

We host the SASP county Year 3 & 4 Primary School's Cross Country events which sees about 300 children using our site.

An enrichment programme for Year 6 children including STEM, Languages, Cookery, Football and Cricket for a wide range of Primary Schools.

Cricket net sessions with North Town Primary school.

Swimming gala with North Town, St Georges and Cheddon Fitzpaine.

Swimming gala with Castle School.

Netball festival with North Town, Trull and St Andrews primary schools.

Facilitating PE cluster meetings with local Primary Schools.

We hosted Cheddon Fitzpaine Primary School's Sports Day for all children and parents.

A football festival with North Town and St George's.

Some Year 8 (as part of their French studies) taught Cheddon Fitzpaine Year 5 about the Olympic Games in France.

A range of Primary School pupils come to watch drama productions and join some workshops.

Every Wednesday Taunton Blades (Fencing) use the sports hall.

Every Wednesday the Taunton Youth Orchestra use the Arts Centre.

**International Schools**

KST has a subsidiary company to take advantage of the opportunity to develop schools internationally, applying the successful King's College and King's College Prep approach to education and personal development. This company works with selected partners who are generally responsible for the day-to-day operation of the schools while King's assist with recruiting key personnel, curriculum and policies. Once a school is operating, personnel from the UK schools provide support to the local management and undertake regular educational and compliance audits to ensure that the King's formula is being applied successfully.

***India***

After numbers fell during the pandemic, numbers at the school in India are growing once again. A new Head took up post last year. Pupils who took their A levels last year have all moved on to universities or colleges, including in the UK.

***Qatar***

King's College Doha opened on 18 September 2016. It now has opened a second, purpose built, state of the art campus. In total, there are 1150 children up to Year 13. There continues to be close dialogue and support for the school including the monitoring responsibilities conducted through both a formal inspection as well as regular reports.

King's College Riyadh opened in September 2021 welcoming 169 pupils up to Year 3. It now has 610 children up to Year 6.

***Future Schools***

We are in positive discussions with our current and new partners about further opportunities overseas. Both developing the existing schools as they expand as well as progressing the necessary steps towards opening new campuses.

**Key Performance Indicators**

KST uses KPIs internally and externally in line with anonymised results from national surveys. These KPIs include surplus, pupil numbers, and academic results. These KPIs are analysed within KST, by Governors and also by the Woodard Corporation.

**Funds held as custodian trustee on behalf of others**

KST does not hold funds or act as custodian trustee on behalf of others.

## FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The net income for the year amounted to a surplus of £627,236. This is above expectations mainly due to capitalisation of significant investment in IT, plant and equipment and ongoing development of property. Material premises cost savings were achieved, compared to budget, as a result of reduced energy consumption. Although the cost-of-living challenges and the cricket governing body's decisions on youth competitive cricket has had some impact on lettings, WST Enterprises Limited continued to hire out the Schools' facilities during holidays and school hours where it can, as well as undertaking commercial activity on behalf of the Schools and externally. The national and international cricket festival again took place over six weeks in the summer 2024. WST Enterprises Limited contributed £138,494 to the Schools' operating results. King's College Schools International Limited contributed £464,460 to the Schools' operating results with turnover of £473,640 contributing to the Group results. The Equity Shareholders' Funds increased by £627,236.

The parents of pupils often make significant sacrifices to pay the fees. In doing so they help to relieve UK taxpayers of the financial burden of educating a significant number of UK based children. The saving made by the Schools is estimated to have a value in the last year of £4.1 million.

The Company is unable to recover the VAT on purchases it makes. During the past year, King's Schools Taunton Limited has paid an estimated £738,934 in VAT on goods and services.

## RESERVES POLICY

It has been the Council's policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the Schools without the requirement to have recourse to sales of tangible fixed assets, except where those are no longer required for the primary purpose of the Schools. At year end the Council consider that the Charity holds sufficient funds to meet these needs.

In common with most independent schools, and due to the having to fund their own capital investment

plans, free reserves are at a negative balance illustrating the extent of the investment in our school. Although there is not a specific target, KST intends to build them up over time. At the present stage in the development cycle the free reserves are being utilised in order to finance on-going improvements and the provision of additional facilities in accordance with the Schools' strategic plan. The Schools continue to invest in their infrastructure, both with new capital projects and to deliver significant repairs and improvements to existing facilities. The school's total reserves of £21.13m at the year-end included £0.14m of restricted funds and £3.46m unrestricted designated funds. Fixed assets held for charity use totalled £19.98m, leaving free reserves of -£2.45m (2023: -£2.53m). KST's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The Schools do not have, and cannot rely on, permanent endowments.

The Council continues to keep the Schools' banking facilities under review to ensure they remain appropriate to support the Schools' working capital requirements. The unrestricted reserve is invested both in cash and a balanced range of quoted investments. The unrestricted reserves are primarily invested in tangible fixed assets and investments which are all used for the Schools' direct charitable activities.

*Bursary fund.* The Council recognises the long term need to support families who could otherwise not afford the full school fees. In 2015 the Council allocated £1m to a Bursary fund, the income from which goes to support the Council's extensive bursary programme. It is the intention to grow this fund in the long term. In 2022, the decision was taken to move our investments to the Responsible Multi-Asset Fund. At 31 August 2024 the investments within this Bursary fund were valued at £2,559,565.

*Pension Deficit fund*. The Company has a contingent liability of some £31,545 in relation to a deficit on its Pension Trust Growth Plan scheme (see also note 27). In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund is now larger than the deficit – in March 2021, £587,258 was re-allocated to the Bursary Fund. At 31 August 2024 the investments within this Fund were valued at £356,305.

**Investment Performance against Objectives**

***Bursary Fund***
The portfolio, managed by Cazenove Capital, was valued at £2,559,565 on 31 August 2024 (31 August 2023: £2,377,068), included in this fund is £330,601 of advance fees payment.

Over the period the portfolio return was 12.03%, adjusted for additions and withdrawals. The trustees have adopted a total return approach, and the withdrawals are met from a combination of income and capital as appropriate. The portfolio is invested in accordance with the agreed investment strategy.

***Pension Deficit Fund***
The portfolio, managed by Cazenove Capital, was valued at £356,305 on 31 August 2024 (31 August 2023: £623,035). £288,948 was withdrawn from this portfolio during the period.

Over the period the portfolio return was 5.48%, adjusted for additions and withdrawals. This portfolio was held fully in cash and cash equivalent investments throughout the period.

N.B. Cazenove are currently also managing our Advance Fees Account valued at £307,825 on 31 August 2024 (31 August 2023: £293,597).

**Engagement with Suppliers, Customers and Others in a Business Relationship with KST**

King's Schools Taunton seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the schools' operations.

During the year the schools have further promoted this engagement though specific initiatives including:

- Regular communication and engagement with parents and prospective parents of pupils attending King's to enhance the understanding of the provision to each pupil and to fully coordinate support to pupils from parents and the schools;
- Engagement with other educational organisations and partners at local and national levels to share best practice and to provide peer support;
- Dialogues with local councils on matters which impact children and families in the community as well as those that relate to the operation of each school;
- Engaging with local businesses to promote career and educational opportunities for pupils for their mutual benefit;
- Seeking opportunities to engage with local and national suppliers in the area;
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to King's;
- Promoting and encouraging pupil and staff opportunities to engage in local voluntary and other projects to support the community; and
- Providing community access to King's and, in many cases, adopting a role that puts the school at the heart of the community.

**How the School Council Complies with Section 172 of the Companies Act**

***Promoting the success of the charitable group***

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charitable group to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

***The likely consequence of any decision in the long term***

King's makes all key decisions through reference to its long-term strategic plan and after projecting the timing and impact of such decisions. This strategy is primarily designed around the objective to improve the educational outcome for pupils. Every decision and strategy or policy adopted is regularly reviewed for its impact on stakeholders, and the need for any change is identified and implemented.

***The interests of the charitable group's employees***

Our employees are vital to KST and we regard ongoing, regular engagement with them as a top priority. KST seeks employee engagement through regular feedback and meetings, including formal appraisals and through the KST (staff) Consultation Committee (in September 2023, the name was changed to KCTCC). We address any issues raised by our employees as quickly as possible and communicate back to them what we have done. Staff are offered access to support, and all parts of KST seek to ensure that staff welfare is actively considered and addressed. Through application of up-to-date health and safety policies, and regular meetings and consultations, we also actively seek to ensure that the working environment meets necessary high standards of safety and security.

***The need to foster the charitable group's business relationships with suppliers, customers, and others***

Our relationships with partners and suppliers are key to our effectiveness. KST actively seeks to engage in service reviews with key suppliers, and the Woodard procurement manager assists in this process for business-critical activities. These reviews are focussed on a two-way relationship with KST based with an aim of helping one another to achieve an optimum service as efficiently as possible, achieving best value for money. Where KST has procured outsourced services, we seek to ensure that staff and management from that contractor are supported as an equal member of the school communities, and as stakeholders.

***The impact of the charitable group's operations on the community and the environment***

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. As well as covering environmental issues in our schools' curriculums, KST encourages staff and pupils to participate in initiatives to reduce negative environmental impacts. Our school promotes recycling of waste and is involved in actions to maximise efficiency in energy consumption.

***The desirability of the group maintaining a reputation for high standards of business conduct***

Our reputation and public trust in KST is fundamental to our future success. Our ethos and values are a fundamental part of employee recruitment and training to ensure that we maintain high standards; the same basis is used in appraisal processes. We apply similar values and procedures in choosing school partners and suppliers both in the UK and abroad.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Risk Management**

Like most trustees, the governors keep under consideration the impact of a catastrophic event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible.

The governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. There is no room for complacency with pupil numbers across both schools. With increased costs the governing body decided to increase the fees in September 2024 above RPI inflation to support the continuing excellent provision at the schools.

The independent sector as a whole is currently subject to increased political risk following confirmation by the Government that they will remove tax concessions for charitable independent schools, adding VAT and removing business rates relief. There is a significant risk to the independent sector as adding VAT to school fees from 1st January 2025 may make the fees unaffordable for a proportion of parents, potentially affecting school income. The full effect will not be known until all details of the policy are announced and schools and parents are able to assess the impact on affordability.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the respective schools' sites on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The Council is responsible for the identification and management of risks. It has a Risk Management Policy and maintains a Risk Register for the Schools and the subsidiary trading companies. It undertakes regular reviews of the risk management processes which are in place and examines the major specific risks which the Schools face each financial year when considering forward plans. The Schools and the subsidiary companies have developed systems to monitor and control these and sundry lesser risks to mitigate any impact that they may have on the Schools and the Group in the future.

The principal risks to which the Schools are exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas include:

- the governors consider possible serious critical incidents/events and ensure that the school has a plan in place to allow education to continue in a range of different scenarios;
- the market in which the Schools operate, which is highly competitive and requires us to monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience;
- the fact that the Schools operate in a highly regulated sector, including the area of child protection and safeguarding. To assist us we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements as well as having school or individual membership of bodies being the constituent associations of the Independent Schools Council, ensuring that we have access to up to date information and support;
- the fact that the Schools operate in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all relevant challenges; and

- the difficult economic conditions, locally, nationally and internationally and particularly in relation to the impact of inflation; Directors and senior managers in the Schools keep abreast of economic and political conditions to identify trends and develop plans to address issues.

**The key controls used by the Schools include:**

- formal agendas and minutes for all meetings of the Council and committees;
- terms of reference for all committees;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and clear reporting lines;
- comprehensive formal written policies regarding key areas;
- clear authorisation limits;
- vetting procedures as required by law, for protection of the vulnerable;
- regular contact between the Custos, chairs of Council committees, senior officers and other staff;
- regular attendance on relevant training courses by Council Members and staff; and
- the maintenance and regular review of a detailed Risk Register.

The Schools plan strategically having regard for risk. The management provides the School Council with regular reports which include details of the principal strategic objectives and the activity to achieve those objectives. The Schools also record significant achievements and update the Council and the Woodard Board on short-term plans.

**Financial Risk Management Objectives and Policies**

The Company is currently debt free and therefore has no interest risk exposure. The Company uses its trade debtors, creditors and operating lease arrangements to manage its cash flow and ensure that liquidity risk is minimised. The Company's investments are managed externally by a firm of professional investment managers.

**GOING CONCERN**

The governing body continues to review any potential impact of the current global political and economic challenges on parents/potential parents and school operations and finances. School managers and governors continue to work hard to ensure the Schools and the strategic plan are fully resourced, with no detrimental impact to our pupils, and to mitigate any potential financial impact: further developing our excellent offering at King's, exploiting our sustainability efforts, improving our marketing and admissions, and continuing to develop other sources of income including our oversees operations.

Monitoring closely current and forecast economics and political decisions, having considered all factors, including the potential impact of VAT on fees, and after reviewing the available evidence including our cash flow position and forecasts, the directors have a reasonable expectation that the group will be able to continue operating for at least 12 months from the date of approval of the financial statements and therefore, the financial statements have been prepared on a going concern basis. This information related to the adoption of the going concern basis can also be found in the accounting policies on page 32.

**FUTURE PLANS**

**King's Schools Taunton**
The objectives set for the year were largely achieved or are ongoing.

The key aims for 2024-25 are:

1. To continue the development of a culture of excellence with a relentless focus on value for money, quality and improvement in a nurturing and creative environment
2. With the threat of VAT and removal of BRR and an increasingly challenging and competitive market, ensure economic sustainability by being cost effective, maximising our international development contribution, and continuing working towards a surplus

3. To continue increased focus on improving marketing and raising admissions, including establishing new markets, until agreed capacity is reached for both schools
4. In support of the overarching environmental sustainability strategy, produce Solar PV and LED development plans, and ensure continued progress towards full LED lighting and increased renewable energy production (priority where greatest impact).

**King's College**
The objectives set for the year were largely achieved or are ongoing.

The key aims for 2024-25 are:

1. To build on last year's academic success and to ensure positive value-added results in all departments
2. To work towards total numbers consistently at 450 and beyond in the College while maintaining downward pressure on remissions
3. To ensure the sustainability of King's College by being cost effective – including rationalisation of estate and review of staffing - and working towards a surplus
4. To continue to ensure King's College is inspection-ready
5. To continue to focus on raising finances towards future projects and for bursaries through donations
6. To ensure continuously improving focus on sustainability including reduction in energy use and carbon impact.

**King's College Prep**
The objectives set for the year were largely achieved or are ongoing.

The key aims for 2024-25 are:

1. To sustain the high level of Scholarship and 13+ successes and to ensure positive value-added results in all departments
2. To continue work to review Prep/Pre-Prep model to further improve and develop cost effectiveness, including maintaining downward pressure on remissions, ensuring the sustainability of King's College Prep and working towards a surplus
3. To continue work to explore and propose future nursery models including possible expansion as appropriate
4. To continue to ensure King's College Prep is inspection-ready
5. To further extend links with Nurseries and Primary schools in the area
6. To ensure continuously improving focus on sustainability including reduction in energy use and carbon impact.

**GROUP STREAMLINED ENERGY AND CARBON REPORTING**

| | 2023-24 | 2022-23 |
|---|---|---|
| **Energy consumption used to calculate emissions (kwh)** | **4,898,476.32** | **5,017,203.45** |
| **Energy consumption break down (kwh)** | | |
| Business Travel Land (Employee Owned Vehicles) | 10,784.62 | 10,246.41 |
| Combustion Engine Fuels (Owned Transport, Plant and Machinery) | 342,391.98 | 364,521.45 |
| Heating Oil | 414,784.52 | 556,458.59 |
| Natural Gas | 2,733,704.00 | 2,934,466.00 |
| UK Grid Electricity Supply | 1,396,811.20 | 1,151,511.00 |

| | | |
|---|---|---|
| Grand Total | **4,898,476.32** | **5,017,203.45** |
| **Scope 1 emissions in metric tonnes CO2e** | | |
| Natural Gas | 504.34 | 535.72 |
| Combustion Engine Fuels (Owned Transport, Plant and Machinery) | 82.98 | 86.74 |
| Heating Oil | 107.84 | 144.68 |
| **Total Scope 1** | **695.16** | **767.14** |
| **Scope 2 emissions in metric tonnes CO2e** | | |
| UK Grid Electricity Supply | 289.21 | 238.45 |
| Business Travel Land (Employee Owned Vehicles) | 0.01 | 0.08 |
| **Total Scope 2** | **289.22** | **238.53** |
| **Scope 3 emissions in metric tonnes CO2e** | | |
| Business Travel Land (Employee Owned Vehicles) | **2.61** | **2.59** |
| **Total Gross Emissions in metric tonnes CO2e before Offset** | **986.99** | **1,008.25** |
| Intensity Ratio Tonnes CO2e Per Pupil before Offset | 1.38 | 1.31 |
| (Total Pupils) | 716 | 771 |
| **Out of Scope Emissions in metric tonnes CO2e** | | |
| Combustion Engine Fuels (Owned Transport, Plant and Machinery) | 5.17 | 4.84 |
| **Offset Emissions in metric tonnes CO2e** | | |
| UK Grid Electricity Supply | 289.21 | 238.45 |
| Business Travel Land (Employee Owned Vehicles) | 0.05 | 0.15 |
| Renewable Electricity Generation | 3.89 | 3.55 |
| **Total Offset Emissions** | **293.15** | **242.15** |
| **Total Gross Emissions in metric tonnes CO2e after Offset** | **693.84** | **766.10** |
| Intensity Ratio Tonnes CO2e Per Pupil after Offset | 0.97 | 0.99 |

Note: All electricity used for KST is REGO.

Group reporting requires us to include all subsidiaries and related companies that qualify. The numbers above include all qualifying subsidiaries and related companies, being King's Schools Taunton Limited, WST Enterprises Limited and King's College Schools International Limited.

***Quantification and reporting methodology***

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas (GHG) Reporting Protocol – Corporate Standard and the 2023 UK Government's Conversion Factors for Company Reporting.

***Intensity measurement***

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil. The number of pupils (712) used is those as at September, 2023.

***Measures taken to improve efficiency***

During recent years, the schools implemented a number of initiatives to improve the efficiency of energy use. These included:

- Publication of Sustainability Strategy
- Including energy efficiency as a high priority item in the new 6th Form Centre – carbon neutral for energy - with underfloor heating, energy controls, PV panels and air source heat pumps
- Continuing reviews of light fittings across both sites to seek alternatives, and installation of LED lighting where possible;
- Further encouraging staff to turn off lights and close windows when exiting rooms and installing motion sensors so that lighting is only on when rooms are being used;
- Encouraging staff, through communication, to turn down radiators;
- Greater centralised control of heating systems;
- Replacement of old inefficient gas boilers with more efficient condensing boilers;
- appointment of Sustainability Champions in departments and houses;
- Adjusting timers on lighting and heating systems to minimise the energy demand when not required or to minimise the time delays on switch off timers to minimum practical levels; and
- Initiating new salary exchange scheme for leasing electric vehicles and for electric bikes.

Going forward the school is engaging in a number of projects to improve energy efficiency in future years as follows:

- Ongoing review of settings and the operation of building management systems to ensure that energy use is minimised according to the need of pupils and staff;
- Installation of campus-wide building management systems to optimise energy usage;
- Replacement of diesel-powered equipment with electric items;
- Encouraging staff to use public transport, bicycles and walking as an alternative mode of transport including promotion of the Cycle to Work Scheme
- Encouraging staff to minimise travel and promoting the use of technology for meetings and other communications; and
- Reinvigoration of KCT Sustainability group.

**DIRECTORS**

The Directors who served during the year, and the committees of which they are members, are:

| | |
|---|---|
| L M Nash (Custos) | All committees |
| C A Cavaghan-Pack | Education and Pastoral |
| M D Featherstone | Education and Pastoral |
| M A Gunn | Education and Pastoral, Appointments |
| C H Hirst (Vice-Custos) | All committees |
| J E R Houghton | Finance and Estates |
| J E Knill | Finance and Estates, Remuneration |
| R M U Lambert | Finance and Estates, Remuneration, Appointments |
| W J Morrison | Finance and Estates |
| Bishop Nigel Stock | Education and Pastoral |
| R Wells-Cole | Education and Pastoral |
| Commodore J R A Woodard RN | Finance and Estates |

None of the Directors has any beneficial interest in the Company.

## AUDITOR

Following a competitive tender process, Moore Kingston Smith LLP were appointed as the company's external auditors at the Annual General Meeting held on 23rd May 2024, for the year to 31 August 2024 onwards. As a consequence, RSM UK Audit LLP did not offer themselves for reappointment under section 487 (2) of the Companies Act 2006. The Board would like to express its appreciation to RSM for their services over the past seven years.

## DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

This Directors' Report (including the Strategic Report) was approved by the board of directors of King's Schools Taunton Limited on 20 March 2025 and signed on their behalf:

**L M Nash**
Chair

# KING'S SCHOOLS TAUNTON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED
## *YEAR ENDED 31 AUGUST 2024*

### Opinion

We have audited the financial statements of King's Schools Taunton Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2024 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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 Directors' Report and the incorporated Strategic Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' responsibilities set out on page 22, 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 directors 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 directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.
- There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**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.

Moore Kingston Smith LLP

[Signature]
Shivani Kothari (Senior Statutory Auditor)
For and on behalf of Moore Kingston Smith LLP, Statutory Auditor
Chartered Accountants
6th Floor
9 Appold Street
London
EC2A 2AP
[Date] 25 March 2025

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2024*

| | Notes | Unrestricted Funds | Restricted Funds | Total 2024 | *Total 2023* |
|---|---|---|---|---|---|
| | | £ | £ | £ | *£* |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | 2 | 15,555,928 | - | **15,555,928** | *15,509,758* |
| Ancillary trading income | 3 | 1,746,890 | - | **1,746,890** | *1,773,158* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 4 | 881,328 | - | **881,328** | *1,181,584* |
| Other activities | 4 | 3,570 | - | **3,570** | *4,770* |
| **Investments** | | | | | |
| Investment Income | 5 | 195,895 | - | **195,895** | *156,385* |
| Bank and other interest | 6 | 28,245 | - | **28,245** | 30,859 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 7 | 56,546 | 69,987 | **126,533** | *99,928* |
| **TOTAL INCOME** | | **18,468,402** | **69,987** | **18,538,389** | *18,756,442* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Non-ancillary trading | 8 | 255,259 | - | **255,259** | *310,747* |
| Financing costs | 8 | 6,295 | - | **6,295** | *33,305* |
| Investment management | 8 | 10,001 | - | **10,001** | *5,662* |
| | | **271,555** | **-** | **271,555** | *349,714* |
| **Charitable Activities** | | | | | |
| Education and grant making | 8 | 17,882,683 | 4,700 | **17,887,383** | *16,875,768* |
| **TOTAL EXPENDITURE** | | **18,154,238** | **4,700** | **18,158,938** | *17,225,482* |
| **Net income and expenditure before transfers** | | **314,164** | **65,287** | **379,451** | *1,530,960* |
| Realised (losses)/gains on investment assets | 14 | 64,208 | - | **64,208** | *5,674* |
| Unrealised gains on investment assets | 14 | 183,577 | - | **183,577** | *(106,601)* |
| **Net income** | | **561,949** | **65,287** | **627,236** | **1,430,033** |
| Transfers between funds | 22 | - | - | **-** | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **561,949** | **65,287** | **627,236** | *1,430,033* |
| Fund balances at 1 September 2023 | | 20,425,653 | 79,654 | **20,505,307** | *19,075,274* |
| **FUND BALANCES at 31 August 2024** | | **20,987,602** | **144,941** | **21,132,543** | *20,505,307* |

In the prior year, all income and expenditure related to unrestricted funds, with the exception of £17,882 of voluntary income and £2,866 of grant making expenditure which related to restricted funds.

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 notes on pages 32 to 49 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2024*

| | Notes | Unrestricted Funds | Restricted Funds | Total 2024 | *Total 2023* |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | 2 | 15,555,928 | - | **15,555,928** | *15,509,758* |
| Ancillary trading income | 3 | 1,746,890 | - | **1,746,890** | *1,773,158* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 4 | 626,069 | - | **626,069** | *870,837* |
| Other activities | 4 | 3,570 | - | **3,570** | 4,770 |
| **Investments** | | | | | |
| Investment Income | 5 | 195,895 | - | **195,895** | *156,385* |
| Bank and other interest | 6 | 28,245 | - | **28,245** | 30,859 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 7 | 56,546 | 69,987 | **126,533** | *99,928* |
| **TOTAL INCOME** | | **18,213,143** | **69,987** | **18,283,130** | *18,445,695* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Financing costs | 8 | 6,295 | - | **6,295** | *33,305* |
| Investment management | 8 | 10,001 | - | **10,001** | *5,662* |
| | | **16,296** | - | **16,296** | *38,967* |
| **Charitable Activities** | | | | | |
| Education and grant making | 8 | 17,882,683 | 4,700 | **17,887,383** | *16,875,768* |
| **TOTAL EXPENDITURE** | | **17,898,979** | **4,700** | **17,903,679** | *16,914,735* |
| **Net income and expenditure before transfers** | | **314,164** | **65,287** | **379,451** | *1,530,960* |
| Realised (losses)/gains on investment assets | 14 | 64,208 | - | **64,208** | *5,674* |
| Unrealised gains on investment assets | 14 | 183,577 | - | **183,577** | *(106,601)* |
| **Net income** | | **561,949** | **65,287** | **627,236** | *1,430,033* |
| Transfers between funds | 22 | - | - | **-** | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **561,949** | **65,287** | **627,236** | *1,430,033* |
| Fund balances at 1 September 2023 | | 20,425,653 | 79,654 | **20,505,307** | *19,075,274* |
| **FUND BALANCES at 31 August 2024** | | **20,987,602** | **144,941** | **21,132,543** | *20,505,307* |

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 notes on pages 32 to 49 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED AND CHARITY BALANCE SHEETS
## *AS AT 31 AUGUST 2024*

| | Notes | GROUP 2024 £ | GROUP *2023* £ | CHARITY 2024 £ | CHARITY *2023* £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 13 | **19,980,173** | *19,817,938* | **19,980,173** | *19,817,938* |
| Investments | 14 | **5,924,025** | *3,768,711* | **5,924,025** | *3,768,711* |
| Investments in subsidaries | 14 | **-** | *-* | **101** | *101* |
| | | **25,904,198** | *23,586,649* | **25,904,299** | *23,586,750* |
| **CURRENT ASSETS** | | | | | |
| Stocks | | **20,093** | *20,821* | **20,093** | *20,821* |
| Debtors | 15 | **1,125,530** | *766,788* | **1,673,886** | *1,956,358* |
| Cash | | **4,195,406** | *4,315,371* | **3,618,213** | *3,113,333* |
| | | **5,341,029** | *5,102,980* | **5,312,192** | *5,090,512* |
| **CREDITORS:** due within one year | 16 | **(6,354,229)** | *(6,286,468)* | **(6,325,493)** | *(6,274,101)* |
| **NET CURRENT ASSETS** | | **(1,013,200)** | *(1,183,488)* | **(1,013,301)** | *(1,183,589)* |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **24,890,998** | *22,403,161* | **24,890,998** | *22,403,161* |
| **CREDITORS:** due after more than one year | 17 | **(3,758,355)** | *(1,897,754)* | **(3,758,355)** | *(1,897,754)* |
| **TOTAL NET ASSETS** | | **21,132,643** | *20,505,407* | **21,132,643** | *20,505,407* |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 20 | **100** | *100* | **100** | *100* |
| **FUNDS** | | | | | |
| Restricted funds | 22 | **144,941** | *79,654* | **144,941** | *79,654* |
| Unrestricted funds | | | | | |
| General | 22 | **17,531,389** | *17,287,937* | **17,531,389** | *17,287,937* |
| Designated | 22 | **3,456,213** | *3,137,716* | **3,456,213** | *3,137,716* |
| | | **20,987,602** | *20,425,653* | **20,987,602** | *20,425,653* |
| **EQUITY SHAREHOLDERS' FUNDS** | | **21,132,643** | *20,505,407* | **21,132,643** | *20,505,407* |

The notes on pages 32 to 49 form part of these financial statements. The financial statements were approved and authorised for issue by the Board on 20 March 2025 and signed on its behalf by

**L M Nash**
**Director**

Company registration number 05084301

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS AND NOTES TO THE CASH FLOW STATEMENT
*AS AT 31 AUGUST 2024*

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| **Cash flows from operating activities:** | | |
| **Net cash provided by (used in) operating activities** | **624,329** | *1,569,432* |
| **Cash flows from investing activities:** | | |
| Dividends, interest and rents from investments | **224,140** | *187,244* |
| Purchase of property, plant and equipment | **(896,221)** | *(3,047,601)* |
| Disposal of property, plant and equipment | **-** | *-* |
| Proceeds from sale of investments | **12,490,425** | *1,500,000* |
| Purchase of investments | **(14,407,954)** | *(2,451,169)* |
| **Net cash provided by (used in) investing activities** | **(2,589,610)** | *(3,811,526)* |
| **Cash flows from financing activities:** | | |
| Financing costs | **(15,284)** | *(13,458)* |
| Fees in advance - deposits (paid)/received | **(228,502)** | |
| Fees in advance - new contracts | **2,089,103** | |
| **Net cash provided by (used in) financing activities** | **1,845,317** | *(13,458)* |
| **Change in cash and cash equivalents in the year** | **(119,965)** | *(2,255,552)* |
| **Cash and cash equivalents at the beginning of the year** | **4,315,371** | *6,570,922* |
| **Cash and cash equivalents at the end of the year** | **4,195,406** | *4,315,370* |

**Reconciliation of net income/(expenditure) to net cash flow from operating activities**

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| **Net income/(expenditure) for period (as per the Statement of Financial Activities)** | **627,236** | *1,430,033* |
| **Adjustments for:** | | |
| Depreciation charges | **733,986** | *454,645* |
| Losses/(Gains) on investments | **(247,785)** | *100,927* |
| Dividends, interest and rents from investments | **(224,140)** | *(187,244)* |
| Financing costs | **25,285** | *19,118* |
| (Increase)/decrease in stocks | **728** | *350* |
| (Increase)/decrease in debtors | **(358,742)** | *(57,646)* |
| Increase/(decrease) in creditors | **67,761** | *(190,751)* |
| **Net cash provided by (used in) operating activities** | **624,329** | *1,569,432* |

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS AND NOTES TO THE CASH FLOW STATEMENT
## *AS AT 31 AUGUST 2024*

| | 2024 | *2023* |
|---|---|---|
| | £ | £ |
| **Analysis of cash and cash equivalents** | | |
| Cash at bank and in hand | **4,195,406** | *4,315,371* |
| **Total cash and cash equivalents** | **4,195,406** | *4,315,371* |

**Analysis of changes in Net Debt**

| | At 31st Aug 2023 | Cash flows | Other non-cash changes | At 31st Aug 2024 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cash and cash equivalents** | | | | |
| Cash at bank and in hand | **4,315,371** | **(119,965)** | **-** | **4,195,406** |
| **Total** | **4,315,371** | **(119,965)** | **-** | **4,195,406** |

## 1 ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) **Basis of accounting**

The accounts of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK accounting standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

King's Schools Taunton Limited meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 31 and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in Sterling (£) and the functional currency is sterling (£).

b) **Going Concern**

The accounts have been prepared on a going concern basis. The King's Schools' Board reviews the financial information for the company and the group and considers whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts.

Having considered all factors and reviewing the available evidence, the directors have a reasonable expectation that the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis.

c) **Group accounts**

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Enitities are consolidated where King's Schools Taunton Limited exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

d) **School fees receivable and similar income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

1. **ACCOUNTING POLICIES** (continued)

e) **Ancillary and non-ancillary trading income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

f) **Voluntary sources, grants and donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

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

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

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

The cost of refurbishing and converting existing buildings is written off in the year in which it is incurred except where the useful life has been extended.

h) **Pension costs**

The Company participates in The Teachers' Pensions Scheme, which is an unfunded government scheme which provide benefits based on final pensionable pay. The funds of the scheme are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes. The Company also contributes to defined contribution pension schemes for teaching and non-teaching staff.

The Company historically offered membership of The Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth Plan is a multi employer pension scheme where the scheme assets are pooled for investment purposes and cannot be atributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the company remains potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion which is similar to a defined contribution scheme.

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. More detail is given in notes 24 and 27.

1. **ACCOUNTING POLICIES** (continued)

i) **Tangible fixed assets and depreciation**

In accordance with Section 35.10 (d) of FRS102, King's Schools Taunton Limited has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads. Assets in the course of construction are not depreciated.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

| | |
|---|---|
| - Freehold land is not depreciated | |
| - Freehold buildings: | Variable according to the building and written off over the expected useful life (see paragraph below) |
| - Freehold improvements: | Over the useful economic life of the improvement |
| - Computer equipment | 25% on cost |
| - Fixtures and fittings | 4% - 50% on cost |
| - Plant and machinery | 10% - 20% on cost |
| - Motor vehicles | 25% on cost |

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. Where the calculated depreciation charge is a material figure, it is charged in these financial statements but, where the carrying value is not more than the estimated recoverable amount and the depreciation on the building is not material to these financial statements, it has been assessed, but not charged on the basis that it is not material. The directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

King's Schools Taunton Limited exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

1. **ACCOUNTING POLICIES** (continued)

j) **Financial instruments**

King's Schools Taunton Limited only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

k) **Investments and Fees in Advance Investments**

Investments and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Realised and unrealised investment gains and losses are recognised as 'net gains/(losses) on investment assets' in the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

l) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

m) **Leasing commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

n) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet.

o) **Fund accounts**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1. **ACCOUNTING POLICIES** (continued)

p) **Taxation**

King's Schools Taunton Limited is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The company has two subsidiary companies that are subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The corporation tax arising on the subsidiary companies' profit for the year is mitigated by the payment of Gift Aid by these entities to the School.

q) **Termination Payments**

The best estimate of the expenditure required to settle an obligation for termination benefits, is recognised immediately as an expense, when the group is demonstrably committed to terminate the employment of an employee, or to provide termination benefits.

## 2 SCHOOL FEES

| | Group and Charity | |
|---|---|---|
| | **2024** | *2023* |
| **(a) The Schools' fees income comprises:** | **£** | *£* |
| Gross fees | **19,622,908** | *19,708,881* |
| Less: Total scholarships, bursaries, etc | **(4,066,980)** | *(4,199,123)* |
| | **15,555,928** | *15,509,758* |

## 3 CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME

| | Group and Charity | |
|---|---|---|
| | **2024** | *2023* |
| | **£** | *£* |
| Extra subjects | **1,271,237** | *1,230,289* |
| Entrance and registration fees and fees in lieu of notice | **156,160** | *156,688* |
| Commissions and other income | **319,493** | *386,181* |
| | **1,746,890** | *1,773,158* |

## 4 OTHER TRADING ACTIVITIES

| | Group | |
|---|---|---|
| | **2024** | *2023* |
| **Non-ancillary trading income** | **£** | *£* |
| Rents receivable and other sales | **23,115** | *16,085* |
| WST Enterprises Limited | **384,573** | *399,260* |
| King's College Schools International Limited | **473,640** | *766,239* |
| | **881,328** | *1,181,584* |

| | Charity | |
|---|---|---|
| | **2024** | *2023* |
| **Non-ancillary trading income** | **£** | *£* |
| Rents receivable and other sales | **23,115** | *16,085* |
| WST Enterprises Limited | **138,494** | *116,408* |
| King's College Schools International Limited | **464,460** | *738,344* |
| | **626,069** | *870,837* |

| | Group and Charity | |
|---|---|---|
| **Other activities** | **2024** | *2023* |
| | **£** | *£* |
| Interest on overdue fees | **3,570** | *4,770* |
| Loss on sale of fixed asset | **-** | *-* |
| | **3,570** | *4,770* |

## 5 INVESTMENTS - INVESTMENT INCOME

| | | | Group and Charity | |
|---|---|---|---|---|
| | | | **Total** | *Total* |
| | **Unrestricted** | **Restricted** | **2024** | *2023* |
| **Securities investment income** | **£** | **£** | **£** | *£* |
| Equities | - | - | **-** | *-* |
| Fixed interest | - | - | **-** | *-* |
| Alternatives | 195,895 | - | **195,895** | *156,385* |
| | 195,895 | **-** | **156,385** | *156,385* |

## 6 INVESTMENTS - BANK AND OTHER INTEREST

| | | | Group and Charity | |
|---|---|---|---|---|
| | | | **Total** | *Total* |
| | **Unrestricted** | **Restricted** | **2024** | *2023* |
| | **£** | **£** | **£** | *£* |
| Bank interest | 28,245 | - | **28,245** | *30,859* |
| | 28,245 | **-** | **28,245** | *30,859* |

## 7 VOLUNTARY SOURCES - GRANTS AND DONATIONS

| | Unrestricted | Restricted | Group and Charity Total 2024 | *Total 2023* |
|---|---|---|---|---|
| Donations | 56,546 | 69,987 | **126,533** | *99,928* |
| | 56,546 | 69,987 | **126,533** | *99,928* |

## 8 ANALYSIS OF EXPENDITURE

### a) Total Expenditure

| | Staff Costs (note 9) £ | Support Costs £ | Group Depreciation (note 12) £ | Total 2024 £ | *Total 2023 £* |
|---|---|---|---|---|---|
| **Costs of raising funds:** | | | | | |
| Non ancillary trading | 89,769 | 165,490 | - | **255,259** | *310,747* |
| Financing cost (note 9) | - | 6,295 | - | **6,295** | *33,305* |
| Investment management | - | 10,001 | - | **10,001** | *5,662* |
| **Total cost of raising funds** | 89,769 | 181,786 | - | 271,555 | *349,714* |
| **Charitable expenditure** | | | | | |
| Teaching | 7,350,858 | 934,586 | 96,365 | **8,381,809** | *7,898,461* |
| Welfare | 831,466 | 1,973,210 | 2,007 | **2,806,683** | *2,633,883* |
| Premises | 1,074,626 | 2,171,221 | 440,285 | **3,686,132** | *3,519,701* |
| School administration | 1,319,642 | 1,397,700 | 195,329 | **2,912,671** | *2,710,583* |
| Grants, awards and prizes (all from unrestricted funds) | - | 8,294 | - | **8,294** | *9,385* |
| Governance | - | 87,094 | - | **87,094** | *100,889* |
| Expenditure from restricted funds | - | 4,700 | - | **4,700** | *2,866* |
| **Total charitable expenditure** | 10,576,592 | 6,576,805 | 733,986 | **17,887,383** | *16,875,768* |
| **Total expenditure** | 10,666,361 | 6,758,591 | 733,986 | **18,158,938** | *16,875,768* |

### b) Governance included in support costs

King's Schools Taunton Limited reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. Two governors were reimbursed a total of £3,434 during the year (2023: three were reimbursed a total of £2,889).

Included within the above charitable expenditure is payments to governors for consutancy services provided. One governor was paid a total of £5,000 during the year (2023 £nil).

| | Total 2024 £ | *Total 2023 £* |
|---|---|---|
| Remuneration paid to auditor for audit services | **25,939** | *29,700* |
| Reimbursement of personal expenses to governors | **3,434** | *2,889* |
| | **29,373** | *32,589* |

## 9 FINANCING COSTS

| | Group and Company 2024 £ | *2023 £* |
|---|---|---|
| Other interest paid | **5,887** | 4,676 |
| Bank charges | **9,397** | *8,782* |
| Provision for bad and doubtful debts | **(8,989)** | *19,847* |
| | **6,295** | *33,305* |

**10 STAFF COSTS**

| The aggregate payroll costs for the year were: | Group 2024 £ | Group 2023 £ |
|---|---|---|
| Wages and salaries | **8,791,308** | *8,209,337* |
| Social security costs | **764,832** | *723,210* |
| Teachers' pension contributions | **974,330** | *956,648* |
| Other pension contributions | **126,297** | *117,003* |
| Private Medical Insurance | **9,594** | *5,851* |
| | **10,666,361** | *10,012,049* |

| | Charity 2024 £ | Charity 2023 £ |
|---|---|---|
| Wages and salaries | **8,701,539** | *8,111,499* |
| Social security costs | **764,832** | *723,210* |
| Teachers' pension contributions | **974,330** | *956,648* |
| Other pension contributions | **126,297** | *117,003* |
| Private Medical Insurance | **9,594** | *5,851* |
| | **10,576,592** | *9,914,211* |

None of the governors received remuneration or other benefits from King's Schools Taunton Limited or from any connected body.

| | 2024 £ | 2023 £ |
|---|---|---|
| Aggregate employee benefits of key management personnel | **467,474** | *438,168* |

The Directors of the Charitable Company, the Headmasters and the Director of Finance and Operations are classed by the School as being the Key Management Personnel.

The number of employees whose annual emoluments were £ 60,000 or more was:

| | 2024 (number) | 2023 (number) |
|---|---|---|
| £ 60,001 - £ 70,000 | **1** | *2* |
| £ 70,001 - £ 80,000 | **2** | *-* |
| £ 80,001 - £ 90,000 | *-* | *1* |
| £ 90,001 - £ 100,000 | *-* | *1* |
| £ 100,001 - £ 110,000 | **1** | *1* |
| £ 110,001 - £ 120,000 | *-* | *1* |
| £ 120,001 - £ 130,000 | **2** | *-* |

The average number of employees during the year calculated on a head count basis was:

| | 2024 (number) | 2023 (number) |
|---|---|---|
| Teaching staff | **141** | *142* |
| Others | **148** | *148* |
| | **289** | *290* |

Included in staff costs are termination payments and payments in lieu of notice totalling £8,500 (2023: £7,254). The amount outstanding at the year-end was £8,500 (2023: nil).

**11 DIRECTORS**

None of the directors (or any persons connected with them) received any remuneration during the year. Remissions of £10,339 were awarded to one child of one director attending the School (2023: £9,416).

### 12 TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

### 13 TANGIBLE FIXED ASSETS

| GROUP | Freehold Land & Buildings £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 September 2023 | 21,588,435 | 1,535,237 | 1,513,900 | 1,163,503 | 23,400 | **25,824,475** |
| Additions | 258,354 | 189,209 | 58,292 | 390,366 | - | **896,221** |
| **At 31 August 2024** | **21,846,789** | **1,724,446** | **1,572,192** | **1,553,869** | **23,400** | **26,720,696** |
| **Depreciation** | | | | | | |
| At 1 September 2023 | 3,618,408 | 569,800 | 941,194 | 853,735 | 23,400 | **6,006,537** |
| Charge for the year | 338,997 | 120,444 | 103,293 | 171,252 | - | **733,986** |
| **At 31 August 2024** | **3,957,405** | **690,244** | **1,044,487** | **1,024,987** | **23,400** | **6,740,523** |
| **Net book value** | | | | | | |
| **At 31 August 2024** | **17,889,384** | **1,034,202** | **527,705** | **528,882** | **-** | **19,980,173** |
| Net book value at 31 August 2023 | 17,970,027 | 965,437 | 572,706 | 309,768 | - | 19,817,938 |

| COMPANY | Land & Buildings Freehold £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 September 2023 | 21,588,435 | 1,535,237 | 1,513,900 | 1,163,503 | 23,400 | **25,824,475** |
| Additions | 258,354 | 189,209 | 58,292 | 390,366 | - | **896,221** |
| **At 31 August 2024** | **21,846,789** | **1,724,446** | **1,572,192** | **1,553,869** | **23,400** | **26,720,696** |
| **Depreciation** | | | | | | |
| At 1 September 2023 | 3,618,408 | 569,800 | 941,194 | 853,735 | 23,400 | **6,006,537** |
| Charge for the year | 338,997 | 120,444 | 103,293 | 171,252 | - | **733,986** |
| **At 31 August 2024** | **3,957,405** | **690,244** | **1,044,487** | **1,024,987** | **23,400** | **6,740,523** |
| **Net book value** | | | | | | |
| **At 31 August 2024** | **17,889,384** | **1,034,202** | **527,705** | **528,882** | **-** | **19,980,173** |
| Net book value at 31 August 2023 | 17,970,027 | 965,437 | 572,706 | 309,768 | - | 19,817,938 |

All assets are used for charitable purposes.

### 14 SECURITIES INVESTMENTS

| | 2024 | *2023* |
|---|---|---|
| **Group investments** | **£** | *£* |
| At 1 September | 4,314,755 | *3,247,525* |
| New money invested | 2,957,000 | *3,108,332* |
| Reinvested income | 195,895 | *156,385* |
| Amounts extracted | (1,398,205) | *(2,090,898)* |
| Management fees | (10,001) | *(5,662)* |
| Realised gains on investments | 64,208 | *5,674* |
| Unrealised gains on investments | 183,577 | *(106,601)* |
| **Group investments at 31 August** | **6,307,229** | *4,314,755* |
| Less: Investments classified as cash | **(383,204)** | *(546,044)* |
| **Group investments at 31 August** | **5,924,025** | *3,768,711* |
| Investments in subsidaries | **101** | *101* |
| **Company investments at 31 August** | **5,924,126** | *3,768,812* |

| | | |
|---|---|---|
| **Investments comprise:** | | |
| **Listed investments** | | |
| Fixed interest | 1,770,889 | *1,211,340* |
| Equities | 1,820,265 | *1,478,482* |
| **Alternative investments** | | |
| Commercial property funds | - | - |
| Commodities and other | 2,332,871 | *1,078,889* |
| **Group investments at 31 August** | **5,924,025** | *3,768,711* |
| Investments in subsidiaries | **101** | *101* |
| **Company investments at 31 August** | **5,924,126** | *3,768,812* |

King's Schools Taunton Limited owns all of the share capital of WST Enterprises Limited, a company incorporated in England and Wales. Results of the company are shown in note 26 and further details are provided in note 30.

King's Schools Taunton Limited owns all of the share capital of King's College Schools International Limited, a company incorporated in England and Wales. Results of the company are shown in note 26 and further details are provided in note 30.

The main investments and Fees in Advance Scheme investments deposits are managed for King's Schools Taunton Limited by Cazenove Capital.

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

At 31 August 2024, four investments (2023: five) had a carrying value equal to 5% or more of the value of the investment portfolio, being:

| | **£** | |
|---|---|---|
| SUTL Cazenove Charity Sustainable | 2,184,809 | 36.88% |
| SUTL Cazenove Charity Sustainable | 317,544 | 5.36% |
| JPMorgan GBP Liquidity Fund | 1,605,321 | 27.10% |
| UK T-Bill 18-03-24 - 16.09-2024 | 1,459,547 | 24.64% |

**15 DEBTORS**

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | *2023* | **2024** | *2023* |
| | **£** | *£* | **£** | *£* |
| School fees receivable | **217,118** | *171,011* | **217,118** | *171,011* |
| Trade debtors | **22,249** | *14,650* | **-** | *-* |
| Other debtors | **56,915** | *87,581* | **56,551** | *87,217* |
| Prepayments and accrued income | **828,989** | *492,719* | **527,721** | *491,719* |
| Amounts owed by group undertakings | **-** | *-* | **872,237** | *1,205,584* |
| Woodard Corporation | **259** | *827* | **259** | *827* |
| | **1,125,530** | *766,788* | **1,673,886** | *1,956,358* |

**16 CREDITORS: Amounts falling due within one year**

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | *2023* | **2024** | *2023* |
| | **£** | *£* | **£** | *£* |
| Deposits from parents | **306,772** | *329,860* | **306,772** | *329,860* |
| Fees received in advance of term | **2,652,753** | *3,021,414* | **2,652,753** | *3,021,414* |
| Fees in advance schemes | **1,119,498** | *47,055* | **1,119,498** | *47,055* |
| Trade creditors | **956,813** | *1,531,432* | **956,813** | *1,531,434* |
| Taxes and Social Security costs | **215,454** | *205,471* | **195,960** | *199,972* |
| Pension Scheme Deficit Recovery Plan | **31,545** | *31,545* | **31,545** | *31,545* |
| Other creditors | **660,490** | *680,896* | **659,588** | *680,215* |
| Accruals | **410,904** | *438,795* | **402,564** | *432,606* |
| | **6,354,229** | *6,286,468* | **6,325,493** | *6,274,101* |

**Summary of movement in deferred income**

| | **2024** | *2023* |
|---|---|---|
| Balance at 1 September 2023 | **3,021,414** | *2,845,235* |
| Amounts arising in the year | **2,652,753** | *3,021,414* |
| Amounts transferred to SOFA | **(3,021,414)** | *(2,845,235)* |
| Balance at 31 August 2024 | **2,652,753** | *3,021,414* |

Deferred income arises due to Autumn term fee payments received in advance of the new financial year.

**17 CREDITORS: Amounts falling due after one year**

| | Group and Company | |
|---|---|---|
| | **2024** | *2023* |
| | **£** | *£* |
| Deposits from parents | **973,992** | *1,202,494* |
| Fees In Advance | **2,784,363** | *695,260* |
| | **3,758,355** | *1,897,754* |

Parents pay to the school a deposit in advance. The deposits are refunded on the pupils' last terms school bill.

**18 FEES IN ADVANCE SCHEME**

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

| | Group and Company | |
|---|---|---|
| | **2024** | *2023* |
| | **~** | *~* |
| After 5 years | **980,918** | *201,750* |
| Within 2 - 5 years | **1,043,104** | *442,455* |
| Within 1 to 2 years | **760,341** | *51,055* |
| Due after more than one year | **2,784,363** | *695,260* |
| Within 1 year | **1,119,498** | *47,055* |
| Balance at 31 August 2024 | **3,903,860** | *742,315* |

| | |
|---|---|
| **Summary of movements in liability** | |
| **Balance at 1 September 2023** | **695,260** |
| New Contracts | *2,138,751* |
| Repayments | - |
| Amounts used to pay fees | (49,648) |
| Amounts accrued to contract as debt financing cost | - |
| **Balance at 31 August 2024** | **2,784,363** |

**19 COMMITMENTS UNDER OPERATING LEASES**

**Group and Company**

The future minimum commitments under non-cancellable operating leases for vehicles and temporary buildings are:

| | **2024** | *2023* |
|---|---|---|
| | **£** | *£* |
| within 1 year | **75,376** | *90,742* |
| within 1 to 5 years | **139,891** | *118,341* |
| after 5 years | **1,424** | |
| | **216,691** | *209,083* |

**20 SHARE CAPITAL**

**Group and Company**

| | **2024** | *2023* |
|---|---|---|
| | **£** | *£* |
| **Authorised** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |
| **Allotted, called up and fully paid** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |

**21 FINANCIAL INSTRUMENTS**

**Group and Company**

| | **2024** | *2023* |
|---|---|---|
| **FINANCIAL ASSETS:** | **£** | *£* |
| Investments held at FV through Profit and Loss | **5,924,025** | *3,768,711* |

**22 SUMMARY OF MOVEMENTS ON MAJOR FUNDS**

| | At 1 Sep 2023 | Incoming resources | Resources expended | Transfers | Gains /(losses) | At 31 Aug 2024 |
|---|---|---|---|---|---|---|
| **GROUP AND CHARITY** | | | | | | £ |
| **Restricted Funds** | | | | | | |
| Michael J Baker travel fund | 27,256 | 200 | (300) | - | - | **27,156** |
| Library fund | 101 | - | - | - | - | **101** |
| Joan Sewell bequest fund | 23,219 | 3,994 | (3,900) | - | - | **23,313** |
| John Crabtree award | 15,078 | 2,717 | (500) | - | - | **17,295** |
| The James Brothers' Music scholarship | - | 25,823 | - | - | - | **25,823** |
| Giving Day fund | - | 37,253 | | | | **37,253** |
| Foundation for Sport | - | | | | | - |
| and the Arts - grant | 14,000 | - | - | | - | **14,000** |
| | **79,654** | **69,987** | **(4,700)** | - | - | **144,941** |

The Michael Baker Travel Fund was set up in memory of Michael Baker who died in 1999. It is awarded to one or two leavers each year for travel outside of Europe for specific goals ie: helping local communities.

The Joan Sewell Bequest fund helps support various academic projects in the school, including essay prizes and educational trips.

The John Crabtree award is presented annually to the most gifted mathematician in the Lower Sixth Form.

The Foundation for Sport and the Arts Grant was a grant towards the construction of the sports hall. The figure is reduced annually as per the initial agreement.

The James Brothers' Music scholarship provides one organ or singing lesson to Organ and Choral Scholars for up to 4 pupils per year. Ensuring a full and competitive provision for church musicians and maintains and expands the reputation of chapel music at the school.

| | | | | | | |
|---|---|---|---|---|---|---|
| **GROUP** | | | | | | |
| **Unrestricted Funds** | | | | | | |
| General reserves | 17,287,937 | 18,211,162 | (18,057,811) | - | 90,101 | **17,531,389** |
| Designated - Bursary | 2,514,681 | 236,791 | (96,427) | - | 157,684 | **2,812,729** |
| Designated - Pension Deficit | 623,035 | 20,449 | - | - | - | **643,484** |
| | **20,425,653** | **18,468,402** | **(18,154,238)** | - | **247,785** | **20,987,602** |
| **CHARITY** | | | | | | |
| **Unrestricted Funds** | | | | | | |
| General reserves | 17,287,937 | 17,955,903 | (17,802,552) | - | 90,101 | **17,531,389** |
| Designated - Bursary | 2,514,681 | 236,791 | (96,427) | - | 157,684 | **2,812,729** |
| Designated - Pension Deficit | 623,035 | 20,449 | - | - | - | **643,484** |
| | **20,425,653** | **18,213,143** | **(17,898,979)** | - | **247,785** | **20,987,602** |

Bursary Fund - in 2015 the School allocated substantial funds to support KST's extensive bursary programme to support families who could otherwise not afford the fees.

The Company has a contingent liability of some £31,545 in relation to a deficit on its Pension Trust Growth Plan scheme. In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund became larger than the deficit. In March 2021, £587,258 was re-allocated to the Bursary Fund. It was and is the Council's intention to buy-out the liability using the remaining Pension Deficit fund. KST withdrew from the scheme with effect from 1st September, 2021 and payment for 90% of the full provisional buy-out took place October, 2022. There is currently a court case pending (decision Q4 2024 at the earliest) which will impact liabilities. Should liabilities increase as a result of the Court case, KST's employer debt would increase. It should be noted that individual debt estimates will be recalculated as at the actual date of exit – 1st September, 2021. After the Court case, the revised amount will be calculated and The Pension Trust will then request the remaining balance. KST will maintain the Pension Deficit fund to cover the 10% currently remaining plus expected sufficient contingency to cover the future court decision.

## 23 ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group's net assets belong to the various funds as follows:

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 144,941 | - | **144,941** |
| Unrestricted funds | | | | | |
| General | 19,980,173 | 3,064,968 | (1,755,397) | (3,758,355) | **17,531,389** |
| Designated | - | 2,859,158 | 597,055 | - | **3,456,213** |
| **Company** | **19,980,173** | **5,924,126** | **(1,013,301)** | **(3,758,355)** | **21,132,643** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2024** | **19,980,173** | **5,924,025** | **(1,013,200)** | **(3,758,355)** | **21,132,643** |

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 79,654 | - | **79,654** |
| Unrestricted funds | | | | | |
| General | 19,817,938 | 953,097 | (1,585,344) | (1,897,754) | **17,287,937** |
| Designated | - | 2,815,715 | 322,001 | - | **3,137,716** |
| **Company** | **19,817,938** | **3,768,812** | **(1,183,589)** | **(1,897,754)** | **20,505,407** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2023** | **19,817,938** | **3,768,711** | **(1,183,488)** | **(1,897,754)** | **20,505,407** |

**24 PENSION SCHEMES**

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for some of its teaching staff. The pension charge for the year includes contributions payable to the TPS of £814,530 (2023: £955,808) and at the year-end £55,044 (2023: £78,706) was accrued in respect of contributions to this scheme.

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 School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

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 31st March 2020 and the Valuation Report 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 1st April 2015 to 31st March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation has valued the 'greater value' benefits for groups of relevant members.

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

**Royal London Defined Contribution Scheme**

The School participates in a Royal London defined contribution scheme for some of its teaching staff and all of its support staff.

## 25 Consolidated Statement of Financial Activities - Comparative figures by fund type Year Ended 31 August 2023

| | Notes | Unrestricted Funds | Restricted Funds | TOTAL 2023 |
|---|---|---|---|---|
| | | £ | £ | £ |
| **INCOME FROM:** | | | | |
| **Charitable Activities** | | | | |
| School fees receivable | 2 | 15,509,758 | - | **15,509,758** |
| Ancillary trading income | 3 | 1,773,158 | - | **1,773,158** |
| **Other trading activities** | | | | |
| Non-ancillary trading income | 4 | 1,181,584 | - | **1,181,584** |
| Other activities | 4 | 4,770 | - | **4,770** |
| **Investments** | | | | |
| Investment Income | 5 | 156,385 | - | **156,385** |
| Bank and other interest | 6 | 30,859 | - | **30,859** |
| **Voluntary sources** | | | | |
| Appeal income and donations | 7 | 82,046 | 17,882 | **99,928** |
| **TOTAL INCOME** | | **18,738,560** | **17,882** | **18,756,442** |
| **EXPENDITURE ON:** | | | | |
| **Raising funds** | | | | |
| Non-ancillary trading | 8 | 310,747 | - | **310,747** |
| Financing costs | 8 | 33,305 | - | **33,305** |
| Investment management | 8 | 5,662 | - | **5,662** |
| | | **349,714** | - | **349,714** |
| **Charitable Activities** | | | | |
| Education and grant making | 8 | 16,872,902 | 2,866 | **16,875,768** |
| **TOTAL EXPENDITURE** | | **17,222,616** | **2,866** | **17,225,482** |
| **Net income and expenditure before transfers** | | **1,515,944** | **15,016** | **1,530,960** |
| Realised (losses)/gains on investment assets | 14 | 5,674 | - | **5,674** |
| Unrealised gains on investment assets | 14 | (106,601) | - | **(106,601)** |
| **Net income** | | **1,415,017** | **15,016** | **1,430,033** |
| Transfers between funds | 23 | 411,940 | (411,940) | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **1,826,957** | **(396,924)** | **1,430,033** |
| Fund balances at 1 September 2022 | | 18,598,696 | 476,578 | 19,075,274 |
| **FUND BALANCES at 31 August 2023** | | **20,425,653** | **79,654** | **20,505,307** |

**26 SUBSIDIARIES**

The Company owns all of the share capital of WST Enterprises Limited, a company incorporated in England/Wales. This company carries out trading activity on behalf of the School including commercial letting of the School's buildings and sports facilities.

WST Enterprises Limited (company number: 05181894) had a turnover of £384,573 (2023: £399,260), profit on ordinary activities of £138,494 (2023: £116,408), and a profit before tax and gift aid of £138,494 in the year ended 31 August 2024 (2023: £116,408). At 31 August 2024 the Company had shareholder's funds of £100 (2023: £100).

The Company owns all of the share capital of King's College Schools International Limited, a company incorporated in England/Wales. This company carries out international activities on behalf of the School.

King's College Schools International Limited (company number: 09749938) had turnover of £473,640 (2023: £766,239), £464,460 profit on ordinary activities (2023: £738,344), and a profit before tax and gift aid of £464,460 (2023: £738,344) in the year ended 31 August 2024. At 31 August 2024 the Company had shareholder's funds of £1 (2023: £1).

Gross assets for WST Enterprises amount to £426,773 (2023: £480,101), and gross liabilities of £426,673 (2023: £480,001). King's College Schools International Limited (formerly KST International Ltd) had gross assets of £474,303 (2023: £737,953) and gross liabilities of £474,302 (2023: £737,952).

All subsidiaries have a common registered office with the school.

**27 CONTINGENT LIABILITIES**

King's Schools Taunton Limited has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan, based on the Plan's financial position as at 30 September 2020. As of this date the estimated employer debt for King's Schools Taunton Limited was £315,455 including Series 3 liabilities. King's Schools Taunton Limited have settled 90% of the estimated debt Oct 2022 leaving an estimated liability of £31,545 which has been provided for as a short term creditor, see note 16.

**28 CAPITAL COMMITMENTS**

As at 31 August 2024, the group had contracted capital expenditure of £15,104 including VAT (2023: £95,640).

**29 ULTIMATE CONTROLLING PARTY**

The Woodard Corporation is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of King's Schools Taunton Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

**30 RELATED PARTIES**

The Company is a wholly owned subsidiary of The Woodard Corporation, a registered charity number 1096270, which is incorporated in England and Wales. An amount of £127,077 (2023: £118,032) was paid in the period to the Corporation by way of a levy to meet Corporation running costs. At year end there was a balance of £259 owed by The Woodard Corporation to The Company.

The Company also controls two trading subsidiaries, WST Enterprises Limited and King's College Schools International Limited (formerly KST International Ltd). See note 26 above. WST Enterprises Limited makes use of the schools facilities for it's principal activity of lettings, the schools made recharges of £236,216 (2023: £275,625) to WST Enterprises Limited for costs incurred to support these lettings such as catering and staff cost, the debtor balance with WST Enterprises Limited at 31 August 2024 was £401,855 (2023: £468,832). King's College Schools International Limited's principal activity is the promotion of education overseas, the schools receive income from King's College Schools International Limited and provide support and advice to our overseas partner schools. The schools recharged £4,675 (2023: £2,444) for costs incurred and the debtor balance with King's College Schools International Ltd at 31 August 2024 was £470,382 (2023: £736,752).

**31 ACCOUNTING ESTIMATES AND JUDGEMENTS**

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

*Provision for bad debts*

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

*Deposits*

Refundable deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that pupils leave the school on one term's notice and as such the deposit would be refunded to the parents at that point. However the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in the school for their full years of education and therefore the deposit will be refunded to them when they leave the school. Short term deposits reflect those pupils that will be leaving the school within one year, and the long term element reflects those pupils that will be leaving the school after 12 months from the balance sheet date.

*Depreciation, impairment and residual values of fixed assets*

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates of depreciation and for matters of impairment.

**KING'S SCHOOLS TAUNTON LTD**

England & Wales - Charity number 1103346

# Accounts

Charity Registration No. 1103346

Company Registration No. 05084301 (England and Wales)

# KING'S SCHOOLS TAUNTON LIMITED

# DIRECTORS' REPORT

# and

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 AUGUST 2023

SATURDAY

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COMPANIES HOUSE

# KING'S SCHOOLS TAUNTON LIMITED

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# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
*YEAR ENDED 31 AUGUST 2023*

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| | |
|---|---|
| **Directors** | L M Nash BEd FIOD ISM (Chair and Custos)<br>C H Hirst MA (Vice-Custos)<br>C A Cavaghan-Pack BEd JP<br>M D Featherstone MA PGCE<br>M A Gunn MA (Ed)<br>J E R Houghton MA<br>J E Knill<br>R M U Lambert MA<br>W J Morrison BSc MRICS<br>Bishop W N Stock BA, Dip Theol.<br>R Wells-Cole BA (Hons)<br>Commodore J R A Woodard BASC (Hons), MSc, PG Cert |
| **Company Secretary** | S C Worthy BA MBA |
| **Charity Number** | 1103346 |
| **Company Number** | 05084301 |
| **Registered Office** | 20 Holway Avenue<br>Taunton<br>TA1 3AR |
| **Principal Addresses** | King's College Taunton<br>South Road<br>Taunton<br>Somerset<br>TA1 3LA<br><br>King's College Prep (WEF 01/09/2023 – previously King's Hall School)<br>Kingston Road<br>Taunton<br>Somerset<br>TA2 8AA |
| **Key Management Personnel** | |
| **Heads** | M P Sloan, BA (King's College Taunton) Appointed 01/09/2022<br>J T S Chippendale, BSc (King's College Prep) |
| **Director of Finance and Operations** | S C Worthy BA MBA |

# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
*YEAR ENDED 31 AUGUST 2023*

| | |
|---|---|
| **Auditor** | RSM UK Audit LLP<br>Portland<br>25 High Street<br>Crawley<br>West Sussex<br>RH10 1BG |
| **Tax advisers** | RSM UK Tax and Accounting Limited<br>10th floor<br>103 Colmore Row<br>Birmingham<br>West Midlands<br>B3 3AG |
| **Bankers** | National Westminster Bank plc<br>49 North Street<br>Taunton<br>TA1 1NB |
| **Solicitors** | DAS Law Limited<br>North Quay<br>Temple Back<br>Bristol<br>BS1 6FL<br><br>Porter Dodson<br>The Quad<br>Blackbrook Park Avenue<br>Taunton<br>TA1 2PX<br><br>Veale Wasbrough Vizards<br>Narrow Quay House<br>Narrow Quay<br>Bristol<br>BS1 4QA |
| **Insurance Brokers** | Marsh Insurance Brokers Limited<br>1 Tower Place West<br>Tower Place<br>London<br>EC3R 5BU |

# KING'S SCHOOLS TAUNTON LIMITED

## DIRECTORS' REPORT (incorporating the STRATEGIC REPORT)
## *YEAR ENDED 31 AUGUST 2023*

The Directors present their report and financial statements for the year ended 31 August 2023 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

### REFERENCE AND ADMINISTRATIVE INFORMATION

The Company was incorporated on 25 March 2004 and commenced operations on 1 September 2004 when the business, assets and liabilities relating to King's College Prep and King's College Taunton were transferred from Woodard Schools (Western Division) Limited. On 15 July 2012 the Company changed its name from Woodard Schools Taunton Limited to King's Schools Taunton Limited. The Company is a limited liability company incorporated in the United Kingdom and a wholly owned subsidiary of The Woodard Corporation, which is also a registered charity (number 1096270). The Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

As Woodard schools, King's College Prep (changed from 'King's Hall School' with effect from 1 September 2023) and King's College Taunton (the Schools) share an educational vision which empowers and adds value to a child's development, within an actively Christian environment. King's College Prep is an independent co-educational preparatory school for day and boarding pupils aged 2 to 13 and incorporates pre-preparatory and nursery departments. King's College Taunton is an independent co-educational senior school for boarding and day pupils aged 13 to 19. The Schools are forward-thinking and dynamic places of learning with dedicated staff, excellent facilities and a warm and open culture.

Note 30 on page 47 provides details of a connected charity, namely the parent charity, the Woodard Corporation.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 20 March 2013, replacing those dated 18 March 2004 amended by Special Resolution(s) dated 25 January 2006, 28 April 2009 and 23 June 2009. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects, and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the Company.

#### School Council (Governing Body)

The Council Members are the Directors and charitable trustees of the Company and comprise the Council of King's College Prep and King's College Taunton. The Directors are also Governors for the purpose of Charity law. They are elected to hold office for five years. Any retiring Director may be re-appointed. The Directors determine the policy and strategy of the Company. It is the collective responsibility of the School Council to ensure that the Schools are fit for purpose and to determine and support its strategic direction in order to enable it to attain their stated objectives. The day-to-day management of the Schools is delegated to the Headmasters and Director of Finance and Operations (who operates across both schools), supported by the Senior Management Teams in each School. The chair of the Council is known as the Custos.

#### Recruitment and Training of Council Members

All Council Members are Corporate Fellows of the Woodard Corporation. Corporate Fellows are responsible for electing the Woodard Corporation Board. Council Members are recruited on the basis of nominations from school contacts and from an external recruitment company and from selection when a post becomes available.

The Council looks to ensure a mix of skills and selects new Council Members on the basis of background, competence, specialist skills and commitment to supporting the Christian ethos/practices of the Schools. Specific attention is paid to the succession planning of Council Members, both with a view to their skill sets and in relation to the chairmanship of the Council and its sub-committees.

Council Members are provided with induction training by the Headmasters, Director of Finance and Operations and their staff and a wider programme of training events is organised by the Woodard Corporation and other organisations. Council Members are also encouraged to attend events run by the Association of Governing Bodies of Independent Schools (AGBIS) and other relevant organisations.

**Organisational Management**

The Schools are governed by the Council which delegates work to a number of committees. Membership of each committee is outlined on page 20. The Directors determine the general policy of the Company. The day-to-day management of the Company is delegated to the Headmasters and the Director of Finance and Operations, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by Council which provide for only significant expenditure decisions and major capital projects to be referred to Council for prior approval.

The Headmasters oversee the recruitment of all educational staff, whilst the Director of Finance and Operations oversees the recruitment of operational staff. The Headmasters and Director of Finance and Operations are invited to attend Council meetings.

The full Council met for a full meeting three times during the year. They attended one Education Day at King's College and one Education Day at King's College Prep.

*Education and Pastoral Committee* – the Education and Pastoral Committee is responsible for oversight of the academic performance of the Schools and educational and pastoral policy, making recommendations to Council for approval. The Education and Pastoral Committee met three times during the year.

*Finance and Estates Committee* – the Finance and Estates Committee has a remit to consider budgets, both revenue and capital, cash flow information, financial reports, including the financial statements, financial policies and relevant financial regulations. It does this through consideration of audit management letters and other reports relating to governance and control of the Schools. It also oversees the Schools' estates strategies, including capital developments and maintenance of the buildings. It makes recommendations to Council for approval. The Finance and Estates Committee met three times during the year.

*Remuneration Committee* – the Remuneration Committee reviews the performance and remuneration of the Executive. It makes recommendations to Council for approval. The Remuneration Committee met once during the year.

*Appointments Committee* – the Appointments Committee is responsible for managing the recruitment of new Council Members to Council. It ensures an orderly succession policy is in place and that the Council has an appropriate mix of skills and experience. It makes recommendations to Council for approval. The Appointments Committee met twice during the year.

*Compliance Group* – the Compliance Group is charged with overseeing the compliance of both King's College and King's College Prep with all relevant legislation and regulatory requirements. It makes recommendations to Council for approval. The Compliance Group met once during the year.

**Group Structure and Relationships**

The Company has two wholly owned non-charitable subsidiaries, WST Enterprises Limited and King's College Schools International Limited.

The Schools have developed links with a variety of organisations by means of which they enjoy access to information on best practice which enables them to offer the widest possible access to the facilities and educational opportunities which they provide. Council Members and staff ensure that they are able to attain the highest standards of quality and performance through membership of professional associations including the Independent Schools Council, the Headmasters' and Headmistresses' Conference, the Independent Association of Preparatory Schools, the Independent Schools' Bursars Association, the Association of Governing Bodies of Independent Schools, the Boarding Schools'

Association, and the Somerset Chamber of Commerce, as well as through involvement in the work of the Independent Schools' Inspectorate, various examining bodies, through networking with peer groups and by many other means.

All the pupils in the two Schools are encouraged to develop an awareness of the social context of the all-round education they receive at the Schools and they are engaged in a number of activities to enhance their understanding and to enrich their experience. There is a thriving association of former pupils of King's College, the Old Aluredian Club, which supports the work of that School. Beyond King's was introduced in 2019; this is an online initiative, which combines a directory of alumni, pupils, parents and Friends of King's, who are able to connect, support and mentor each other, whilst at school and beyond. Two further organisations, The Friends of King's College and The Pelicans (Friends of King's College Prep), membership of which is open to past and present parents of pupils at the Schools, neighbours and others, also supports the work of the Schools. King's Schools Taunton Limited is a substantial employer in the Taunton area and has responsibility for the care and upkeep of several listed properties and important parts of the local environment.

King's Schools Taunton Limited also cooperates with many local schools and charities in its on-going endeavours to widen public access to the schooling it provides, to optimise the educational use of its cultural and sporting facilities and to awaken in its pupils, in the public interest, an awareness of the social context of the all-round education they receive.

**How the Board Complies with its Section 172 Duty**

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

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

The Directors welcome the new reporting requirement as an opportunity to explain how dialogue with stakeholders has informed and helped to shape decisions in promoting the success of the Schools to achieve their charitable purposes.

As set out on pages 4 and 5 within "Group Structure and Relationships" the Schools have developed links with a wide range of organisations to ensure the widest possible access to our facilities and education. Through membership of HMC, IAPS, AGBIS, BSA, and ISBA and through networking with peer groups we ensure that we are able to attain the highest standards of quality and performance.

Details of how the Schools have engaged with employees and had regard to employee interests can be found within the Employment Policy and Employee Involvement sections on page 8. Details of volunteer engagement can also be found on page 9.

The Directors can demonstrate the promotion and success of the charity for the benefit of the stakeholders through the review of achievements and performance for the year, included within this Strategic Report. The Schools have continued to benefit from access to high quality academic education as well as pastoral and social support. The Schools also play an important role in providing activities for local community groups and access to their facilities.

The Trustees are responsible for strategic planning and policy-making for the Schools and, accordingly, all key decisions, the current performance and future longer-term plans of the charity and stakeholders are referred to and taken by the Board. The Schools are governed by the governing body (Council)

which delegates work to a number of committees. Membership of each committee is outlined on page 20. The Governors, who are also the directors, determine the general policy of the company.

As set out in the Strategic report, our culture, staff, volunteer and pupil welfare and wellbeing, has been fundamental to continued success. Further information on King's continued success can be found in our Strategic Report and the detailed review of achievements and performance for the year.

## CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

### Charitable Objects

The Company's objects, as set out in the Articles of Association, are to promote and extend education in accordance with the doctrines and principles of the Church of England, through its two schools, King's College Prep and King's College Taunton. The Council has a written statement of its own Aims, Vision and Values last updated in July 2022, which enshrines the Company's objectives in its own context. From this document flows the Company's strategic plan against which the principal activities are monitored regularly.

In setting the objectives and planning the activities of the Schools, the Council gives careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. King's Schools Taunton Limited is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the Schools and at a level that is consistent with the aim of providing a first class education to all pupils.

The Schools' charitable objectives are 'to promote and extend education', and these objectives are recognised as benefiting the public when pursued in the context of formal education in a body where all surplus funds are re-invested. The Woodard Corporation and all of the schools it owns are charitable bodies, with no external shareholders and no possibility of making distributions, including in the form of dividends. All surpluses are re-invested in education.

### Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education and they see themselves as communities working together for the benefit of all concerned, and of the Church and the nation. They are strong Christian foundations which adhere to Catholic belief as found in the Church of England, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain. A Woodard education values both the spiritual and moral development of each person within the school community giving strength, confidence and respect for others.

### Objectives of and Principal Activities for the Year

The principal objective and activity of the Schools is the delivery of education to pupils ranging from 2 to 19 years of age. The Schools aim to support children in reaching their potential in all areas of their activity at the Schools, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life. King's Schools Taunton also aims to further extend access to the schools' facilities to the local community.

### Public Benefit

Within the objects, the Schools aim to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. They provide them with a first class independent education and a wide range of sporting and cultural opportunities. The Schools' public benefit aim is that all pupils will be self-confident and instilled with a desire to contribute to the wider community.

In the furtherance of these aims the Directors of King's Schools Taunton Limited as the Company's

trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

The Schools welcome pupils from all backgrounds. To admit a prospective pupil, the Schools need to be satisfied that they will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the Schools and parents that potential pupils can cope with the pace of learning and benefit from the education they provide. An individual's gender, ethnicity, race, religion or disability do not form part of the assessment processes.

The Schools are a part of a wider community and are keen that their staff and pupils participate. The Schools also offer a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. The Council is committed to developing the programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of the schools are explained in the 'Review of Achievements and Performance for the Year' section of this report.

Woodard and its schools provide a significant benefit to the public. The schools strive to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay fees. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individuals or elements of Woodard are incidental to the delivery of the charitable objectives.

### ACCESS POLICY

It is important to the Schools that access to the education offered is not restricted to those who can afford the fees. The School Council believes that pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

The Schools' Awards policies, including for bursaries, contribute to a widening of access to the education they offer and the facilities its pupils enjoy.

### Bursary Policy

The Schools Council views bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by the Schools. Assistance with fees, or "bursaries" is designed to help those in financial need to afford the school fees at King's. Since demand for fee assistance always greatly exceeds supply, pupils must be registered candidates and "qualify" to be considered for fee assistance on the basis of achieving high scores in the entrance assessments, by winning a scholarship or exhibition award, or, for current pupils, to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy.

In assessing means the methodology promulgated by the Independent Schools' Bursars Association is used, which takes a number of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. The funds available for bursaries are limited. When considering awards, the Schools have to be mindful that they must ensure a balance between those parents paying full fees, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

In January 2015 the School Council allocated £1 million of unrestricted funds to a designated Bursary Fund. These funds are invested and the objective is to build this fund significantly through fund raising and accumulating investment income and capital growth. A percentage of the capital sum is contributed to the Schools' bursary programme annually.

The bursary awards range up to 50% remission of fees. Information about fee assistance through bursaries is provided to all applying to the schools. Further details of the current bursary policy and how to apply are available from the Finance or Admissions offices.

**Other Policies on Assistance:**

***Family discounts policy***
To underline the value placed on continuity for families, discounts are offered where parents have more than one child at the Schools.

***Promoting high academic standards - scholarship policy***
The purpose of scholarship awards is to recognise high academic potential or the ability to excel in co-curricular activities. Scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to co-curricular activities. Scholarships are awarded with a fixed remission of fees of between 10% and 50%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary up to a total remission of 50%. The Schools include details of the various awards available in their prospectuses and on their websites.

***Assistance for teaching staff***
As part of its emphasis on attracting and retaining high calibre staff, the Schools offer a discount scheme for those staff members who choose to educate their children at the Schools.

***Further assistance***
Support is also available to children of MOD employees and the Clergy.

**Grant Making Policy**

The Schools provided scholarships, grants, prizes and other awards totalling £599,458 from unrestricted funds. In common with other independent schools, King's College Taunton and King's College Prep make these awards based on the educational potential of the pupil (subject to the particular conditions imposed by the original donor where the award is out of restricted funds). The Schools also provided means tested bursaries totalling £1,344,181 (8.6% of gross fees) to families who would not otherwise be able to afford the fees or where the pupil's education and future prospects would otherwise be at risk. They provided assistance to 115 pupils. In support of refugees and in partnership with Royal SpringBoard, seven of these received over 100% remission of fees. The availability of all such awards for fee-assistance, together with the terms and conditions for each kind of award, is advertised on the Schools' websites.

**Employment Policy**

King's Schools Taunton Limited is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability. The Schools will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

**Employee Involvement**

The Schools encourage the involvement of its employees in its management through regular meetings of the staff with management and Governors (in particular with the Governor responsible for staff welfare). Management at all levels have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy. Employees are required to play an active part in appraisal of their performance and are also requested to comment on what the Schools do well and what could be improved.

### Disabled Persons

The Schools will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise.

There will be a training scheme made available for any employees who become injured or disabled during the course of their employment so they can, where possible, continue in employment with the Schools.

### Volunteers

The Schools enjoy the support of a large number of volunteer groups and individuals including, in particular, parents, who help the Schools to raise funds and assist with specific activities and school events. The Council records its deep appreciation for the work of these volunteers; the assistance given would extend to several hundred hours of voluntary service.

### Investment Policy and Objectives

The Company's articles of association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Council's policy is to preserve and enhance the capital value of investments and maximise income consistent with maintaining a balanced investment return from income and capital, with moderate risk.

## STRATEGIC REPORT

### REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

### King's College

The School's high educational standards are validated through strong public examination results, our measure of value added and through external inspection. The School offers a broad range of subjects, though the emphasis is on traditional, academically rigorous disciplines. We have particular strength in art, history, geography, mathematics, the sciences, languages and design technology. The School underwent a scheduled compliance inspection by the Independent School's Inspectorate (ISI) in October 2022 and in a glowing report was found to be fully compliant in all areas.

*Academic Results*

At both GCSE and A level the academic results for the school were strong this year. For the first time in three years candidates sat formal public examinations. We are confident that the grades are a fair reflection of the ability and hard work of the two cohorts.

At A level and BTEC, the overall A* to B rate was 73%. In all, 32 pupils gained three or more A or A*s. The great majority of pupils who had offers from universities have been accepted onto their first or second choice courses. King's leavers have started courses at universities including Oxford, Imperial College, UCL, KCL, Durham, Nottingham, Manchester and Exeter.

Departments performing particularly well this year, based on their A* to B rates, include art (80%), BTEC Sport (100%), Chinese (100%), drama (100%), design technology (88%), economics (95%), further maths (100%), geography (83%), German (100%) and music (100%). Over a quarter of Maths and Further Maths candidates achieved A* grades, and 100% of the students who studied the extended project qualification were awarded an A* or A.

These grades mean we are, yet again, the highest performing academic school in Somerset.
King's year 11 pupils were entered for a mixture of GCSE and IGCSE courses, so grades are a mixture of numbers (9 to 1) and letters (A* to E). Grades 9, 8 and 7 at GCSE equate to A* and A grades.

Three pupils achieved an extraordinary nine or more grades of A*, 9s: A further ten pupils achieved nine or more grades at A*, A, 9, 8 or 7.

A L6th pupil was commended (top eight) in the Cambridge University Kelvin Science Prize. Another L6th pupil was awarded second prize in the Centre for Army Leadership essay prize.

*Improving Facilities*

In February 2023 we were pleased to open our new Sixth Form Centre. This state-of-the art facility supports a university-style approach to Sixth Form life and provides opportunities for collaborative working and private study, along with a vibrant social scene - all good preparation for life and study beyond school. The official opening took place in September 2023, with the Vice Chancellor of the University of Exeter, Sir Michael Barber, opening the building.

*Arts, Music and Drama*

Dramatic productions during the year included the musical, *The Wedding Singer*, the junior play was a production of *'Hansel and Gretel'* performed outdoors in the amphitheatre. All drama scholars were involved in a classic *'who dunnit'* play and interactive supper.

King's pupils achieved outstanding results in LAMDA examinations, including one Distinction at Gold Medal, six Grade 7 silver medals and four Grade 6 bronze medals.

The number and range of musical events took place over the course of the year, including 22 concerts, 31 sung Eucharists and over 4000 instrumental lessons. Particular highlights of the year were the Chapel Choir's conquering of *Faure's Requiem*, the symphony orchestra's joyous Cuban rhythms and the resplendent guitar heroics of many at Fox Rocks.

*Sport and Outdoor Pursuits*

Our boys' 1st XI and U15s cricket teams won their respective national T20 Cups, crowning them champions of England – a superb achievement.

A number of boys and girls competed at an international level in a range of sports, including athletics, cricket, water polo and badminton.

The golf team won the South West Schools golf league and reached the HMC South West Final.

In swimming, our boys' and girls' teams were second in the annual Meade-King Cup quadrangular gala.

Riding had a successful year this year. Eight riders represented the school at the National School Equestrian Association finals at Hickstead, and our polo team continues to be successful.

*CCF*

The school's Royal Marines section once again won the prestigious Sir Steuart Pringle Trophy at Lympstone, for the eighth time in twelve years. This means the school has now won the trophy more times than any other school in the country.

One of our U6th pupils was selected as the Lord Lieutenant's Cadet, playing a key ceremonial role as one of the King's representatives in the county.

*Ten Tors*

King's once again entered three teams for the 35, 45 and 55 miles Ten Tors Challenge, successfully tacking the challenging routes of Dartmoor, showing exceptional resilience despite the heavy loads and tough weather.

*Partnerships & Community Engagement*

Plans are now well under way for year 5 pupils (64 in total) from Holy Trinity C of E VA Primary School to join us at KCT for a programme of six enrichment sessions in the 2023/24 academic year. They report that COVID has had a detrimental impact on levels of academic engagement and narrowed the world views of many of their pupils. In addition, their resources are more limited than ever before. For example, they have had to cut in half the brass instrument lessons they provide to one of their year groups. They were delighted by our approach and will warmly welcome any enrichment opportunities that we can offer. The six sessions, one per half term, will be divided amongst the following

departments to complement Holy Trinity's curriculum: Science (45-minute practical experiments on a carousel basis for each subject), MFL, Drama, Music, Cricket and DT.

Our Director of Music continues to develop his excellent work engaging musicians from other local schools in his orchestra and will be inviting local primary schools to take part in a day's choral workshop in the Michaelmas term of 2023. We will also notify Holy Trinity of our concerts that are open to the public, for them to encourage their budding musicians to attend to be see what it's like to be in an orchestra.

Fundraising for the funded community swimming lessons is underway with parents and staff. Discussions are underway with a local primary school, with whom we have an existing relationship, regarding this project. Together we will identify two children who are in receipt of the pupil premium (and whose parents will commit to bringing them to lessons). It is expected that the first two funded places will start at the beginning of the September term with one being funded from donations from the staff team and one being a free place offered by King's College.

*Facilities made available to the public*

Facilities used by groups from outside the school have included the Chapel, the swimming pool, playing fields, Astroturf pitches, squash courts, the indoor cricket facility and the theatre.

**King's College Prep**

King's College Prep provides a very high standard of education and this is validated by review of the academic results and other achievements and through external inspection. The School offers a broad curriculum and educates children with a wide range of ability. It has an exceptional Forest School on site utilised by all children which makes full use of the School's stunning rural position and proves very popular with children and staff alike. 'Woodland Adventures' and a variety of courses are run during the school holidays as part of the wrap-around care provision. As well as achieving high academic attainment the School is a strong force on the sporting front, especially in rugby, cricket, hockey, netball, tennis and athletics. The School has impressive musical performers; artists with great talent; self-motivated and able designers; its drama and performing arts programme is full, varied and of a very high standard.

The School aims to support children in reaching their potential in all areas of their activity at the School. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or design technology: Year 8 leavers secured 38 scholarships this year and around 200 awards to senior schools have been gained in these six disciplines over the last six years. The School produces well-rounded individuals who are able to make a positive contribution to society. An effective democratically elected Pupil Council operates successfully from Year 3 upwards with 'Pupil Voice' existing in Pre-Prep. There are constant charitable events taking place, with a significant focus this year being towards funds for The Nelson Trust, Hospice South West and Open Door.

*Academic Performance*

Year 8 leavers gained twelve academic scholarships to senior schools. There was a 100% of Year 8 children gained access to their chosen senior school. Year 6 children gained three academic scholarships to continue to King's College after Year 8.

*Sport*

King's College Prep continues to compete at a very high level, especially in rugby, hockey, cricket, athletics, tennis, football and netball. In sporting competition outside of school, King's Hall children were successful. The boys U13 and U11 rugby teams had very positive seasons. The boys' and girls' hockey teams won the vast majority of their matches. All children, girls and boys, play cricket at the same time. The girls U13 cricket team were County Champions as were the boys U12 and U11 cricket teams with the U13 boys being runners up. A good number of boys and girls were selected to play for Somerset at their age group.

The tennis teams performed strongly with both boys and girls in the County squads and one boy is the County Tennis Champion for his age group. A large number of children competed in the Exmoor Challenge whilst our riding team won several Show Jumping Classes during the year and also

competed at Hickstead. One boy became U14 County squash champion and, in conjunction with the College, our Junior squash team are County Champions. Two children competed in the National Athletic finals with one gaining a Bronze medal.

Ten children gained sports scholarships to their senior schools and four won awards in Year 6 to continue on to King's College.

*Art, DT, Music, Drama and Performing Arts*

An impressive and diverse Art and DT exhibition at the end of the year displayed the various creative talents in the School. The Specialist Art group undertook a wide range of enrichment activities to extend their knowledge and understanding. The music department put on extremely high quality concerts. Involvement in festivals and competitions such as Taunton Music Festival was fulsome with impressive results. All children in Years 2, 3 and 4 have, respectively, class lessons on the violin, trumpet/trombone and junior sax.

Drama productions continued to be plentiful with the Michaelmas Term seeing Year 7 and 8 create a terrific production of Moana Jr. An extremely high quality show with sound including radio microphones, lighting, set and costumes. December saw two excellent nativity productions from Pre-Prep. In March Year 6 produced energetic and vibrant performances of Charlie and the Chocolate Factory. Year 4 performed outside in the Summer to two parental audiences. The Speech and Drama activity continues to thrive with many children taking part including the Taunton Drama Festival and LAMDA exams – with much success.

The King's Hall Arts Week welcomed an enormous range of visitors across the curriculum enriching the experience for the children as well as numerous trips and productions taking place. The theme was 'Magic'. There were workshops, trips, visiting artists, authors, storytellers and dance as well as some following the remarkable puppeteers.

Three music, four art, three DT and five drama/performing arts scholarships were gained by Year 8 children to senior schools and two music and two performing arts scholarships were gained by children in Year 6.

*Significant projects*

The major focus has been on the roof of the main school building, completing Pre-Prep classroom and cloakrooms, refreshing the all-weather pitch surface, refurbishing staff common room, and boiler replacements.

**International Schools**

KST has a subsidiary company to take advantage of the opportunity to develop schools internationally, applying the successful King's College and King's College Prep approach to education and personal development. This company works with selected partners who are generally responsible for the day-to-day operation of the schools while King's assist with recruiting key personnel, curriculum and policies. Once a school is operating, personnel from the UK schools provide support to the local management and undertake regular educational and compliance audits to ensure that the King's formula is being applied successfully.

*India*

After numbers fell during the pandemic, numbers at the school in India are growing once again. A new Head took up post last year. Pupils who took their A levels last year have all moved on to universities or colleges, including in the UK.

*Qatar*

King's College Doha opened on 18 September 2016. It now has opened a second, purpose built, state of the art campus. In total, there are 1015 children up to Year 12. There continues to be close dialogue and support for the school including the monitoring responsibilities conducted through both a formal inspection as well as regular reports.

King's College Riyadh opened in September 2021 welcoming 169 pupils up to Year 3. It now has 550 children up to Year 5.

*Future Schools*

We are in positive discussions with our current and new partners about further opportunities overseas and were delighted to sign a new agreement in the financial year.

**Key Performance Indicators**

KST uses KPIs internally and externally in line with anonymised results from national surveys. These KPIs include surplus, pupil numbers, and academic results. These KPIs are analysed within KST, by Governors and also by the Woodard Corporation.

**Funds held as custodian trustee on behalf of others**

KST does not hold funds or act as custodian trustee on behalf of others.

## FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The net income for the year amounted to a surplus of £1,430,033. This is above expectations mainly due to one-off income to KCSI, outstanding solar PV and rates rebate payments, improved work on sustainability, capitalisation of some major engineering works and, therefore, below budget depreciation. Although Covid-19 and Brexit still has some continued impact on lettings, WST Enterprises Limited continued to hire out the Schools' facilities during holidays and school hours where it can, as well as undertaking commercial activity on behalf of the Schools and externally. The national and international cricket festival returned to a full six weeks in the summer 2023 with great success. WST Enterprises Limited contributed £116,408 to the Schools' operating results. King's College Schools International Limited contributed £738,344 to the Schools' operating results with turnover of £766,239 contributing to the Group results. The Equity Shareholders' Funds increased by £1,430,033.

The parents of pupils often make significant sacrifices to pay the fees. In doing so they help to relieve UK taxpayers of the financial burden of educating a significant number of UK based children. The saving made by the Schools is estimated to have a value in the last year of £4.4 million.

The Company is unable to recover the VAT on purchases it makes. During the past year, King's Schools Taunton Limited has paid an estimated £1,365,684 in VAT on goods and services.

## RESERVES POLICY

It has been the Council's policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the Schools without the requirement to have recourse to sales of tangible fixed assets, except where those are no longer required for the primary purpose of the Schools. At year end the Council consider that the Charity holds sufficient funds to meet these needs.

In common with most independent schools, and due to the having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. Although there is not a specific target, KST intends to build them up over time. At the present stage in the development cycle the free reserves are being utilised in order to finance on-going improvements and the provision of additional facilities in accordance with the Schools' strategic plan. The Schools continue to invest in their infrastructure, both with new capital projects and to deliver significant repairs and improvements to existing facilities. The school's total reserves of £20.51m at the year-end included £0.08m of restricted funds and £3.14m unrestricted designated funds. Fixed assets held for charity use totalled £19.82m, leaving free reserves of -£2.53m (2022: -£1.66m). KST's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The Schools do not have, and cannot rely on, permanent endowments.

The Council continues to keep the Schools' banking facilities under review to ensure they remain

appropriate to support the Schools' working capital requirements. The unrestricted reserve is invested both in cash and a balanced range of quoted investments. The unrestricted reserves are primarily invested in tangible fixed assets and investments which are all used for the Schools' direct charitable activities.

*Bursary fund.* The Council recognises the long term need to support families who could otherwise not afford the full school fees. In 2015 the Council allocated £1m to a Bursary fund, the income from which goes to support the Council's extensive bursary programme. It is the intention to grow this fund in the long term. In 2022, the decision was taken to move our investments to the Responsible Multi-Asset Fund. At 31 August 2023 the investments within this Bursary fund were valued at £2,377,068.

*Pension Deficit fund.* The Company has a contingent liability of some £31,545 in relation to a deficit on its Pension Trust Growth Plan scheme (see also note 27). In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund is now larger than the deficit – in March 2021, £587,258 was re-allocated to the Bursary Fund. At 31 August 2023 the investments within this Fund were valued at £623,035.

**Investment Performance against Objectives**

***Bursary Fund***
The portfolio, managed by Cazenove Capital, was valued at £2,377,068 on 31 August 2023 (31 August 2022: £2,065,229), included in this fund is £295,467 of advance fees payment.

Over the period the portfolio return was -0.05%, adjusted for additions and withdrawals. The trustees have adopted a total return approach, and the withdrawals are met from a combination of income and capital as appropriate. The portfolio is invested in accordance with the agreed investment strategy.

***Pension Deficit Fund***
The portfolio, managed by Cazenove Capital, was valued at £623,035 on 31 August 2023 (31 August 2022: £602,586).

Over the period the portfolio return was 3.39%. This portfolio is currently held fully in cash and cash equivalent investments. There is currently no income drawn from the portfolio; income is re-invested.

N.B. Cazenove are currently also managing our Advance Fees Account valued at £293,597 on 31 August 2023 (31 August 2022: £284,102).

**Engagement with Suppliers, Customers and Others in a Business Relationship with KST**

King's Schools Taunton seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the schools' operations.

During the year the schools have further promoted this engagement though specific initiatives including:

- Regular communication and engagement with parents and prospective parents of pupils attending King's to enhance the understanding of the provision to each pupil and to fully coordinate support to pupils from parents and the schools;
- Engagement with other educational organisations and partners at local and national levels to share best practice and to provide peer support;
- Dialogues with local councils on matters which impact children and families in the community as well as those that relate to the operation of each school;
- Engaging with local businesses to promote career and educational opportunities for pupils for their mutual benefit;
- Seeking opportunities to engage with local and national suppliers in the area;

- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to King's;
- Promoting and encouraging pupil and staff opportunities to engage in local voluntary and other projects to support the community; and
- Providing community access to King's and, in many cases, adopting a role that puts the school at the heart of the community.

**How the School Council Complies with Section 172 of the Companies Act**

*Promoting the success of the charitable group*

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charitable group to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

*The likely consequence of any decision in the long term*

King's makes all key decisions through reference to its long-term strategic plan and after projecting the timing and impact of such decisions. This strategy is primarily designed around the objective to improve the educational outcome for pupils. Every decision and strategy or policy adopted is regularly reviewed for its impact on stakeholders, and the need for any change is identified and implemented.

*The interests of the charitable group's employees*

Our employees are vital to KST and we regard ongoing, regular engagement with them as a top priority. KST seeks employee engagement through regular feedback and meetings, including formal appraisals and through the KST (staff) Consultation Committee (in September 2023, the name was changed to KCTCC). We address any issues raised by our employees as quickly as possible and communicate back to them what we have done. Staff are offered access to support, and all parts of KST seek to ensure that staff welfare is actively considered and addressed. Through application of up-to-date health and safety policies, and regular meetings and consultations, we also actively seek to ensure that the working environment meets necessary high standards of safety and security.

*The need to foster the charitable group's business relationships with suppliers, customers, and others*

Our relationships with partners and suppliers are key to our effectiveness. KST actively seeks to engage in service reviews with key suppliers, and the Woodard procurement manager assists in this process for business-critical activities. These reviews are focussed on a two-way relationship with KST based with an aim of helping one another to achieve an optimum service as efficiently as possible, achieving best value for money. Where KST has procured outsourced services, we seek to ensure that staff and management from that contractor are supported as an equal member of the school communities, and as stakeholders.

*The impact of the charitable group's operations on the community and the environment*

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. As well as covering environmental issues in our schools' curriculums, KST encourages staff and pupils to participate in initiatives to reduce negative environmental impacts. Our school promotes recycling of waste and is involved in actions to maximise efficiency in energy consumption.

*The desirability of the group maintaining a reputation for high standards of business conduct*

Our reputation and public trust in KST is fundamental to our future success. Our ethos and values are a fundamental part of employee recruitment and training to ensure that we maintain high standards; the same basis is used in appraisal processes. We apply similar values and procedures in choosing school partners and suppliers both in the UK and abroad.

## PRINCIPAL RISKS AND UNCERTAINTIES

### Risk Management

Like most trustees, the governors keep under consideration the impact of a catastrophic event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below reflects the current more stable environment, post the Coronavirus Pandemic, offering a wider view of common events plus a specific risk looking at those events that could impact the continuity of education.

The governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. The numbers across both schools are currently very strong, but there is no room for complacency. With increased costs and following freezing fees in 2020 and low increases in 2021 to support our parents, the governing body decided last year to increase the fees in September 2022 below inflation. For September 2023, with large increases in energy, food and salary costs, the governing body has limited fee changes to just above inflation.

In addition to current economic and pollical challenges, the independent schools' sector as a whole is currently subject to potentially increased political risk. The stated policy of one major political party is to remove tax concessions for charitable independent schools. If elected, and if this policy is enacted, there is a significant further risk to the independent sector as VAT would have to be added to school fees. This would potentially make the fees unaffordable for a further proportion of parents, materially affecting KST's income.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the respective schools' sites on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The Council is responsible for the identification and management of risks. It has a Risk Management Policy and maintains a Risk Register for the Schools and the subsidiary trading companies. It undertakes regular reviews of the risk management processes which are in place and examines the major specific risks which the Schools face each financial year when considering forward plans. The Schools and the subsidiary companies have developed systems to monitor and control these and sundry lesser risks to mitigate any impact that they may have on the Schools and the Group in the future.

The principal risks to which the Schools are exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas include:

- the governors consider possible serious critical incidents/events and ensure that the school has a plan in place to allow education to continue in a range of different scenarios;
- the market in which the Schools operate, which is highly competitive and requires us to monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience;
- the fact that the Schools operate in a highly regulated sector, including the area of child protection and safeguarding. To assist us we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements as well as having school or individual membership of bodies being the constituent associations of the Independent Schools Council, ensuring that we have access to up to date information and support;
- the fact that the Schools operate in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all relevant challenges; and
- the difficult economic conditions, locally, nationally and internationally and particularly in relation to the impact of inflation; Directors and senior managers in the Schools keep abreast of economic and political conditions to identify trends and develop plans to address issues.

The key controls used by the Schools include:

- formal agendas and minutes for all meetings of the Council and committees;
- terms of reference for all committees;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and clear reporting lines;
- comprehensive formal written policies regarding key areas;
- clear authorisation limits;
- vetting procedures as required by law, for protection of the vulnerable;
- regular contact between the Custos, chairs of Council committees, senior officers and other staff;
- regular attendance on relevant training courses by Council Members and staff; and
- the maintenance and regular review of a detailed Risk Register.

The Schools plan strategically having regard for risk. The management provides the School Council with regular reports which include details of the principal strategic objectives and the activity to achieve those objectives. The Schools also record significant achievements and update the Council and the Woodard Board on short-term plans.

**Financial Risk Management Objectives and Policies**

The Company is currently debt free and therefore has no interest risk exposure. The Company uses its trade debtors, creditors and operating lease arrangements to manage its cash flow and ensure that liquidity risk is minimised. The Company's investments are managed externally by a firm of professional investment managers.

**GOING CONCERN**

The governing body continues to review any potential impact of the current global political and economic challenges on parents/potential parents and school operations and finances. School managers and governors continue to work hard to ensure the Schools and the strategic plan are fully resourced, with no detrimental impact to our pupils, and to mitigate any potential financial impact: further developing our excellent offering at King's, exploiting our sustainability efforts, improving our marketing and admissions, and continuing to develop other sources of income including our oversees operations.

Monitoring closely current and forecast economics and political decisions, having considered all factors, including the potential impact of VAT on fees, and after reviewing the available evidence including our cash flow position and forecasts, the directors have a reasonable expectation that the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. This information related to the adoption of the going concern basis can also be found in the accounting policies on page 31.

**FUTURE PLANS**

**King's Schools Taunton**
The objectives set for the year were largely achieved or are ongoing.

Subject to confirmation at the 2023-24 Strategy Meeting, the key aims for 2023-24 are:

1. To continue the development of a culture of excellence with a relentless focus on improvement in a nurturing and creative environment
2. To complete an overarching King's College and Prep Education Strategy and a supporting Estates plan
3. To continue work developing school models – leading to a 3-5-year strategy - to ensure financial security and sustainability in an increasingly challenging and competitive market where quality and value for money is paramount
4. To ensure the sustainability of King's Schools in a volatile economic environment by being cost effective, maximising our international development contribution, and working towards a 5% surplus
5. To continue to focus on improving marketing and raising admissions, including establishing new markets, until agreed capacity is reached for both schools

6. In support of the overarching environmental sustainability strategy, produce Solar PV and LED development plans, and ensure continued progress towards full LED lighting and increased renewable energy production (priority where greatest impact).

**King's College**
The objectives set for the year were largely achieved or are ongoing.

The key aims for 2023-24 are:

1. To build on last year's academic success and to ensure positive value-added results in all departments
2. To complete detailed development plans to underpin KST Objectives 2 and 3.
3. To work towards total numbers consistently at 450 and beyond in the College while maintaining downward pressure on remissions
4. To ensure the sustainability of King's College by being cost effective – including rationalisation of estate and review of staffing - and working towards a 5% KST surplus
5. To complete successful utilisation of the Sixth Form Centre, including identifying and addressing the rationalisation impact on the remaining estate
6. To continue to ensure King's College is inspection-ready
7. To continue to focus on raising finances towards future projects and for bursaries through donations
8. Further explore and develop our connections and partnerships to ensure that the benefit of the school to the community continues to grow
9. To ensure continuously improving focus on sustainability including reduction in energy use and carbon impact.

**King's College Prep**
The objectives set for the year were largely achieved or are ongoing.

The key aims for 2023-24 are:

1. To sustain the high level of Scholarship and 13+ successes and to ensure positive value-added results in all departments
2. To complete detailed development plans to underpin KST Objectives 2 and 3
3. To review Prep/Pre-Prep model to further improve and develop cost effectiveness, including maintaining downward pressure on remissions, ensuring the sustainability of King's College Prep and working towards a 5% KST surplus
4. To explore and propose future nursery models including possible expansion as appropriate
5. To continue to ensure King's College Prep is inspection-ready
6. To further extend links with Nurseries and Primary schools in the area
7. To further explore and develop our connections and partnerships to ensure that the benefit of the school to the community continues to grow
8. To ensure continuously improving focus on sustainability including reduction in energy use and carbon impact.

## GROUP STREAMLINED ENERGY AND CARBON REPORTING

| | 2022-23 | 2021-22 |
|---|---|---|
| **Energy consumption used to calculate emissions (kwh)** | **5,017,203.45** | **5,846,515.86** |
| **Energy consumption break down (kwh)** | | |
| Business Travel Land (Employee Owned Vehicles) | 10,246.41 | Not Stated |
| Combustion Engine Fuels (Owned Transport, Plant and Machinery) | 364,521.45 | 292,070.28 |
| Heating Oil | 556,458.59 | 667,533.96 |
| Natural Gas | 2,934,466.00 | 3,528,554.62 |
| UK Grid Electricity Supply | 1,151,511.00 | 1,358,357.00 |
| Grand Total | 5,017,203.45 | 5,846,515.86 |

| | | |
|---|---|---|
| **Scope 1 emissions in metric tonnes CO2e** | | |
| Natural Gas | 535.72 | 648.80 |
| Combustion Engine Fuels (Owned Transport, Plant and Machinery) | 86.74 | 62.46 |
| Heating Oil | 144.68 | 171.41 |
| Grand Total | 767.14 | 882.67 |
| **Scope 2 emissions in metric tonnes CO2e** | | |
| UK Grid Electricity Supply | 238.45 | 262.68 |
| Business Travel Land (Employee Owned Vehicles) | 0.08 | Not Stated |
| Grand Total | 238.53 | 262.68 |
| **Scope 3 emissions in metric tonnes CO2e** | | |
| Business Travel Land (Employee Owned Vehicles) | 2.59 | 6.90 |
| **Total Gross Emissions in metric tonnes CO2e before Offset** | **1,008.25** | **1,152.25** |
| Intensity Ratio Tonnes CO2e Per Pupil before Offset | 1.31 | 1.48 |
| **Out of Scope Emissions in metric tonnes CO2e** | | |
| Combustion Engine Fuels (Owned Transport, Plant and Machinery) | 4.84 | 3.04 |
| Grand Total | 4.84 | 3.04 |
| **Offset Emissions in metric tonnes CO2e** | | |
| UK Grid Electricity Supply | 238.45 | 262.68 |
| Business Travel Land (Employee Owned Vehicles) | 0.15 | Not Stated |
| Renewable Electricity Generation | 3.55 | Not Stated |
| Grand Total | 242.15 | 262.68 |
| **Total Gross Emissions in metric tonnes CO2e after Offset** | **766.10** | **889.57** |
| Intensity Ratio Tonnes CO2e Per Pupil after Offset | 0.99 | 1.14 |

Note: The offset for 2021-22 was included in the high-level calculations; but, going forward, in accordance with current guidelines, KST will report separately. In addition, it should be noted that all electricity used for KST is REGO.

Group reporting requires us to include all subsidiaries and related companies that qualify. The numbers above include all qualifying subsidiaries and related companies, being King's Schools Taunton Limited, WST Enterprises Limited and King's College Schools International Limited.

*Quantification and reporting methodology*

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas (GHG) Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

*Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil. The measurement from 2020/21 was artificially high due to Covid-mitigation measures being in place including extra common rooms for the day pupils in their year-bubbles, marquees and additional toilets; all requiring heating and lighting. In addition, the need for greater air-flow with windows and doors open also had a negative carbon impact. Many of these measures have been removed or reduced during the 22/23 year.

*Measures taken to improve efficiency*

During the year, the schools implemented a number of initiatives to improve the efficiency of energy use. These included:

- Publication of Sustainability Strategy
- Including energy efficiency as a high priority item in the new 6th Form Centre – carbon neutral for energy - with underfloor heating, energy controls, PV panels and air source heat pumps
- Continuing reviews of light fittings across both sites to seek alternatives, and installation of LED lighting where possible;
- Further encouraging staff to turn off lights and close windows when exiting rooms and installing motion sensors so that lighting is only on when rooms are being used;
- Encouraging staff, through communication, to turn down radiators;
- Further reinforcement of King's Green Team to promote sustainability thinking and action;
- Replacement of old inefficient gas boilers with more efficient condensing boilers;
- Adjusting timers on lighting and heating systems to minimise the energy demand when not required or to minimise the time delays on switch off timers to minimum practical levels; and
- Initiating new salary exchange scheme for leasing electric vehicles.

Going forward the school is engaging in a number of projects to improve energy efficiency in future years as follows:

- Ongoing review of settings and the operation of building management systems to ensure that energy use is minimised according to the need of pupils and staff;
- Installation of campus-wide building management systems to optimise energy usage;
- Replacement of diesel-powered equipment with electric items;
- Encouraging staff to use public transport, bicycles and walking as an alternative mode of transport including promotion of the Cycle to Work Scheme
- Encouraging staff to minimise travel and promoting the use of technology for meetings and other communications; and
- Reinvigoration of KCT Sustainability group and appointment of Sustainability Champions in departments and houses.

**DIRECTORS**

The Directors who served during the year, and the committees of which they are members, are:

| | | |
|---|---|---|
| L M Nash (Custos) | | All committees |
| C A Cavaghan-Pack | | Education and Pastoral |
| M D Featherstone | | Education and Pastoral |
| M A Gunn | | Education and Pastoral |
| C H Hirst (Vice-Custos) | | All committees |
| J E R Houghton | | Finance and Estates |
| J E Knill | | Finance and Estates |
| R M U Lambert | | Finance and Estates, Remuneration, Appointments |
| W J Morrison | | Finance and Estates |
| Bishop Nigel Stock | | Education and Pastoral |
| M F Trimble | (retired 31 August 2023) | Finance and Estates, Remuneration, Appointments |
| R Wells-Cole | | Education and Pastoral |
| Commodore J R A Woodard RN | | Education and Pastoral, Finance and Estates |

None of the Directors has any beneficial interest in the Company.

**Exemptions from disclosure**

KST has not taken advantage of any exemption from disclosure in relation to trustee details.

**AUDITOR**

RSM UK AUDIT LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

This Directors' Report (including the Strategic Report) was approved by the board of directors of King's Schools Taunton Limited on 7 December 2023 and signed on their behalf:

**L M Nash**
Chair

# KING'S SCHOOLS TAUNTON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED
## *YEAR ENDED 31 AUGUST 2023*

### Opinion

We have audited the financial statements of King's Schools Taunton Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and the 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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 Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Directors' responsibilities set out on page 21, 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 Directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

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

The group audit engagement team identified the risk of management override of controls and donation income, extras and other income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates. Additionally, audit procedures have been performed to substantively test donation, extras and other income for cut off, existence and evaluation.

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

# KING'S SCHOOLS TAUNTON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED
*YEAR ENDED 31 AUGUST 2023*

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**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.

RSM UK Audit LLP

Zoe Longstaff-Tyrrell (Senior Statutory Auditor)
For and on behalf of
RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

12/12/23

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2023*

| | Notes | Unrestricted Funds | Restricted Funds | Total 2023 | *Total 2022* |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | 2 | 15,509,758 | - | **15,509,758** | *15,056,201* |
| Ancillary trading income | 3 | 1,773,158 | - | **1,773,158** | *1,440,822* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 4 | 1,181,584 | - | **1,181,584** | *579,491* |
| Other activities | 4 | 4,770 | - | **4,770** | *3,996* |
| **Investments** | | | | | |
| Investment Income | 5 | 156,385 | - | **156,385** | *43,845* |
| Bank and other interest | 6 | 30,859 | - | **30,859** | 2,618 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 7 | 82,046 | 17,882 | **99,928** | *114,794* |
| **TOTAL INCOME** | | **18,738,560** | **17,882** | **18,756,442** | *17,241,767* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Non-ancillary trading | 8 | 310,747 | - | **310,747** | *214,503* |
| Financing costs | 8 | 33,305 | - | **33,305** | *(29,842)* |
| Investment management | 8 | 5,662 | - | **5,662** | *14,871* |
| | | **349,714** | - | **349,714** | *199,532* |
| **Charitable Activities** | | | | | |
| Education and grant making | 8 | 16,872,902 | 2,866 | **16,875,768** | *16,507,074* |
| **TOTAL EXPENDITURE** | | **17,222,616** | **2,866** | **17,225,482** | *16,706,606* |
| **Net income and expenditure before transfers** | | **1,515,944** | **15,016** | **1,530,960** | *535,161* |
| Realised (losses)/gains on investment assets | 14 | 5,674 | - | **5,674** | *(164,181)* |
| Unrealised gains on investment assets | 14 | (106,601) | - | **(106,601)** | *52,269* |
| **Net income** | | **1,415,017** | **15,016** | **1,430,033** | **423,249** |
| Transfers between funds | 22 | 411,940 | (411,940) | - | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **1,826,957** | **(396,924)** | **1,430,033** | *423,249* |
| Fund balances at 1 September 2022 | | 18,598,696 | 476,578 | 19,075,274 | *18,652,025* |
| **FUND BALANCES at 31 August 2023** | | **20,425,653** | **79,654** | **20,505,307** | *19,075,274* |

In the prior year, all income and expenditure related to unrestricted funds, with the exception of £93,565 of voluntary income and £20,415 of grant making expenditure which related to restricted funds.

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 notes on pages 31 to 48 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2023*

| | Notes | Unrestricted Funds | Restricted Funds | Total 2023 | *Total 2022* |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | 2 | 15,509,758 | - | **15,509,758** | *15,056,201* |
| Ancillary trading income | 3 | 1,773,158 | - | **1,773,158** | *1,440,822* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 4 | 870,837 | - | **870,837** | *364,988* |
| Other activities | 4 | 4,770 | - | **4,770** | 3,996 |
| **Investments** | | | | | |
| Investment Income | 5 | 156,385 | - | **156,385** | *43,845* |
| Bank and other interest | 6 | 30,859 | - | **30,859** | 2,618 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 7 | 82,046 | 17,882 | **99,928** | *114,794* |
| **TOTAL INCOME** | | **18,427,813** | **17,882** | **18,445,695** | *17,027,264* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Financing costs | 8 | 33,305 | - | **33,305** | *(29,842)* |
| Investment management | 8 | 5,662 | - | **5,662** | *14,871* |
| | | **38,967** | - | **38,967** | *(14,971)* |
| **Charitable Activities** | | | | | |
| Education and grant making | 8 | 16,872,902 | 2,866 | **16,875,768** | *16,507,074* |
| **TOTAL EXPENDITURE** | | **16,911,869** | **2,866** | **16,914,735** | *16,492,103* |
| **Net income and expenditure before transfers** | | **1,515,944** | **15,016** | **1,530,960** | *535,161* |
| Realised (losses)/gains on investment assets | 14 | 5,674 | - | **5,674** | *(164,181)* |
| Unrealised gains on investment assets | 14 | (106,601) | - | **(106,601)** | *52,269* |
| **Net income** | | **1,415,017** | **15,016** | **1,430,033** | *423,249* |
| Transfers between funds | 22 | 411,940 | (411,940) | - | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **1,826,957** | **(396,924)** | **1,430,033** | *423,249* |
| Fund balances at 1 September 2022 | | 18,598,696 | 476,578 | **19,075,274** | *18,652,025* |
| **FUND BALANCES at 31 August 2023** | | **20,425,653** | **79,654** | **20,505,307** | *19,075,274* |

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 notes on pages 31 to 48 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED AND CHARITY BALANCE SHEETS
## *AS AT 31 AUGUST 2023*

| | Notes | GROUP 2023 £ | GROUP *2022* £ | CHARITY 2023 £ | CHARITY *2022* £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 13 | **19,817,938** | *17,224,982* | **19,817,938** | *17,224,982* |
| Investments | 14 | **3,768,711** | *2,924,130* | **3,768,711** | *2,924,130* |
| Investments in subsidaries | 14 | **-** | *-* | **101** | 101 |
| | | **23,586,649** | *20,149,112* | **23,586,750** | *20,149,213* |
| **CURRENT ASSETS** | | | | | |
| Stocks | | **20,821** | *21,171* | **20,821** | *21,171* |
| Debtors | 15 | **766,788** | *709,142* | **1,956,358** | *1,765,655* |
| Cash | | **4,315,371** | *6,570,922* | **3,113,333** | *5,309,443* |
| | | **5,102,980** | *7,301,235* | **5,090,512** | *7,096,269* |
| **CREDITORS:** due within one year | 16 | **(6,286,468)** | *(6,177,448)* | **(6,274,101)** | *(5,972,583)* |
| **NET CURRENT ASSETS** | | **(1,183,488)** | *1,123,787* | **(1,183,589)** | *1,123,686* |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **22,403,161** | *21,272,899* | **22,403,161** | *21,272,899* |
| **CREDITORS:** due after more than one year | 17 | **(1,897,754)** | *(2,197,525)* | **(1,897,754)** | *(2,197,525)* |
| **TOTAL NET ASSETS** | | **20,505,407** | *19,075,374* | **20,505,407** | *19,075,374* |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 20 | **100** | *100* | **100** | *100* |
| **FUNDS** | | | | | |
| Restricted funds | 22 | **79,654** | *476,578* | **79,654** | *476,578* |
| Unrestricted funds | | | | | |
| General | 22 | **17,287,937** | *15,510,618* | **17,287,937** | *15,510,618* |
| Designated | 22 | **3,137,716** | *3,088,078* | **3,137,716** | *3,088,078* |
| | | **20,425,653** | *18,598,696* | **20,425,653** | *18,598,696* |
| **EQUITY SHAREHOLDERS' FUNDS** | | **20,505,407** | *19,075,374* | **20,505,407** | *19,075,374* |

The notes on pages 31 to 48 form part of these financial statements. The financial statements were approved and authorised for issue by the Board on 7 December 2023 and signed on its behalf by

**L M Nash**
**Director**

Company registration number 05084301

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS AND NOTES TO THE CASH FLOW STATEMENT
## *AS AT 31 AUGUST 2023*

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| **Cash flows from operating activities:** | | |
| **Net cash provided by (used in) operating activities** | **1,569,432** | *2,513,674* |
| **Cash flows from investing activities:** | | |
| Dividends, interest and rents from investments | **187,244** | *46,463* |
| Purchase of property, plant and equipment | **(3,047,601)** | *(2,420,851)* |
| Disposal of property, plant and equipment | **-** | *8,580* |
| Proceeds from sale of investments | **1,500,000** | *2,135,570* |
| Purchase of investments | **(2,451,169)** | *(2,462,369)* |
| **Net cash provided by (used in) investing activities** | **(3,811,526)** | *(2,692,607)* |
| **Cash flows from financing activities:** | | |
| Financing costs | **(13,458)** | *(11,558)* |
| **Net cash provided by (used in) financing activities** | **(13,458)** | *(11,558)* |
| **Change in cash and cash equivalents in the year** | **(2,255,552)** | *(190,491)* |
| **Cash and cash equivalents at the beginning of the year** | **6,570,922** | *6,761,413* |
| **Cash and cash equivalents at the end of the year** | **4,315,370** | *6,570,922* |

**Reconciliation of net income/(expenditure) to net cash flow from operating activities**

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| **Net income/(expenditure) for period (as per the Statement of Financial Activities)** | **1,430,033** | *423,249* |
| **Adjustments for:** | | |
| Depreciation charges | **454,645** | *422,611* |
| Losses/(Gains) on investments | **100,927** | *111,912* |
| Dividends, interest and rents from investments | **(187,244)** | *(46,463)* |
| Financing costs | **19,118** | *26,429* |
| (Increase)/decrease in stocks | **350** | *(6,026)* |
| (Increase)/decrease in debtors | **(57,646)** | *(33,683)* |
| Increase/(decrease) in creditors | **(190,751)** | *1,615,645* |
| **Net cash provided by (used in) operating activities** | **1,569,432** | *2,513,674* |

## KING'S SCHOOLS TAUNTON LIMITED

### CONSOLIDATED STATEMENT OF CASH FLOWS AND NOTES TO THE CASH FLOW STATEMENT
### *AS AT 31 AUGUST 2023*

| | 2023<br>£ | *2022*<br>£ |
|---|---|---|
| **Analysis of cash and cash equivalents** | | |
| Cash at bank and in hand | **4,315,371** | *6,570,922* |
| **Total cash and cash equivalents** | **4,315,371** | *6,570,922* |

**Analysis of changes in Net Debt**

| | At 31st Aug 2022<br>£ | Cash flows<br>£ | Other non-cash changes<br>£ | At 31st Aug 2023<br>£ |
|---|---|---|---|---|
| **Cash and cash equivalents** | | | | |
| Cash at bank and in hand | **6,570,922** | **(2,255,552)** | **-** | **4,315,370** |
| **Total** | **6,570,922** | **(2,255,552)** | **-** | **4,315,370** |

## 1 ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

### a) Basis of accounting

The accounts of the Group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK accounting standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

King's Schools Taunton Limited meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 31 and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in Sterling (£) and the functional currency is sterling (£).

### b) Going Concern

The accounts have been prepared on a going concern basis. The King's Schools' Board reviews the financial information for the company and the group and considers whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts.

Having considered all factors and reviewing the available evidence, the directors have a reasonable expectation that the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis.

### c) Group accounts

The financial statements consolidate the financial statements of the Company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Enitities are consolidated where King's Schools Taunton Limited exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

### d) School fees receivable and similar income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

1. **ACCOUNTING POLICIES** (continued)

e) **Ancillary and non-ancillary trading income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

f) **Voluntary sources, grants and donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

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

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

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

The cost of refurbishing and converting existing buildings is written off in the year in which it is incurred except where the useful life has been extended.

h) **Pension costs**

The Company participates in The Teachers' Pensions Scheme, which is an unfunded Government scheme which provide benefits based on final pensionable pay. The Company also contributes to defined contribution pension schemes for teaching and non-teaching staff.

The Company historically offered membership of The Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth Plan is a multi employer pension scheme where the scheme assets are pooled for investment purposes and cannot be atributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the Company, though, due to the guarantees inherent in the scheme, the Company remains potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for as if it were a defined contribution scheme, with contributions recorded as they become payable.

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. More detail is given in note 31.

1. **ACCOUNTING POLICIES** (continued)

i) **Tangible fixed assets and depreciation**

In accordance with Section 35.10 (d) of FRS102, King's Schools Taunton Limited has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads. Assets in the course of construction are not depreciated.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---|---|
| - Freehold land is not depreciated | |
| - Freehold buildings: | Variable according to the building and written off over the expected useful life (see paragraph below) |
| - Freehold improvements: | Over the useful economic life of the improvement |
| - Computer equipment | 25% on cost |
| - Fixtures and fittings | 4% - 50% on cost |
| - Plant and machinery | 10% - 20% on cost |
| - Motor vehicles | 25% on cost |

The Company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The Company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. The Directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the Directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

The Company exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

1. **ACCOUNTING POLICIES** (continued)

j) **Financial instruments**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

k) **Investments and Fees in Advance Investments**

Investments and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Realised and unrealised investment gains and losses are recognised as 'net gains/(losses) on investment assets' in the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

l) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

m) **Leasing commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the SOFA over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

n) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet.

o) **Fund accounts**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the Directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1. **ACCOUNTING POLICIES** (continued)

p) **Taxation**

King's Schools Taunton Limited is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The Company has two subsidiary companies that are subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The corporation tax arising on the subsidiary companies' profit for the year is mitigated by the payment of Gift Aid by these entities to the School.

q) **Termination Payments**

The best estimate of the expenditure required to settle an obligation for termination benefits, is recognised immediately as an expense, when the Group is demonstrably committed to terminate the employment of an employee, or to provide termination benefits.

## 2 SCHOOL FEES

| (a) The Schools' fees income comprises: | Group and Charity 2023 £ | *2022 £* |
|---|---|---|
| Gross fees | **19,708,881** | *19,228,692* |
| Less: Total scholarships, bursaries, etc | **(4,199,123)** | *(4,172,491)* |
| | **15,509,758** | *15,056,201* |

## 3 CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME

| | Group and Charity 2023 £ | *2022 £* |
|---|---|---|
| Extra subjects | **1,230,289** | *1,078,555* |
| Entrance and registration fees and fees in lieu of notice | **156,688** | *90,653* |
| Commissions and other income | **386,181** | *271,614* |
| | **1,773,158** | *1,440,822* |

## 4 OTHER TRADING ACTIVITIES

| | Group 2023 £ | *2022 £* |
|---|---|---|
| **Non-ancillary trading income** | | |
| Rents receivable and other sales | **16,085** | *20,850* |
| WST Enterprises Limited | **399,260** | *330,931* |
| King's College Schools International Limited | **766,239** | *227,710* |
| | **1,181,584** | *579,491* |

| | Charity 2023 £ | *2022 £* |
|---|---|---|
| **Non-ancillary trading income** | | |
| Rents receivable and other sales | **16,085** | *20,850* |
| WST Enterprises Limited | **116,408** | *127,473* |
| King's College Schools International Limited | **738,344** | *216,665* |
| | **870,837** | *364,988* |

| **Other activities** | Group and Charity 2023 £ | *2022 £* |
|---|---|---|
| Interest on overdue fees | **4,770** | *5,376* |
| Loss on sale of fixed asset | **-** | *(1,380)* |
| | **4,770** | *3,996* |

## 5 INVESTMENTS - INVESTMENT INCOME

| | Unrestricted £ | Restricted £ | Group and Charity Total 2023 £ | *Total 2022 £* |
|---|---|---|---|---|
| **Securities investment income** | | | | |
| Equities | - | - | **-** | *11,659* |
| Fixed interest | - | - | **-** | *2,339* |
| Alternatives | 156,385 | - | **156,385** | *29,847* |
| | 156,385 | - | **156,385** | *43,845* |

## 6 INVESTMENTS - BANK AND OTHER INTEREST

| | Unrestricted £ | Restricted £ | Group and Charity Total 2023 £ | *Total 2022 £* |
|---|---|---|---|---|
| Bank interest | 30,859 | - | **30,859** | *2,618* |
| | 30,859 | - | **30,859** | *2,618* |

## 7 VOLUNTARY SOURCES - GRANTS AND DONATIONS

| | Unrestricted | Restricted | Group and Charity Total 2023 | *Total 2022* |
|---|---|---|---|---|
| Donations | 82,046 | 17,882 | **99,928** | *114,794* |
| | 82,046 | 17,882 | **99,928** | *114,794* |

## 8 ANALYSIS OF EXPENDITURE

### a) Total Expenditure

| | Staff Costs (note 9) £ | Support Costs £ | Group Depreciation (note 12) £ | Total 2023 £ | *Total 2022 £* |
|---|---|---|---|---|---|
| **Costs of raising funds:** | | | | | |
| Non ancillary trading | 97,838 | 212,909 | - | **310,747** | *214,503* |
| Financing cost (note 9) | - | 33,305 | - | **33,305** | *(29,842)* |
| Investment management | - | 5,662 | - | **5,662** | *14,871* |
| **Total cost of raising funds** | 97,838 | 251,876 | - | 349,714 | *199,532* |
| **Charitable expenditure** | | | | | |
| Teaching | 6,961,344 | 898,696 | 38,421 | **7,898,461** | *7,459,173* |
| Welfare | 784,734 | 1,844,667 | 4,482 | **2,633,883** | *2,377,468* |
| Premises | 972,969 | 2,228,102 | 318,630 | **3,519,701** | *3,669,524* |
| School administration | 1,195,164 | 1,422,307 | 93,112 | **2,710,583** | *2,851,000* |
| Grants, awards and prizes (all from unrestricted funds) | - | 9,385 | - | **9,385** | *10,681* |
| Governance | - | 100,889 | - | **100,889** | *118,813* |
| Expenditure from restricted funds | - | 2,866 | - | **2,866** | *20,415* |
| **Total charitable expenditure** | 9,914,211 | 6,506,912 | 454,645 | **16,875,768** | *16,507,074* |
| **Total expenditure** | 10,012,049 | 6,758,788 | 454,645 | **17,225,482** | *16,706,606* |

### b) Governance included in support costs

King's Schools Taunton reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. Three governors were reimbursed a total of £2,888 during the year (2022: two were reimbursed a total of £1,774).

| | Total 2023 £ | *Total 2022 £* |
|---|---|---|
| Remuneration paid to auditor for audit services | **29,700** | *26,100* |
| Reimbursement of personal expenses to governors | **2,889** | *1,774* |
| | **32,589** | *27,874* |

## 9 FINANCING COSTS

| | Group and Company 2023 £ | *2022 £* |
|---|---|---|
| Other interest paid | **4,676** | 2,470 |
| Bank charges | **8,782** | *9,088* |
| Provision for bad and doubtful debts | **19,847** | *(41,400)* |
| | **33,305** | *(29,842)* |

## 10 STAFF COSTS

| The aggregate payroll costs for the year were: | Group 2023 £ | Group 2022 £ |
|---|---|---|
| Wages and salaries | **8,209,337** | *7,672,051* |
| Social security costs | **723,210** | *690,405* |
| Teachers' pension contributions | **956,648** | *905,297* |
| Other pension contributions | **117,003** | *115,866* |
| Private Medical Insurance | **5,851** | *6,535* |
| | **10,012,049** | *9,390,154* |

| | Charity 2023 £ | Charity 2022 £ |
|---|---|---|
| Wages and salaries | **8,111,499** | *7,607,577* |
| Social security costs | **723,210** | *690,405* |
| Teachers' pension contributions | **956,648** | *905,297* |
| Other pension contributions | **117,003** | *115,866* |
| Private Medical Insurance | **5,851** | *6,535* |
| | **9,914,211** | *9,325,680* |

None of the governors received remuneration or other benefits from King's Schools Taunton or from any connected body.

| | 2023 £ | 2022 £ |
|---|---|---|
| Aggregate employee benefits of key management personnel | **438,168** | *431,752* |

The Headmasters and the Director of Finance and Operations are classed by the School as being the Key Management Personnel.

The number of employees whose annual emoluments were £ 60,000 or more was:

| | 2023 (number) | 2022 (number) |
|---|---|---|
| £ 60,001 - £ 70,000 | **2** | *1* |
| £ 70,001 - £ 80,000 | **-** | *-* |
| £ 80,001 - £ 90,000 | **1** | *1* |
| £ 90,001 - £ 100,000 | **1** | *1* |
| £ 100,001 - £ 110,000 | **1** | *1* |
| £ 110,001 - £ 120,000 | **1** | *1* |

The average number of employees during the year calculated on a head count basis was:

| | 2023 (number) | 2022 (number) |
|---|---|---|
| Teaching staff | **142** | *132* |
| Others | **148** | *145* |
| | **290** | *277* |

Included in staff costs are termination payments and payments in lieu of notice totalling £7,254 (2022: £32,059). The amount outstanding at the year-end was nil (2022: nil).

## 11 DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Remissions of £9,416 were awarded to one child of one director attending the School (2022: £13,763).

## 12 TAXATION

The Company is a registered charity and therefore no liability to taxation arises on its charitable activities.

## 13 TANGIBLE FIXED ASSETS

| GROUP | Freehold Land & Buildings £ | Under Construction £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| At 1 September 2022 | 17,734,002 | 2,063,751 | 1,006,810 | 943,814 | 1,005,097 | 23,400 | **22,776,874** |
| Additions | 1,790,682 | - | 528,427 | 570,086 | 158,406 | - | **3,047,601** |
| Transfers | 2,063,751 | (2,063,751) | - | - | - | - | - |
| **At 31 August 2023** | **21,588,435** | **-** | **1,535,237** | **1,513,900** | **1,163,503** | **23,400** | **25,824,475** |
| **Depreciation** | | | | | | | |
| At 1 September 2022 | 3,327,540 | - | 505,495 | 908,814 | 788,112 | 21,931 | **5,551,892** |
| Charge for the year | 290,868 | - | 64,305 | 32,380 | 65,623 | 1,469 | **454,645** |
| **At 31 August 2023** | **3,618,408** | - | **569,800** | **941,194** | **853,735** | **23,400** | **6,006,537** |
| **Net book value** | | | | | | | |
| **At 31 August 2023** | **17,970,027** | **-** | **965,437** | **572,706** | **309,768** | **-** | **19,817,938** |
| Net book value at 31 August 2022 | 14,406,462 | 2,063,751 | 501,315 | 35,000 | 216,985 | 1,469 | 17,224,982 |

| COMPANY | Land & Buildings Freehold £ | Under Construction £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| At 1 September 2022 | 17,734,002 | 2,063,751 | 1,006,810 | 943,814 | 1,005,097 | 23,400 | **22,776,874** |
| Additions | 1,790,682 | - | 528,427 | 570,086 | 158,406 | - | **3,047,601** |
| Transfers | 2,063,751 | (2,063,751) | - | - | - | - | - |
| **At 31 August 2023** | **21,588,435** | **-** | **1,535,237** | **1,513,900** | **1,163,503** | **23,400** | **25,824,475** |
| **Depreciation** | | | | | | | |
| At 1 September 2022 | 3,327,540 | - | 505,495 | 908,814 | 788,112 | 21,931 | **5,551,892** |
| Charge for the year | 290,868 | - | 64,305 | 32,380 | 65,623 | 1,469 | **454,645** |
| **At 31 August 2023** | **3,618,408** | - | **569,800** | **941,194** | **853,735** | **23,400** | **6,006,537** |
| **Net book value** | | | | | | | |
| **At 31 August 2023** | **17,970,027** | **-** | **965,437** | **572,706** | **309,768** | **-** | **19,817,938** |
| Net book value at 31 August 2022 | 14,406,462 | 2,063,751 | 501,315 | 35,000 | 216,985 | 1,469 | 17,224,982 |

All assets are used for charitable purposes.

## 14 SECURITIES INVESTMENTS

| | 2023 | *2022* |
|---|---|---|
| **Group investments** | **£** | *£* |
| At 1 September 2022 | 3,247,525 | *2,787,121* |
| New money invested | 3,108,332 | *640,246* |
| Reinvested income | 156,385 | *43,845* |
| Amounts extracted | (2,090,898) | *(96,904)* |
| Management fees | (5,662) | *(14,871)* |
| Realised gains on investments | 5,674 | *(164,181)* |
| Unrealised gains on investments | (106,601) | *52,269* |
| **Group investments at 31 August 2023** | **4,314,755** | *3,247,525* |
| Less: Investments classified as cash | **(546,044)** | *(323,395)* |
| **Group investments at 31 August 2023** | **3,768,711** | *2,924,130* |
| Investments in subsidaries | **101** | *101* |
| **Company investments at 31 August 2023** | **3,768,812** | *2,924,231* |

| | | |
|---|---|---|
| **Investments comprise:** | | |
| **Listed investments** | | |
| Fixed interest | 1,211,340 | *174,734* |
| Equities | 1,478,482 | *1,633,978* |
| **Alternative investments** | | |
| Commercial property funds | - | 163,958 |
| Commodities and other | 1,078,889 | *951,460* |
| **Group investments at 31 August 2023** | **3,768,711** | *2,924,130* |
| Investments in subsidiaries | **101** | *101* |
| **Company investments at 31 August 2023** | **3,768,812** | *2,924,231* |

£2,081,600 of these investments are held in the designated Bursary Fund.

*Securities and Investments were managed for King's Schools Taunton Limited by Cazenove Capital.*

At 31 August 2023, five investments (2022: three) had a carrying value equal to 5% or more of the value of the investment portfolio, being:

| | £ | |
|---|---|---|
| SUTL Cazenove Charity Sustainable | 2,215,716 | 58.79% |
| 0% United Kingdom T-Bill 18-09-23 | 498,710 | 13.23% |
| 0% United Kingdom T-Bill 11-09-23 | 454,286 | 12.05% |
| Black Rock ICS Institutional Sterling Liquidity Fund | 300,000 | 7.96% |
| J P Morgan GBP Liquidity Funds | 300,000 | 7.96% |

## 15 DEBTORS

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| School fees receivable | 171,011 | 201,347 | 171,011 | 201,347 |
| Trade debtors | 14,650 | 56,427 | - | - |
| Other debtors | 87,581 | 61,023 | 87,217 | 58,879 |
| Prepayments and accrued income | 492,719 | 389,238 | 491,719 | 385,837 |
| Amounts owed by group undertakings | - | - | 1,205,584 | 1,118,485 |
| Woodard Corporation | 827 | 1,107 | 827 | 1,107 |
| | 766,788 | 709,142 | 1,956,358 | 1,765,655 |

## 16 CREDITORS: Amounts falling due within one year

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Deposits from parents | 329,860 | 321,360 | 329,860 | 321,360 |
| Fees received in advance of term | 3,068,469 | 2,845,235 | 3,068,469 | 2,845,235 |
| Trade creditors | 1,531,432 | 1,153,121 | 1,531,434 | 1,150,320 |
| Taxes and Social Security costs | 205,471 | 207,737 | 199,972 | 178,984 |
| Pension Scheme Deficit Recovery Plan | 31,545 | 283,909 | 31,545 | 283,909 |
| Other creditors | 680,896 | 785,299 | 680,215 | 622,172 |
| Accruals | 438,795 | 580,787 | 432,606 | 570,603 |
| | 6,286,468 | 6,177,448 | 6,274,101 | 5,972,583 |

### Summary of movement in deferred income

| | 2023 | 2022 |
|---|---|---|
| Balance at 1 September 2022 | 2,845,235 | 2,777,150 |
| Amounts arising in the year | 3,068,469 | 2,845,235 |
| Amounts transferred to SOFA | (2,845,235) | (2,777,150) |
| Balance at 31 August 2023 | 3,068,469 | 2,845,235 |

Deferred income arises due to fee payments received in advance of the new financial year.

## 17 CREDITORS: Amounts falling due after one year

| | Group and Company | |
|---|---|---|
| | 2023 | 2022 |
| | £ | £ |
| Deposits from parents | 1,202,494 | 1,475,910 |
| Fees In Advance | 695,260 | 721,615 |
| | 1,897,754 | 2,197,525 |

Parents pay to the school a deposit in advance. The deposits are refunded on the pupils' last terms school bill.

## 18 FEES IN ADVANCE SCHEME

| | Group and Company | |
|---|---|---|
| | 2023 | 2022 |
| | £ | £ |
| After 5 years | 201,750 | 300,110 |
| Within 2 - 5 years | 442,455 | 374,450 |
| Within 1 to 2 years | 51,055 | 47,055 |
| Due after more than one year | 695,260 | 721,615 |
| Within 1 year | 47,055 | 18,600 |

| | |
|---|---|
| **Summary of movements in liability** | |
| **Balance at 1 September 2022** | **740,215** |
| New Contracts | - |
| Repayments | - |
| Amounts used to pay fees | (18,600) |
| Amounts accrued to contract as debt financing cost | - |
| | **721,615** |

**19 COMMITMENTS UNDER OPERATING LEASES**

**Group and Company**

The future minimum commitments under non-cancellable operating leases for vehicles and temporary buildings are:

| | **2023** | *2022* |
|---|---|---|
| | **£** | *£* |
| within 1 year | **90,742** | *100,109* |
| within 1 to 5 years | **118,341** | *77,201* |
| | **209,083** | *177,310* |

**20 SHARE CAPITAL**

**Group and Company**

| | **2023** | *2022* |
|---|---|---|
| | **£** | *£* |
| **Authorised** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |
| **Allotted, called up and fully paid** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |

**21 FINANCIAL INSTRUMENTS**

**Group and Company**

| | **2023** | *2022* |
|---|---|---|
| **FINANCIAL ASSETS:** | **£** | *£* |
| Investments held at FV through Profit and Loss | **3,768,711** | *2,924,130* |

## 22 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

| | At 1 Sep 2022 | Incoming resources | Resources expended | Transfers | Gains /(losses) | At 31 Aug 2023 |
|---|---|---|---|---|---|---|
| **GROUP AND CHARITY** | | | | | | £ |
| **Restricted Funds** | | | | | | |
| Michael J Baker travel fund | 28,656 | - | (1,400) | - | - | **27,256** |
| Library fund | 101 | - | - | - | - | **101** |
| Joan Sewell bequest fund | 21,803 | 1,882 | (466) | - | - | **23,219** |
| John Crabtree award | 16,078 | - | (1,000) | - | - | **15,078** |
| Foundation for Sport and the Arts - grant | 14,875 | - | - | (875) | - | **14,000** |
| New Sixth Form Centre | 395,065 | 16,000 | - | (411,065) | - | **-** |
| | **476,578** | **17,882** | **(2,866)** | **(411,940)** | **-** | **79,654** |

The Michael Baker Travel Fund was set up in memory of Michael Baker who died in 1999. It is awarded to one or two leavers each year for travel outside of Europe for specific goals ie: helping local communities.

The Joan Sewell Bequest fund helps support various academic projects in the school, including essay prizes and educational trips.

The John Crabtree award is presented annually to the most gifted mathematician in the Lower Sixth Form.

The Foundation for Sport and the Arts Grant was a grant towards the construction of the sports hall. The figure is reduced annually as per the initial agreement.

The Sixth Form Centre was completed and occupied in March 2023. Restricted monies have, thus, been transferred to the General Reserve.

| | | | | | | |
|---|---|---|---|---|---|---|
| **GROUP** | | | | | | |
| **Unrestricted Funds** | | | | | | |
| General reserves | 15,510,618 | 18,484,082 | (17,126,189) | 411,940 | 7,486 | **17,287,937** |
| Designated - Bursary | 2,485,492 | 234,029 | (96,427) | - | (108,413) | **2,514,681** |
| Designated - Pension Deficit | 602,586 | 20,449 | - | - | - | **623,035** |
| | **18,598,696** | **18,738,560** | **(17,222,616)** | **411,940** | **(100,927)** | **20,425,653** |
| **CHARITY** | | | | | | |
| **Unrestricted Funds** | | | | | | |
| General reserves | 15,510,618 | 18,173,335 | (16,815,442) | 411,940 | 7,486 | **17,287,937** |
| Designated - Bursary | 2,485,492 | 234,029 | (96,427) | - | (108,413) | **2,514,681** |
| Designated - Pension Deficit | 602,586 | 20,449 | - | - | - | **623,035** |
| | **18,598,696** | **18,427,813** | **(16,911,869)** | **411,940** | **(100,927)** | **20,425,653** |

Bursary Fund - in 2015 £1m was allocated to this fund, the income from which will go to support KST's extensive bursary programme to support families who could otherwise not afford the full fees.

The Company has a contingent liability of some £31,545 in relation to a deficit on its Pension Trust Growth Plan scheme. In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund became larger than the deficit. In March 2021, £587,258 was re-allocated to the Bursary Fund. It was and is the Council's intention to buy-out the liability using the remaining Pension Deficit fund. KST withdrew from the scheme with effect from 1st September, 2021 and payment for 90% of the full provisional buy-out took place October, 2022. There is currently a court case pending (decision Q4 2024 at the earliest) which will impact liabilities. Should liabilities increase as a result of the Court case, KST's employer debt would increase. It should be noted that individual debt estimates will be recalculated as at the actual date of exit – 1st September, 2021. After the Court case, the revised amount will be calculated and The Pension Trust will then request the remaining balance. KST will maintain the Pension Deficit fund to cover the 10% currently remaining plus expected sufficient contingency to cover the future court decision.

## 23 ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group's net assets belong to the various funds as follows:

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 79,654 | - | **79,654** |
| Unrestricted funds | | | | | |
| General | 19,817,938 | 953,097 | (1,585,344) | (1,897,754) | **17,287,937** |
| Designated | - | 2,815,715 | 322,001 | - | **3,137,716** |
| **Company** | **19,817,938** | **3,768,812** | **(1,183,589)** | **(1,897,754)** | **20,505,407** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2023** | **19,817,938** | **3,768,711** | **(1,183,488)** | **(1,897,754)** | **20,505,407** |

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 476,578 | - | **476,578** |
| Unrestricted funds | | | | | |
| General | 17,224,982 | 101 | 45,354 | (2,197,525) | **15,072,912** |
| Designated | - | 2,924,130 | 163,948 | - | **3,088,078** |
| **Company** | **17,224,982** | **2,924,231** | **685,980** | **(2,197,525)** | **18,637,668** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2022** | **17,224,982** | **2,924,130** | **686,081** | **(2,197,525)** | **18,637,668** |

## 24 PENSION SCHEMES

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for some of its teaching staff. The pension charge for the year includes contributions payable to the TPS of £955,808 (2022: £1,065,462) and at the year-end £78,706 (2022: £86,219) was accrued in respect of contributions to this scheme. The scheme was closed to new entrants from October 2021.

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 School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion

Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion

Notional past service deficit of £39.8 billion (2016 £22 billion)

Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI) (this change has had the greatest financial significance)

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy).

**Royal London Defined Contribution Scheme**

The School participates in a Royal London defined contribution scheme for some of its teaching staff and all of its support staff.

## 25 Consolidated Statement of Financial Activities - Comparative figures by fund type Year Ended 31 August 2022

| | Notes | Unrestricted Funds | Restricted Funds | TOTAL 2022 |
|---|---|---|---|---|
| | | £ | £ | £ |
| **INCOME FROM:** | | | | |
| **Charitable Activities** | | | | |
| School fees receivable | 2 | 15,056,201 | - | **15,056,201** |
| Ancillary trading income | 3 | 1,440,822 | - | **1,440,822** |
| **Other trading activities** | | | | |
| Non-ancillary trading income | 4 | 579,491 | - | **579,491** |
| Other activities | 4 | 3,996 | - | **3,996** |
| **Investments** | | | | |
| Investment Income | 5 | 43,845 | - | **43,845** |
| Bank and other interest | 6 | 2,618 | - | **2,618** |
| **Voluntary sources** | | | | |
| Appeal income and donations | 7 | 21,229 | 93,565 | **114,794** |
| **TOTAL INCOME** | | **17,148,202** | **93,565** | **17,241,767** |
| **EXPENDITURE ON:** | | | | |
| **Raising funds** | | | | |
| Non-ancillary trading | 8 | 214,503 | - | **214,503** |
| Financing costs | 8 | (29,842) | - | **(29,842)** |
| Investment management | 8 | 14,871 | - | **14,871** |
| | | **199,532** | - | **199,532** |
| **Charitable Activities** | | | | |
| Education and grant making | 8 | 16,486,659 | 20,415 | **16,507,074** |
| **TOTAL EXPENDITURE** | | **16,686,191** | **20,415** | **16,706,606** |
| **Net income and expenditure before transfers** | | **462,011** | **73,150** | **535,161** |
| Realised (losses)/gains on investment assets | 14 | (164,181) | - | **(164,181)** |
| Unrealised gains on investment assets | 14 | 52,269 | - | **52,269** |
| **Net income** | | **350,099** | **73,150** | **423,249** |
| Transfers between funds | 23 | 875 | (875) | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **350,974** | **72,275** | **423,249** |
| Fund balances at 1 September 2021 | | 18,247,722 | 404,303 | 18,652,025 |
| **FUND BALANCES at 31 August 2022** | | **18,598,696** | **476,578** | **19,075,274** |

## 26 SUBSIDIARIES

The Company owns all of the share capital of WST Enterprises Limited, a company incorporated in England/Wales. This company carries out trading activity on behalf of the School including commercial letting of the School's buildings and sports facilities.

WST Enterprises Limited (company number: 05181894) had a turnover of £399,260 (2022: £330,931), profit on ordinary activities of £116,408 (2022: £127,473), and a profit before tax and gift aid of £116,408 in the year ended 31 August 2023 (2022: £127,473). At 31 August 2023 the Company had shareholder's funds of £100 (2022: £100).

The Company owns all of the share capital of King's College Schools International Limited a company incorporated in England/Wales. This company carries out international activities on behalf of the School.

King's College Schools International Limited (company number: 09749938) had turnover of £766,239 (2022: £227,710), £738,344 profit on ordinary activities (2022: £216,665), and a profit before tax and gift aid of £738,344 (2022: £216,665 ) in the year ended 31 August 2023. At 31 August 2023 the Company had shareholder's funds of £1 (2022: £1).

Gross assets for WST Enterprises amount to £480,101 (2022: £779,133), and gross liabilities of £480,001 (2022: £779,033). King's College Schools International Limited (formerly KST International Ltd) had gross assets of £737,953 (2022: £544,318) and gross liabilities of £737,952 (2022: £544,317).

All subsidiaries have a common registered office with the school.

## 27 CONTINGENT LIABILITIES

King's Schools Taunton Limited has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan, based on the Plan's financial position as at 30 September 2020. As of this date the estimated employer debt for King's Schools Taunton Limited was £315,455 including Series 3 liabilities. King's Schools Taunton Limited have settled 90% of the estimated debt Oct 2022 leaving an estimated liability of £31,545 which has been provided for as a short term creditor, see note 16.

## 28 CAPITAL COMMITMENTS

As at 31 August 2023, the group had contracted capital expenditure in relation to the construction of the new Sixth Form Centre of £95,640 including VAT (2022: £1,497,399).

## 29 ULTIMATE CONTROLLING PARTY

The Woodard Corporation is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of King's Schools Taunton Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

## 30 RELATED PARTIES

The Company is a wholly owned subsidiary of The Woodard Corporation, a registered charity number 1096270, which is incorporated in England and Wales. An amount of £118,032 (2022: £102,657) was paid in the period to the Corporation by way of a levy to meet Corporation running costs. At year end there was a balance of £826 owed by The Woodard Corporation to The Company.

The Company also controls two trading subsidiaries, WST Enterprises Limited and King's Schools College International Limited (formerly KST International Ltd). See note 26 above. WST Enterprises Limited makes use of the schools facilities for it's principal activity of lettings, the schools made recharges of £275,625 (2022: £215,179) to WST Enterprises Limited for costs incurred to support these lettings such as catering and staff cost, the debtor balance with WST Enterprises Limited at 31 August 2023 was £468,832 (2022: £738,527). King's College Schools International Limited's principal activity is the promotion of education overseas, the schools receive income from King's College Schools International Limited and provide support and advice to our overseas partner schools. The schools recharged £2,444 (2022: £2,741) for costs incurred and the debtor balance with King's College Schools International Ltd at 31 August 2023 was £736,752 (2022: £379,958).

## 31 ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

*Provision for bad debts*

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

*Deposits*

Refundable deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that pupils leave the school on one term's notice and as such the deposit would be refunded to the parents at that point. However the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in the school for their full years of education and therefore the deposit will be refunded to them when they leave the school. Short term deposits reflect those pupils that will be leaving the school within one year, and the long term element reflects those pupils that will be leaving the school after 12 months from the balance sheet date.

*Depreciation, impairment and residual values of fixed assets*

Judgement is exercised in estimating the residual values of fixed assets, the selection of appropriate rates of depreciation and for matters of impairment.

**KING'S SCHOOLS TAUNTON LTD**

England & Wales - Charity number 1103346

# Accounts

**Charity Registration No. 1103346**

**Company Registration No. 05084301 (England and Wales)**

# KING'S SCHOOLS TAUNTON LIMITED

# DIRECTORS' REPORT

# and

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 AUGUST 2022

# KING'S SCHOOLS TAUNTON LIMITED

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# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
## *YEAR ENDED 31 AUGUST 2022*

| | |
|---|---|
| **Directors** | L M Nash BEd FIOD ISM (Chair and Custos)<br>C H Hirst MA (Vice-Custos)<br>C A Cavaghan-Pack BEd JP<br>M D Featherstone MA PGCE<br>M A Gunn MA (Ed)<br>J E R Houghton MA<br>J E Knill<br>R M U Lambert MA<br>W J Morrison BSc MRICS<br>Bishop W N Stock BA, Dip Theol.<br>M F Trimble BSc ACA FCSI<br>R Wells-Cole BA (Hons)<br>Commodore J R A Woodard BASC (Hons), MSc, PG Cert |
| **Company Secretary** | S C Worthy BA MBA |
| **Charity Number** | 1103346 |
| **Company Number** | 05084301 |
| **Registered Office** | 20 Holway Avenue<br>Taunton<br>TA1 3AR |
| **Principal Addresses** | King's College Taunton<br>South Road<br>Taunton<br>Somerset<br>TA1 3LA<br><br>King's Hall School<br>Kingston Road<br>Taunton<br>Somerset<br>TA2 8AA |
| **Key Management Personnel** | |
| **Heads** | M P Sloan, BA (King's College Taunton) Appointed 01/09/2022<br>R R Biggs, MA BSc (King's College Taunton) Retired 31/08/2022<br>J T S Chippendale, BSc (King's Hall School) |
| **Director of Finance and Operations** | S C Worthy BA MBA |

# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
*YEAR ENDED 31 AUGUST 2022*

| | |
|---|---|
| **Auditor** | RSM UK Audit LLP<br>Portland<br>25 High Street<br>Crawley<br>West Sussex<br>RH10 1BG |
| **Tax advisers** | RSM UK Tax and Accounting Limited<br>St Philips Point<br>Temple Row<br>Birmingham<br>West Midlands<br>B2 5AF |
| **Bankers** | National Westminster Bank plc<br>49 North Street<br>Taunton<br>TA1 1NB |
| **Solicitors** | DAS Law Limited<br>North Quay<br>Temple Back<br>Bristol<br>BS1 6FL<br><br>Porter Dodson<br>The Quad<br>Blackbrook Park Avenue<br>Taunton<br>TA1 2PX<br><br>Veale Wasbrough Vizards<br>Narrow Quay House<br>Narrow Quay<br>Bristol<br>BS1 4QA |
| **Insurance Brokers** | Marsh Insurance Brokers Limited<br>1 Tower Place West<br>Tower Place<br>London<br>EC3R 5BU |

# KING'S SCHOOLS TAUNTON LIMITED

## DIRECTORS' REPORT (incorporating the STRATEGIC REPORT)
## *YEAR ENDED 31 AUGUST 2022*

The Directors present their report and financial statements for the year ended 31 August 2022 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

### REFERENCE AND ADMINISTRATIVE INFORMATION

The Company was incorporated on 25 March 2004 and commenced operations on 1 September 2004 when the business, assets and liabilities relating to King's Hall School and King's College Taunton were transferred from Woodard Schools (Western Division) Limited. On 15 July 2012 the Company changed its name from Woodard Schools Taunton Limited to King's Schools Taunton Limited. The Company is a limited liability company incorporated in the United Kingdom and a wholly owned subsidiary of The Woodard Corporation, which is also a registered charity (number 1096270). The Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

As Woodard schools, King's Hall School and King's College Taunton (the Schools) share an educational vision which empowers and adds value to a child's development, within an actively Christian environment. King's Hall School is an independent co-educational preparatory school for day and boarding pupils aged 2 to 13 and incorporates pre-preparatory and nursery departments. King's College Taunton is an independent co-educational senior school for boarding and day pupils aged 13 to 19. The Schools are forward-thinking and dynamic places of learning with dedicated staff, excellent facilities and a warm and open culture.

Note 30 on page 50 provides details of a connected charity, namely the parent charity, the Woodard Corporation.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 20 March 2013, replacing those dated 18 March 2004 amended by Special Resolution(s) dated 25 January 2006, 28 April 2009 and 23 June 2009. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects, and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the Company.

#### School Council (Governing Body)

The Council Members are the Directors and charitable trustees of the Company and comprise the Council of King's Hall School and King's College Taunton. The Directors are also Governors for the purpose of Charity law. They are elected to hold office for five years. Any retiring Director may be re-appointed. The Directors determine the policy and strategy of the Company. It is the collective responsibility of the School Council to ensure that the Schools are fit for purpose and to determine and support its strategic direction in order to enable it to attain their stated objectives. The day-to-day management of the Schools is delegated to the Headmasters and Director of Finance and Operations (who operates across both schools), supported by the Senior Management Teams in each School. The chair of the Council is known as the Custos.

#### Recruitment and Training of Council Members

All Council Members are Corporate Fellows of the Woodard Corporation. Corporate Fellows are responsible for electing the Woodard Corporation Board. Council Members are recruited on the basis of nominations from school contacts and from selection when a post becomes available.

The Council looks to ensure a mix of skills and selects new Council Members on the basis of background, competence, specialist skills and Christian commitment. Specific attention is paid to the succession planning of Council Members, both with a view to their skill sets and in relation to the chairmanship of the Council and its sub-committees.

Council Members are provided with induction training by the Headmasters, Director of Finance and Operations and their staff and a wider programme of training events is organised by the Woodard Corporation and other organisations. Council Members are also encouraged to attend events run by the Association of Governing Bodies of Independent Schools (AGBIS).

**Organisational Management**

The Schools are governed by the Council which delegates work to a number of committees. Membership of each committee is outlined on page 21. The Directors determine the general policy of the Company. The day-to-day management of the Company is delegated to the Headmasters and the Director of Finance and Operations, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by Council which provide for only significant expenditure decisions and major capital projects to be referred to Council for prior approval.

The Headmasters oversee the recruitment of all educational staff, whilst the Director of Finance and Operations oversees the recruitment of operational staff. The Headmasters and Director of Finance and Operations are invited to attend Council meetings.

The full Council met for a full meeting three times during the year. They attended one Education Day at King's College and one Education Day at King's Hall School.

*Education and Pastoral Committee* – the Education and Pastoral Committee is responsible for oversight of the academic performance of the Schools and educational and pastoral policy, making recommendations to Council for approval. The Education and Pastoral Committee met three times during the year.

*Finance and Estates Committee* – the Finance and Estates Committee has a remit to consider budgets, both revenue and capital, cash flow information, financial reports, including the financial statements, financial policies and relevant financial regulations. It does this through consideration of audit management letters and other reports relating to governance and control of the Schools. It also oversees the Schools' estates strategies, including capital developments and maintenance of the buildings. It makes recommendations to Council for approval. The Finance and Estates Committee met three times during the year.

*Remuneration Committee* – the Remuneration Committee reviews the performance and remuneration of the Executive. It makes recommendations to Council for approval. The Remuneration Committee met once during the year.

*Appointments Committee* – the Appointments Committee is responsible for managing the recruitment of new Council Members to Council. It ensures an orderly succession policy is in place and that the Council has an appropriate mix of skills and experience. It makes recommendations to Council for approval. The Appointments Committee met twice during the year.

*Compliance Group* - Compliance Group is charged with overseeing the compliance of both King's College and King's Hall School with all relevant legislation and regulatory requirements. It makes recommendations to Council for approval. The Compliance Group met once during the year.

**Group Structure and Relationships**

The Company has two wholly owned non-charitable subsidiaries, WST Enterprises Limited and King's College Schools International Limited.

The Schools have developed links with a variety of organisations by means of which they enjoy access to information on best practice which enables them to offer the widest possible access to the facilities and educational opportunities which they provide. Council Members and staff ensure that they are able to attain the highest standards of quality and performance through membership of professional associations including the Independent Schools Council, the Headmasters' and Headmistresses' Conference, the Independent Association of Preparatory Schools, the Independent Schools' Bursars

Association, the Association of Governing Bodies of Independent Schools, the Boarding Schools' Association, the Taunton Chamber of Commerce and the Somerset Chamber of Commerce, as well as through involvement in the work of the Independent Schools' Inspectorate, various examining bodies, through networking with peer groups and by many other means.

All the pupils in the two Schools are encouraged to develop an awareness of the social context of the all-round education they receive at the Schools and they are engaged in a number of activities to enhance their understanding and to enrich their experience. There is a thriving association of former pupils of King's College, the Old Aluredian Club, which supports the work of that School. Beyond King's was introduced last year; this is an online initiative, which combines a directory of alumni, pupils, parents and Friends of King's, who are able to connect, support and mentor each other, whilst at school and beyond. Two further organisations, The Friends of King's College and The Friends of King's Hall School, membership of which is open to past and present parents of pupils at the Schools, neighbours and others, also supports the work of the Schools. King's Schools Taunton Limited is a substantial employer in the Taunton area and has responsibility for the care and upkeep of several listed properties and important parts of the local environment.

King's Schools Taunton Limited also cooperates with many local schools and charities in its on-going endeavours to widen public access to the schooling it provides, to optimise the educational use of its cultural and sporting facilities and to awaken in its pupils, in the public interest, an awareness of the social context of the all-round education they receive.

**How the Board Complies with its Section 172 Duty**

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

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

The Directors welcome the new reporting requirement as an opportunity to explain how dialogue with stakeholders has informed and helped to shape decisions in promoting the success of the Schools to achieve their charitable purposes.

As set out on pages 4 and 5 within "Group Structure and Relationships" the Schools have developed links with a wide range of organisations to ensure the widest possible access to our facilities and education. Through membership of HMC, IAPS, AGBIS and ISBA and through networking with peer groups we ensure that we are able to attain the highest standards of quality and performance.

Details of how the Schools have engaged with employees and had regard to employee interests can be found within the Employment Policy and Employee Involvement sections on page 8. Details of volunteer engagement can also be found on page 9.

The Directors can demonstrate the promotion and success of the charity for the benefit of the stakeholders through the review of achievements and performance for the year, included within this Strategic Report. The Schools have continued to benefit from access to high quality academic education as well as pastoral and social support throughout the period of school closure during the summer term. The Schools also play an important role in providing activities for local community groups and access to their facilities.

The Trustees are responsible for strategic planning and policy-making for the Schools and, accordingly, all key decisions, the current performance and future longer-term plans of the charity and stakeholders are referred to and taken by the Board. The Schools are governed by the governing body (Council) which delegates work to a number of committees. Membership of each committee is outlined on page 21. The Governors, who are also the directors, determine the general policy of the company.

As set out in the Strategic report, our culture, staff, volunteer and pupil welfare and wellbeing, has been fundamental to continued success. Further information on King's continued success can be found in our Strategic Report and the detailed review of achievements and performance for the year.

### CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

#### Charitable Objects

The Company's objects, as set out in the Articles of Association, are to promote and extend education in accordance with the doctrines and principles of the Church of England, through its two schools, King's Hall School and King's College Taunton. The Council has a written statement of its own Aims and Objectives, most recently fully updated in October 2013, which enshrines the Company's objectives in its own context. From this document flows the Company's strategic plan against which the principal activities are monitored regularly.

In setting the objectives and planning the activities of the Schools, the Council gives careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. King's Schools Taunton Limited is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the Schools and at a level that is consistent with the aim of providing a first class education to all pupils.

The Schools' charitable objectives are 'to promote and extend education', and these objectives are recognised as benefiting the public when pursued in the context of formal education in a body where all surplus funds are re-invested. The Woodard Corporation and all of the schools it owns are charitable bodies, with no external shareholders and no possibility of making distributions, including in the form of dividends. All surpluses are re-invested in education.

#### Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education and they see themselves as communities working together for the benefit of all concerned, and of the Church and the nation. They are strong Christian foundations which adhere to Catholic belief as found in the Church of England, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain. A Woodard education values both the spiritual and moral development of each person within the school community giving strength, confidence and respect for others.

#### Objectives of and Principal Activities for the Year

The principal objective and activity of the Schools is the delivery of education to pupils ranging from 2 to 19 years of age. The Schools aim to support children in reaching their potential in all areas of their activity at the Schools, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life. King's Schools Taunton also aim to further extend access to the schools' facilities to the local community.

#### Public Benefit

Within the objects, the Schools aim to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. They provide them with a first class independent education and a wide range of sporting and cultural opportunities. The Schools' public

benefit aim is that all pupils will be self-confident and instilled with a desire to contribute to the wider community.

In the furtherance of these aims the Directors of King's Schools Taunton Limited as the Company's trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

The Schools welcome pupils from all backgrounds. To admit a prospective pupil, the Schools need to be satisfied that they will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the Schools and parents that potential pupils can cope with the pace of learning and benefit from the education they provide. An individual's gender, ethnicity, race, religion or disability do not form part of the assessment processes.

The Schools are a part of a wider community and are keen that their staff and pupils participate. The Schools also offer a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. The Council is committed to developing the programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of the schools are explained in the 'Review of Achievements and Performance for the Year' section of this report.

Woodard and its schools provide a significant benefit to the public. The schools strive to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay fees. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individuals or elements of Woodard are incidental to delivery of the charitable objectives.

### ACCESS POLICY

It is important to the Schools that access to the education offered is not restricted to those who can afford the fees. The School Council believes that pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

The Schools' Awards policies, including for bursaries, contribute to a widening of access to the education they offer and the facilities its pupils enjoy.

### Bursary Policy

The Schools Council views bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by the Schools. All who meet the Schools general entry requirements are eligible for bursary awards which are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means the methodology promulgated by the Independent Schools' Bursars Association is used, which takes a number of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. The funds available for bursaries are limited. When considering awards, the Schools have to be mindful that they must ensure a balance between those parents paying full fees, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

In January 2015 the School Council allocated £1 million of unrestricted funds to a designated Bursary Fund. These funds are invested and the objective is to build this fund significantly through fund raising and accumulating investment income and capital growth. A percentage of the capital sum is contributed to the Schools' bursary programme annually.

The Schools gave significant bursary support to those financially impacted by the Covid-19 pandemic.

The bursary awards range up to 80% remission of fees. Information about fee assistance through bursaries is provided to all applying to the schools. Further details of the bursary policy and how to apply are available on the Schools' websites.

**Other Policies on Assistance:**

***Family discounts policy***
To underline the value placed on continuity for families, discounts are offered where parents have more than one child at the Schools.

***Promoting high academic standards - scholarship policy***
The purpose of scholarship awards is to recognise high academic potential or the ability to excel in co-curricular activities. Scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to co-curricular activities. Scholarships are awarded with a fixed remission of fees of between 10% and 50%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. The Schools include details of the various awards available in their prospectuses and on their websites.

***Assistance for teaching staff***
As part of its emphasis on attracting and retaining high calibre staff, the Schools offer a discount scheme for those staff members who choose to educate their children at the Schools.

***Further assistance***
Support is also available to children of MOD employees and the Clergy.

**Grant Making Policy**

The Schools provided scholarships, grants, prizes and other awards totalling £567,019 from unrestricted funds. In common with other independent schools, King's College Taunton and King's Hall School make these awards based on the educational potential of the pupil (subject to the particular conditions imposed by the original donor where the award is out of restricted funds). The Schools also provided means tested bursaries totalling £1,434,131 (7.5% of gross fees) to families who would not otherwise be able to afford the fees or where the pupil's education and future prospects would otherwise be at risk. This included short and longer-term support to those affected by the impact from the Covid-19 pandemic. They provided assistance to 128 pupils. In support of refugees and in partnership with Royal SpringBoard, seven of these received over 100% remission of fees. The availability of all such awards for fee-assistance, together with the terms and conditions for each kind of award, is advertised on the Schools' websites.

**Employment Policy**

King's Schools Taunton Limited is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability. The Schools will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

**Employee Involvement**

The Schools encourage the involvement of its employees in its management through regular meetings of the staff with management and Governors (in particular with the Governor responsible for staff welfare). Management at all levels have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy. Employees are required to play an active part in appraisal of their performance and are also requested to comment on what the Schools do well and what could be improved.

### Disabled Persons

The Schools will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise.

There will be a training scheme made available for any employees who become injured or disabled during the course of their employment so they can, where possible, continue in employment with the Schools.

### Volunteers

The Schools enjoy the support of a large number of volunteer groups and individuals including, in particular, parents, who help the Schools to raise funds and assist with specific activities and school events. The Council records its deep appreciation for the work of these volunteers; the assistance given would extend to several hundred hours of voluntary service.

### Investment Policy and Objectives

The Company's articles of association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Council's policy is to preserve and enhance the capital value of investments and maximise income consistent with maintaining a balanced investment return from income and capital, with moderate risk.

## STRATEGIC REPORT

### Impact of Coronavirus Pandemic

These accounts relate to the year to 31st August 2022, and therefore reflect the diminishing financial and operational impact on the education sector, and all of society, of the Coronavirus pandemic. King's Schools' pupil numbers increased this year, reflecting the excellent provision during the pandemic, which was widely regarded by parents as exceeding their hopes and expectations.

The pandemic had a direct impact on school financial health across two financial years, but there was significant recovery in 2021-22. Following earlier cuts in fees in order to reflect the impact of the various restrictions, King's Schools Taunton raised fees by an average of 3.8% in September 2021. King's Schools Taunton had to adapt to the situation, but we have been able to provide a full educational experience in 2021-22.

### REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

### King's College

The School's high educational standards are validated through strong public examination results, our measure of value added and through external inspection. The School offers a broad range of subjects, though the emphasis is on traditional, academically rigorous disciplines. We have particular strength in art, history, geography, mathematics, the sciences, languages and design technology. The new A level in psychology, introduced two years ago, has proved very popular and has entered candidates for A level examinations for the first time in Summer 2022.

*Academic Results*

At both GCSE and A level the academic results for the school were strong this year. For the first time in three years candidates sat formal public examinations. We are confident that the grades are a fair reflection of the ability and hard work of the two cohorts.

At A level, the overall A* to B rate was 77%. In all, 29 pupils gained three or more A or A*s. The great majority of pupils who had offers from universities have been accepted onto their first or second choice courses. King's leavers have started courses at universities including Cambridge, Imperial College, UCL, KCL, Durham, Nottingham, Manchester and Exeter.

Departments performing particularly well this year, based on their A* to B rates, include art (89%), BTEC Sport (100%), Chinese (100%), drama (100%), design technology (88%), economics (95%), further maths (86%), geography (93%), German (100%) and history (87%). Over a quarter of maths and economics candidates achieved A* grades.

The recent high-profile success for national women's sport was echoed in the King's College BTEC Sport results: All five female students taking the course achieved three starred distinctions, the highest grades possible.

King's year 11 pupils were entered for a mixture of GCSE and IGCSE courses, so grades are a mixture of numbers (9 to 1) and letters (A* to E). Grades 9, 8 and 7 at GCSE equate to A* and A grades.

Six pupils achieved nine or more grades of A*, 9 or 8: A further ten pupils achieved nine or more grades at A*, A, 9, 8 or 7.

In the UKMT Senior Maths Challenge, one pupil gained a gold certificate, 17 silver, and 37 bronze. One pupil achieved a Highly Commended in the Robson Essay Prize (Trinity College Cambridge).

In the Biology Challenge (for years 9 and 10) pupils gained four golds, six silver and 16 bronze awards.

*Improving Facilities*

Work began on the building of the new Sixth Form Centre, a £3.2million project due to open in winter 2022/23. A great deal of maintenance and refurbishment work was undertaken on site.

*Arts, Music and Drama*

Dramatic productions during the year included a play, *Checkmate*, written and directed by an Upper Sixth pupil. Lower Sixth drama students put on Pielmeier's *Agnes of God.* All drama scholars were involved in a production of *Macbeth.*

King's pupils achieved outstanding results in LAMDA examinations, including one Distinction at Gold Medal, grade 8, a Distinction at Silver Medal, Grade 7 and two Distinctions at Bronze Medal Acting.

Two leavers secured places at drama schools in the UK.

The number and range of musical events was significantly higher in the past year. New ensembles were created, including the Big Friendly Choir, a Cuban music group, a boys' and a girls' close harmony group and two piano trios. The Chapel choir remained as popular as ever, with over 50 members. A full symphony orchestra has been established, and includes musicians from a number of other local schools. A King's leaver has secured a place to study the trumpet at the Birmingham Music Conservatoire.

A number of leavers were successful in securing places at top art schools in the UK including UAL, Glasgow school of Art and Nottingham Trent.

*Sport and Outdoor Pursuits*

Our boys' 1st XI cricket once team once again reached the semi-finals of the national T20 Cup. The girls' 1st XI reached the quarter-finals.

A number of boys and girls competed at an international level in a range of sports, including athletics, cricket, water polo and badminton. Two King's cricketers played for the England U19 men's XI at the world cup finals in the West Indies.

The boys' U15 rugby XV reached the quarter-finals of the national cup.

Our girls' 1st VI tennis team were unbeaten all season.

In swimming, our boys' and girls' teams were second in the annual Meade-King Cup quadrangular gala.

Riding had a successful year this year. Eight riders represented the school at the National School Equestrian Association finals at Hickstead.

*CCF*

The school's Royal Marines section once again won the prestigious Sir Steaurt Pringle Trophy at Lympstone, for the seventh time in twelve years.

The CCF biennial inspection was led by Commodore Jolyon Woodard RN. The CCF received a very positive report.

*Ten Tors*

King's once again entered three teams for the Ten Tors Challenge. During the event itself, and after a delay due to the pandemic, two members of staff, Pete Belfield and Ron Mason were formally, and finally, presented with their Ten Tors certificates of long service, for 15 and 30 years respectively.

*Community*

A large number of our pupils were involved in outreach programmes, which included coaching athletics and football at local primary schools.

The school remains an active member of the local Citizens UK branch, leading this year on a campaign for safer streets in Taunton, and in particular for a cycle path connecting Wellington and Taunton.

The school has taken the lead in supporting the teaching of Latin in local primary schools.

*Facilities made available to the public*

Facilities used by groups from outside the school have included the Chapel, the swimming pool, playing fields, astroturf pitches, squash courts, the indoor cricket facility and the theatre.

After 15 years of excellent service as Headmaster of King's College, Mr Richard Biggs retired at the end of the academic year. Having previously been selected following an extensive and comprehensive recruitment process, Mr Michael Sloan formally took on the role in September, 2022.

**King's Hall School**

King's Hall School provides a very high standard of education and this is validated by review of the academic results and other achievements and through external inspection. The School offers a broad curriculum and educates children with a wide range of ability. It has an exceptional Forest School on site utilised by all children which makes full use of the School's stunning rural position and proves very popular with children and staff alike. 'Woodland Adventures' and a variety of courses are run during the school holidays as part of the wrap-around care provision. As well as achieving high academic attainment the School is a strong force on the sporting front, especially in rugby, cricket, hockey, netball, tennis and athletics. The School has impressive musical performers; artists with great talent; self-motivated and able designers; its drama and performing arts programme is full, varied and of a very high standard.

The School aims to support children in reaching their potential in all areas of their activity at the School. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or design technology: Year 8 leavers secured 39 scholarships this year and around 200 awards to senior schools have been gained in these six disciplines over the last six years. The School produces well-rounded individuals who are able to make a positive contribution to society. An effective democratically elected Pupil Council operates successfully from Year 3 upwards with 'Pupil Voice' existing in Pre-Prep. There are constant charitable events taking place, with a significant focus this year being towards funds for Comic Relief, Hospice South West, Open Door and Diabetes in children.

*Academic Performance*

Year 8 leavers gained eleven academic scholarships to senior schools. There was a 100% pass rate for all pupils who sat the Common Entrance examinations. Year 6 children gained six academic scholarships to continue to King's College after Year 8.

*Sport*

King's Hall School continues to compete at a very high level, especially in rugby, hockey, cricket, athletics, tennis, football and netball. In sporting competition outside of school, King's Hall children were successful. The boys U13 and U11 rugby teams had very positive seasons. The boys' and girls' hockey teams won the vast majority of their matches. All children, girls and boys, play cricket at the same time. The girls U13 cricket team were undefeated except in the County final. The boys U13, U12 and U11 cricket teams all won finals to become County Champions. The Under 11 boys went on to be regional champions and, following that, competed in the National Finals day. A good number of boys and girls were selected to play for Somerset at their age group.

The tennis teams performed strongly with both boys and girls in the County squads and one boy is the County Tennis Champion for his age group. A large number of children competed in the Exmoor Challenge whilst our riding team won several Show Jumping Classes during the year and also competed at Hickstead. One boy became U14 County squash champion and, in conjunction with the College, our Junior squash team are County Champions. Four children competed in the National Athletic finals with one gaining a Bronze medal.

Ten children gained sports scholarships to their senior schools and five won awards in Year 6 to continue on to King's College.

*Art, DT, Music, Drama and Performing Arts*

An impressive and diverse Art and DT exhibition at the end of the year displayed the various creative talents in the School. The Specialist Art group undertook a wide range of enrichment activities to extend their knowledge and understanding. The music department put on extremely high quality concerts. Involvement in festivals and competitions such as Taunton Music Festival was fulsome with impressive results. All children in Years 2, 3 and 4 have class lessons on the violin in Year 2, in Year 3 it is brass and in Year 4 all children have class lessons on a woodwind instrument.

Drama productions continued to be plentiful with the Michaelmas Term seeing Year 8 create a terrific production of The Lion, The Witch and The Wardrobe. An extremely high quality show with sound including radio microphones, lighting, set and costumes. December saw two excellent nativity productions from Pre-Prep. In March Year 6 produced energetic and vibrant performances of 'Shakespeare Rocks!'. Year 4 performed outside in the Summer to two parental audiences. The Speech and Drama activity continues to thrive with many children taking part including the Taunton Drama Festival and LAMDA exams – with much success.

The King's Hall Arts Week welcomed an enormous range of visitors across the curriculum enriching the experience for the children as well as numerous trips and productions taking place. The theme was 'Puppetry and Animals'. Workshops, trips, visiting artists, authors, storytellers and dance as well as some following the remarkable puppeteers.

Three music, four art, three DT and five drama/performing arts scholarships were gained by Year 8 children to senior schools and two music and three performing arts scholarships were gained by children in Year 6.

*Significant projects*

The major focus has been on an internal refurbishment of the dining room, some Pre-Prep classrooms, boarding accommodation, roofing in several areas and the cladding of two more classrooms in the woods.

**International Schools**

KST has a subsidiary company to take advantage of the opportunity to develop schools internationally, applying the successful King's Schools approach to education and personal development. This company works with selected partners who are generally responsible for the day-to-day operation of the schools while King's Schools assist with recruiting key personnel, curriculum and policies. Once a school is operating, personnel from the UK schools provide support to the local management and undertake regular educational and compliance audits to ensure that the King's Schools formula is being applied successfully.

*India*

After numbers fell during the pandemic, numbers at the school in India are growing once again. A new Head took up post in the spring. Pupils who took their A levels last year have all moved on to universities or colleges, including in the UK.

*Qatar*

King's College Doha opened on 18 September 2016. It now has 750 children up to Year 10. There continues to be close dialogue and support for the school including the monitoring responsibilities conducted through both a formal inspection as well as regular reports. Construction is well progressed on a second site in Doha and it is hoped to be complete to allow for a March 2023 opening.

King's College Riyadh opened in September 2021 welcoming 169 pupils up to Year 3. It now has 360 children up to Year 4.

*Future Schools*

The launch of King's College Cairo has been announced and construction is underway for an opening in September 2024.

We are in discussions with our current and potential new partners about further opportunities overseas.

**Key Performance Indicators**

KST uses KPIs internally and externally in line with anonymised results from national surveys. These KPIs include surplus, pupil numbers, and academic results. These KPIs are analysed within KST, by Governors and also by the Woodard Corporation.

**Funds held as custodian trustee on behalf of others**

KST does not hold funds or act as custodian trustee on behalf of others.

## DIRECTORS' REPORT (incorporating the STRATEGIC REPORT)
## *YEAR ENDED 31 AUGUST 2022*

### FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The net income for the year amounted to a surplus of £423,249. This is above expectations due to increased pupil numbers and additional capitalisation of some major engineering works. Although Covid-19 continued to have an impact on lettings, WST Enterprises Limited continued to hire out the Schools' facilities during holidays and school hours where it can, as well as undertaking commercial activity on behalf of the Schools and externally. The national and international cricket festival returned in the summer 2022 with great success. WST Enterprises Limited contributed £127,473 to the Schools' operating results. King's College Schools International Limited contributed £216,665 to the Schools' operating results with turnover of £227,710 contributing to the Group results. The Equity Shareholders' Funds increased by £423,249.

The parents of pupils often make significant sacrifices to pay the fees. In doing so they help to relieve UK taxpayers of the financial burden of educating a significant number of UK based children. The saving made by the Schools is estimated to have a value in the last year of £4.2 million.

The Company is unable to recover the VAT on purchases it makes. During the past year, King's Schools Taunton Limited has paid an estimated £1,309,179 in VAT on goods and services.

### RESERVES POLICY

It has been the Council's policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the Schools without the requirement to have recourse to sales of tangible fixed assets, except where those are no longer required for the primary purpose of the Schools. At year end the Council consider that the Charity holds sufficient funds to meet these needs.

In common with most independent schools, and due to the having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. Although there is not a specific target, KST intends to build them up over time. At the present stage in the development cycle the free reserves are being utilised in order to finance on-going improvements and the provision of additional facilities in accordance with the Schools' strategic plan. The Schools continue to invest in their infrastructure, both with new capital projects and to deliver significant repairs and improvements to existing facilities. The school's total reserves of £19.08m at the year-end included £0.48m of restricted funds and £3.09m unrestricted designated funds. Fixed assets held for charity use totalled £17.22m, leaving free reserves of -£1.66m (2021: £0.16m). KST's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use. The Schools do not have, and cannot rely on, permanent endowments.

The Council continues to keep the Schools' banking facilities under review to ensure they remain appropriate to support the Schools' working capital requirements. The restricted reserve is invested both in cash and a balanced range of quoted investments. The unrestricted reserves are primarily invested in tangible fixed assets and investments which are all used for the Schools' direct charitable activities.

*Bursary fund.* The Council recognises the long term need to support families who could otherwise not afford the full school fees. In 2015 the Council allocated £1m to a Bursary fund, the income from which will go to support the Council's extensive bursary programme. It is the intention to grow this fund in the long term. In 2022, the decision was taken to move our investments to the Responsible Multi-Asset Fund. At 31 August 2022 the investments within this Bursary fund were valued at £2,065,229

*Pension Deficit fund*. The Company has a contingent liability of some £31,545 in relation to a deficit on its Pension Trust Growth Plan scheme (see also note 22). In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund is now larger than the deficit. At 31 August 2022 the investments within this Fund were valued at £602,586.

**Investment Performance against Objectives**

***Bursary Fund***
The portfolio, managed by Cazenove Capital, was valued at £2,065,229 on 31 August 2022 (31 August 2021: £2,186,776).

Over the period the portfolio return was -4.48%, adjusted for additions and withdrawals. The trustees have adopted a total return approach, and the withdrawals are met from a combination of income and capital as appropriate. The portfolio is invested in accordance with the agreed investment strategy.

***Pension Deficit Fund***
The portfolio, managed by Cazenove Capital, was valued at £602,586 on 31 August 2022 (31 August 2021: £600,345).

Over the period the portfolio return was 0.373%. There is currently no income drawn from the portfolio; income is re-invested.

N.B. Cazenove are currently also managing our Advance Fees Account valued at £579,711 on 31 August 2022 (31 August 2021: £0)

**Engagement with Suppliers, Customers and Others in a Business Relationship with KST**

King's Schools Taunton seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the schools' operations.

During the year the schools have further promoted this engagement though specific initiatives including:

- Regular communication and engagement with parents and prospective parents of pupils attending KST to enhance the understanding of the provision to each pupil and to fully coordinate support to pupils from parents and the schools;
- Engagement with other educational organisations and partners at local and national levels to share best practice and to provide peer support;
- Dialogues with local councils on matters which impact children and families in the community as well as those that relate to the operation of each school;
- Engaging with local businesses to promote career and educational opportunities for pupils for their mutual benefit;
- Seeking opportunities to engage with local and national suppliers in the area;
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to KST;
- Promoting and encouraging pupil and staff opportunities to engage in local voluntary and other projects to support the community; and
- Providing community access to KST and, in many cases, adopting a role that puts the school at the heart of the community.

**How the School Council Complies with Section 172 of the Companies Act**

*Promoting the success of the charitable group*

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charitable group to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

*The likely consequence of any decision in the long term*

KST makes all key decisions through reference to its long-term strategic plan and after projecting the timing and impact of such decisions. This strategy is primarily designed around the objective to improve the educational outcome for pupils. Every decision and strategy or policy adopted is regularly reviewed

for its impact on stakeholders, and the need for any change is identified and implemented.

*The interests of the charitable group's employees*

Our employees are vital to KST and we regard ongoing, regular engagement with them as a top priority. KST seeks employee engagement through regular feedback and meetings, including formal appraisals and through the KST (staff) Consultation Committee. We address any issues raised by our employees as quickly as possible and communicate back to them what we have done. Staff are offered access to support, and all parts of KST seek to ensure that staff welfare is actively considered and addressed. Through application of up-to-date health and safety policies, and regular meetings and consultations, we also actively seek to ensure that the working environment meets necessary high standards of safety and security.

*The need to foster the charitable group's business relationships with suppliers, customers, and others*

Our relationships with partners and suppliers are key to our effectiveness. KST actively seeks to engage in service reviews with key suppliers, and the Woodard procurement manager assists in this process for business-critical activities. These reviews are focussed on a two-way relationship with KST based with an aim of helping one another to achieve an optimum service as efficiently as possible, achieving best value for money. Where KST has procured outsourced services, we seek to ensure that staff and management from that contractor are supported as an equal member of the school communities, and as stakeholders.

*The impact of the charitable group's operations on the community and the environment*

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. As well as covering environmental issues in our schools' curriculums, KST encourages staff and pupils to participate in initiatives to reduce negative environmental impacts. Our school promotes recycling of waste and is involved in actions to maximise efficiency in energy consumption.

*The desirability of the group maintaining a reputation for high standards of business conduct*

Our reputation and public trust in KST is fundamental to our future success. Our ethos and values are a fundamental part of employee recruitment and training to ensure that we maintain high standards; the same basis is used in appraisal processes. We apply similar values and procedures in choosing school partners and suppliers both in the UK and abroad.

## PRINCIPAL RISKS AND UNCERTAINTIES

### Coronavirus Pandemic

These financial statements were compiled at a time when all restrictions relating to the Covid 19 global pandemic had been removed, and activity had returned to normal with limited impact from the virus. Like most trustees, the governors keep under consideration the impact of a catastrophic event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below is therefore reflective of a more stable environment and does not specifically look at the pandemic, or other similar events, but offers a wider view of common events plus a specific risk looking at those events that could impact the continuity of education.

### Risk Management

The governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. The numbers across both schools are currently very strong, but there is no room for complacency. With increased costs and following freezing fees in 2020 to support our parents, the governing body decided last year to increase the fees in September 2021 by an average of 3.8%. For September 2022, despite the significant financial impact from increased energy costs, the national insurance rise, and an extremely competitive local employment market, the governing body has limited fee changes to below inflation increases.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the respective schools' sites on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The Council is responsible for the identification and management of risks. It has a Risk Management Policy and maintains a Risk Register for the Schools and the subsidiary trading companies. It undertakes regular reviews of the risk management processes which are in place and examines the major specific risks which the Schools face each financial year when considering forward plans. The Schools and the subsidiary companies have developed systems to monitor and control these and sundry lesser risks to mitigate any impact that they may have on the Schools and the Group in the future.

The principal risks to which the Schools are exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas include:

- the governors consider possible serious critical incidents/events and ensure that the school has a plan in place to allow education to continue in a range of different scenarios;
- the market in which the Schools operate, which is highly competitive and requires us to monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience;
- the fact that the Schools operate in a highly regulated sector, including the area of child protection and safeguarding. To assist us we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements as well as having school or individual membership of bodies being the constituent associations of the Independent Schools Council, ensuring that we have access to up to date information and support;
- the fact that the Schools operate in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all relevant challenges; and
- the difficult economic conditions, locally, nationally and internationally; Directors and senior managers in the Schools keep abreast of economic and political conditions to identify trends and develop plans to address issues.

The key controls used by the Schools include:

- formal agendas and minutes for all meetings of the Council and committees;
- terms of reference for all committees;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and clear reporting lines;
- comprehensive formal written policies regarding key areas;
- clear authorisation limits;
- vetting procedures as required by law, for protection of the vulnerable;
- regular contact between the Custos, chairs of Council committees, senior officers and other staff;
- regular attendance on relevant training courses by Council Members and staff; and
- the maintenance and regular review of a detailed Risk Register.

The Schools plan strategically having regard for risk. The management provides the School Council with regular reports which include details of the principal strategic objectives and the activity to achieve those objectives. The Schools also record significant achievements and update the Council and the Woodard Board on short-term plans.

**Financial Risk Management Objectives and Policies**

The Company is currently debt free and therefore has no interest risk exposure. The Company uses its trade debtors, creditors and operating lease arrangements to manage its cash flow and ensure that

liquidity risk is minimised. The Company's investments are managed externally by a firm of professional investment managers.

**GOING CONCERN**

The governing body has continued to review any potential impact of the global pandemic on school operations and finances. As noted earlier in the report, all restrictions were lifted before the start of the 2021-22 academic year and there has been limited impact on the Schools from the virus. School managers and governors continue to work hard to ensure no detrimental impact to our pupils and to mitigate any potential financial impact.

Monitoring closely current and forecast economics and political decisions, having considered all factors and after reviewing the available evidence, the directors have a reasonable expectation that the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 32.

**FUTURE PLANS**

**King's Schools Taunton**
The objectives set for the year were largely achieved or are ongoing.

Subject to confirmation at the 2022-23 Strategy Meeting, the key aims for 2022-23 are:

1. To continue the development of a culture of excellence with a relentless focus on improvement in a nurturing and creative environment
2. To ensure the sustainability of King's Schools in a volatile economic environment by maximising our international development contribution, being cost effective and working towards a 5% surplus
3. To provide support where required, to exploit opportunities and drive excellence with new KCT Head
4. To continue to focus on raising admissions, including establishing new markets, until full capacity is reached for both schools
5. Development of a 3-5-year strategy that reflects the volatile external environment and enables us to manage economic risks
6. To complete an overarching KST Education Strategy
7. In support of the Education Strategy, finalise the estates plan
8. To complete an overarching sustainability strategy covering both schools, produce Solar PV and LED plan, and ensure significant progress towards full LED lighting and increased renewable energy production (priority where greatest impact)
9. To demonstrate continued focus on the EDI agenda.

**King's College**
The objectives set for the year were largely achieved.

The key aims for 2022-23 are:

1. To complete the building and fitting of the Sixth Form Centre
2. To complete successful occupation and utilisation of the Sixth Form Centre, including identifying and addressing the rationalisation impact on the remaining estate.
3. To continue to focus on raising finances towards the Sixth Form Centre and future projects and for bursaries through donations.
4. To build on last year's academic success and to maintain positive value-added results in all departments
5. To work towards total numbers consistently at 480 and beyond in the College while maintaining downward pressure on remissions
6. With the support of the new community engagement role, to further explore and develop our connections and partnerships to ensure that the benefit of the school to the community continues to grow
7. To ensure a smooth takeover by new Headmaster in September 2022
8. To continue to ensure King's College is inspection-ready.

9. To ensure continuously improving focus on sustainability including reduction in energy use and carbon impact.
10. To ensure the sustainability of King's College by being cost effective and working towards a 5% KST surplus.

**King's Hall**
The objectives set for the year were largely achieved.

The key aims for 2022-23 are:

1. To sustain the high level of Scholarship and 13+ successes and to maintain positive value-added results in all departments
2. To further extend links with Nurseries and Primary schools in the area
3. To raise total numbers towards 320 and beyond in the school while maintaining downward pressure on remissions
4. To explore and propose future nursery models including possible expansion as appropriate
5. To further explore and develop our connections and partnerships to ensure that the benefit of the school to the community continues to grow
6. To continue to ensure King's Hall is inspection-ready.
7. To ensure continuously improving focus on sustainability including reduction in energy use and carbon impact.
8. To ensure King's is ready for name change of King's Hall School to King's College Prep
9. To ensure the sustainability of King's Hall School by being cost effective and working towards a 5% KST surplus.

**GROUP STREAMLINED ENERGY AND CARBON REPORTING**

| | **2021-22** | **2020-21** |
|---|---|---|
| Energy consumption used to calculate emissions (kWh) | **4,448,158.86** | **5,147,376.56** |
| Energy consumption break down (kWh): | | |
| • gas | 3,528.554.62 | 3,887,998.50 |
| • electricity | - | - |
| • transport fuel | 267,195.74 | 167,915.43 |
| • Delivery Vehs Diesel | 14,707.38 | 8,974.86 |
| • Fuel – Garden Machinery | 10,167.16 | 8,702.57 |
| • burning oil | - | - |
| • gas oil | 667,533.96 | 1,073,785.20 |
| **Scope 1** emissions in metric tonnes CO2e | | |
| Gas consumption | 648.80 | 714.88 |
| Owned transport – mini-buses | 52.43 | 34.89 |
| Delivery Vehs | 3.81 | 2.36 |
| Other Passenger Vehicles | 3.33 | 3.79 |
| Garden Machinery | 2.89 | 2.47 |
| Burning Oil | - | - |
| Gas Oil | 171.41 | 275.72 |
| **Total Scope 1** | **882.66** | **1,034.11** |

| | | |
|---|---|---|
| **Scope 2** emissions in metric tonnes CO2e | | |
| Purchased electricity | **-** | **-** |
| **Scope 3** emissions in metric tonnes CO2e | | |
| Business travel in employee-owned vehicles | 6.90 | 4.94 |
| **Total gross emissions in metric tonnes CO2e** | **889.56** | **1,039.05** |
| **Intensity ratio Tonnes CO2e per pupil** | **1.14** | **1.38** |

Note: The figures were incorrectly reported in the 2020/21 Directors' Report (purchased electricity from renewable sources should not be included). The correct figures for 2020/21 are in the above table.

Group reporting requires us to include all subsidiaries and related companies that qualify. The numbers above include all qualifying subsidiaries and related companies, being King's Schools Taunton Limited, WST Enterprises Limited and King's College Schools International Limited.

*Quantification and reporting methodology*

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas (GHG) Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

*Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil. The measurement from 2020/21 was artificially high due to Covid-mitigation measures being in place including extra common rooms for the day pupils in their year-bubbles, marquees and additional toilets; all requiring heating and lighting. In addition, the need for greater air-flow with windows and doors open also had a negative carbon impact. Many of these measures have been removed or reduced during the 21/22 year.

*Measures taken to improve efficiency*

During the year, the schools implemented a number of initiatives to improve the efficiency of energy use. These included:

- Continuing reviews of light fittings across both sites to seek alternatives, and installation of LED lighting where possible;
- Encouraging staff, through communication and signage, to turn off lights and close windows when exiting rooms or installing motion sensors so that lighting is only on when rooms are being used;
- Encouraging staff, through communication, to turn down radiators;
- Creation of King's Green Team to promote sustainability thinking and action;
- Replacement of old inefficient gas boilers with more efficient condensing boilers;
- Adjusting timers on lighting and heating systems to minimise the energy demand when not required or to minimise the time delays on switch off timers to minimum practical levels; and
- Replacement of old cookers, washing machines, etc with high energy efficient appliances.

Going forward the school is engaging in a number of projects to improve energy efficiency in future years as follows:

- Creation of long-term energy efficiency plans;
- Including energy efficiency as a high priority item in construction of new buildings with consideration of underfloor heating, energy controls, solar panels and air source heat pumps – our new 6th Form Centre (due for completion Winter 2022) will be carbon neutral for energy;
- Ongoing review of settings and the operation of building management systems to ensure that energy use is minimised according to the need of pupils and staff;
- Installation of campus-wide building management systems to optimise energy usage;
- Replacement of diesel-powered equipment with electric items;

- Encouraging staff to use public transport, bicycles and walking as an alternative mode of transport including promotion of the Cycle to Work Scheme and possible exploration of salary exchange for leasing electric vehicles;
- Encouraging staff to minimise travel and promoting the use of technology for meetings and other communications; and
- Reinvigoration of KCT Sustainability group and appointment of Sustainability Champions in departments and houses.

**DIRECTORS**

The Directors who served during the year, and the committees of which they are members, are:

| | | |
|---|---|---|
| L M Nash (Custos) | | All committees |
| Dr R A K Mott (Vice-Custos) | (retired 31 December 2021) | All committees |
| C A Cavaghan-Pack | | Education and Pastoral |
| C A Cooper | (retired 31 August 2021) | Finance and Estates |
| M D Featherstone | | Education and Pastoral |
| M A Gunn | (appointed 17 March 2021) | Education and Pastoral |
| C H Hirst (Vice-Custos) | (Vice-Custos from 1 Jan 2022) | Education and Pastoral, Remuneration (All committees from 1 Jan 2022) |
| J E R Houghton | | Finance and Estates |
| R M U Lambert | | Finance and Estates |
| W J Morrison | | Finance and Estates |
| Bishop Nigel Stock | | Education and Pastoral |
| M F Trimble | | Finance and Estates, Remuneration, Appointments |
| Commodore J R A Woodard RN | | Education and Pastoral<br>Finance and Estates (from July 2022) |

None of the Directors has any beneficial interest in the Company.

**Exemptions from disclosure**

KST has not taken advantage of any exemption from disclosure in relation to trustee details.

**AUDITOR**

RSM UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

This Directors' Report (including the Strategic Report) was approved by the board of directors of King's Schools Taunton Limited on 8 December 2022 and signed on their behalf:

**L M Nash**
Chair

# KING'S SCHOOLS TAUNTON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED
## *YEAR ENDED 31 AUGUST 2022*

### Opinion

We have audited the financial statements of King's Schools Taunton Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and the 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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 Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Directors' responsibilities set out on pages 21-22, 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 Directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

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

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

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

# KING'S SCHOOLS TAUNTON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED
## *YEAR ENDED 31 AUGUST 2022*

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**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.

Zoe Longstaff-Tyrrell (Senior Statutory Auditor)
For and on behalf of
RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2022*

| | Notes | Unrestricted Funds | Restricted Funds | Total 2022 | *Total 2021* |
|---|---|---|---|---|---|
| | | £ | £ | £ | *£* |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | 2 | 15,056,201 | - | **15,056,201** | *12,846,580* |
| Ancillary trading income | 3 | 1,440,822 | - | **1,440,822** | *915,707* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 4 | 579,491 | - | **579,491** | *189,349* |
| Other activities | 4 | 3,996 | - | **3,996** | - |
| **Investments** | | | | | |
| Investment Income | 5 | 43,845 | - | **43,845** | *26,913* |
| Bank and other interest | 6 | 2,618 | - | **2,618** | 511 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 7 | 21,229 | 93,565 | **114,794** | *571,654* |
| **TOTAL INCOME** | | **17,148,202** | **93,565** | **17,241,767** | *14,550,714* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Non-ancillary trading | 8 | 214,503 | - | **214,503** | *24,973* |
| Financing costs | 8 | (29,842) | - | **(29,842)** | *(14,980)* |
| Investment management | 8 | 14,871 | - | **14,871** | *18,521* |
| | | **199,532** | **-** | **199,532** | *28,514* |
| **Charitable Activities** | | | | | |
| Education and grant making | 8 | 16,486,659 | 20,415 | **16,507,074** | *14,548,754* |
| **TOTAL EXPENDITURE** | | **16,686,191** | **20,415** | **16,706,606** | *14,577,268* |
| **Net income and expenditure before transfers** | | **462,011** | **73,150** | **535,161** | *(26,554)* |
| Realised (losses)/gains on investment assets | 14 | (164,181) | - | **(164,181)** | *66,092* |
| Unrealised gains on investment assets | 14 | 52,269 | - | **52,269** | *219,017* |
| **Net income** | | **350,099** | **73,150** | **423,249** | **258,555** |
| Transfers between funds | 23 | 875 | (875) | **-** | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **350,974** | **72,275** | **423,249** | *258,555* |
| Fund balances at 1 September 2021 | | 18,247,722 | 404,303 | **18,652,025** | *18,393,470* |
| **FUND BALANCES at 31 August 2022** | | **18,598,696** | **476,578** | **19,075,274** | *18,652,025* |

In the prior year, all income and expenditure related to unrestricted funds, with the exception of £211,063 of voluntary income and £19,200 of grant making expenditure which related to restricted funds.

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 notes on pages 32 to 51 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2022*

| | Notes | Unrestricted Funds | Restricted Funds | Total 2021 | *Total 2021* |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | 2 | 15,056,201 | - | **15,056,201** | *12,846,580* |
| Ancillary trading income | 3 | 1,440,822 | - | **1,440,822** | *915,707* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 4 | 364,988 | - | **364,988** | *164,376* |
| Other activities | 4 | 3,996 | - | **3,996** | - |
| **Investments** | | | | | |
| Investment Income | 5 | 43,845 | - | **43,845** | *26,913* |
| Bank and other interest | 6 | 2,618 | - | **2,618** | 511 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 7 | 21,229 | 93,565 | **114,794** | *571,654* |
| **TOTAL INCOME** | | **16,933,699** | **93,565** | **17,027,264** | *14,525,741* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Financing costs | 8 | (29,842) | - | **(29,842)** | *(14,980)* |
| Investment management | 8 | 14,871 | - | **14,871** | *18,521* |
| | | **(14,971)** | - | **(14,971)** | *3,541* |
| **Charitable Activities** | | | | | |
| Education and grant making | 8 | 16,486,659 | 20,415 | **16,507,074** | *14,548,754* |
| **TOTAL EXPENDITURE** | | **16,471,688** | **20,415** | **16,492,103** | *14,552,295* |
| **Net income and expenditure before transfers** | | **462,011** | **73,150** | **535,161** | *(26,554)* |
| Realised (losses)/gains on investment assets | 14 | (164,181) | - | **(164,181)** | *66,092* |
| Unrealised gains on investment assets | 14 | 52,269 | - | **52,269** | *219,017* |
| **Net income** | | **350,099** | **73,150** | **423,249** | *258,555* |
| Transfers between funds | 23 | 875 | (875) | **-** | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **350,974** | **72,275** | **423,249** | *258,555* |
| Fund balances at 1 September 2021 | | 18,247,722 | 404,303 | **18,652,025** | *18,393,470* |
| **FUND BALANCES at 31 August 2022** | | **18,598,696** | **476,578** | **19,075,274** | *18,652,025* |

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 notes on pages 32 to 51 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED AND CHARITY BALANCE SHEETS
## *AS AT 31 AUGUST 2022*

| | Notes | GROUP 2022 £ | GROUP *2021* £ | CHARITY 2022 £ | CHARITY *2021* £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 13 | **17,224,982** | *15,235,322* | **17,224,982** | *15,235,322* |
| Investments | 14 | **2,924,130** | *2,724,114* | **2,924,130** | *2,724,114* |
| Investments in subsidaries | 14 | **-** | *-* | **101** | 101 |
| | | **20,149,112** | *17,959,436* | **20,149,213** | *17,959,537* |
| **CURRENT ASSETS** | | | | | |
| Stocks | | **21,171** | *15,145* | **21,171** | *15,145* |
| Debtors | 15 | **709,142** | *675,459* | **1,765,655** | *1,376,795* |
| Cash | | **6,570,922** | *6,761,413* | **5,309,443** | *6,055,298* |
| | | **7,301,235** | *7,452,017* | **7,096,269** | *7,447,238* |
| **CREDITORS:** due within one year | 16 | **(6,177,448)** | *(5,154,915)* | **(5,972,583)** | *(5,150,237)* |
| **NET CURRENT ASSETS** | | **1,123,787** | *2,297,102* | **1,123,686** | *2,297,001* |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **21,272,899** | *20,256,538* | **21,272,899** | *20,256,538* |
| **CREDITORS:** due after more than one year | 17 | **(2,197,525)** | *(1,604,413)* | **(2,197,525)** | *(1,604,413)* |
| **TOTAL NET ASSETS** | | **19,075,374** | *18,652,125* | **19,075,374** | *18,652,125* |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 20 | **100** | *100* | **100** | *100* |
| **FUNDS** | | | | | |
| Restricted funds | 23 | **476,578** | *404,303* | **476,578** | *404,303* |
| Unrestricted funds | | | | | |
| General | 23 | **15,510,618** | *15,397,495* | **15,510,618** | *15,397,495* |
| Designated | 23 | **3,088,078** | *2,850,227* | **3,088,078** | *2,850,227* |
| | | **18,598,696** | *18,247,722* | **18,598,696** | *18,247,722* |
| **EQUITY SHAREHOLDERS' FUNDS** | | **19,075,374** | *18,652,125* | **19,075,374** | *18,652,125* |

The notes on pages 32 to 51 form part of these financial statements. The financial statements were approved and authorised for issue by the Board on 8 December 2022 and signed on its behalf by

**L M Nash**
**Director**

Company registration number 05084301

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS AND NOTES TO THE CASH FLOW STATEMENT
## *AS AT 31 AUGUST 2022*

| | 2022 | *2021* |
|---|---|---|
| | £ | £ |
| **Cash flows from operating activities:** | | |
| **Net cash provided by (used in) operating activities** | **2,513,674** | *1,230,678* |
| **Cash flows from investing activities:** | | |
| Dividends, interest and rents from investments | **46,463** | *27,424* |
| Purchase of property, plant and equipment | **(2,420,851)** | *(191,025)* |
| Disposal of property, plant and equipment | **8,580** | - |
| Proceeds from sale of investments | **2,135,570** | *1,866,357* |
| Purchase of investments | **(2,462,369)** | *(2,074,277)* |
| **Net cash provided by (used in) investing activities** | **(2,692,607)** | *(371,521)* |
| **Cash flows from financing activities:** | | |
| Financing costs | **(11,558)** | *(8,853)* |
| **Net cash provided by (used in) financing activities** | **(11,558)** | *(8,853)* |
| **Change in cash and cash equivalents in the year** | **(190,491)** | *850,304* |
| **Cash and cash equivalents at the beginning of the year** | **6,761,413** | *5,911,109* |
| **Cash and cash equivalents at the end of the year** | **6,570,922** | *6,761,413* |

**Reconciliation of net income/(expenditure) to net cash flow from operating activities**

| | 2022 | *2021* |
|---|---|---|
| | £ | £ |
| **Net income/(expenditure) for period (as per the Statement of Financial Activities)** | **423,249** | *258,555* |
| **Adjustments for:** | | |
| Depreciation charges | **422,611** | *462,584* |
| Losses/(Gains) on investments | **111,912** | *(285,116)* |
| Dividends, interest and rents from investments | **(46,463)** | *(27,424)* |
| Financing costs | **26,429** | *27,374* |
| (Increase)/decrease in stocks | **(6,026)** | *7,637* |
| (Increase)/decrease in debtors | **(33,683)** | *3,284* |
| Increase/(decrease) in creditors | **1,615,645** | *783,784* |
| **Net cash provided by (used in) operating activities** | **2,513,674** | *1,230,678* |

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS AND NOTES TO THE CASH FLOW STATEMENT
## *AS AT 31 AUGUST 2022*

| | 2022 | *2021* |
|---|---|---|
| | £ | £ |
| **Analysis of cash and cash equivalents** | | |
| Cash at bank and in hand | **6,570,922** | *6,761,413* |
| **Total cash and cash equivalents** | **6,570,922** | *6,761,413* |

**Analysis of changes in Net Debt**

| | At 1st Sept 2021 | Cash flows | Other non-cash changes | At 31st Aug 2022 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cash and cash equivalents** | | | | |
| Cash at bank and in hand | **6,761,413** | **(190,491)** | **-** | **6,570,922** |
| **Total** | **6,761,413** | **(190,491)** | **-** | **6,570,922** |

## 1 ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) **Basis of accounting**

The accounts of the Group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK accounting standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

King's Schools Taunton Limited meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 31 and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in Sterling (£) and the functional currency is sterling (£).

b) **Going Concern**

The accounts have been prepared on a going concern basis. The King's Schools' Board reviews the financial information for the company and the group and considers whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts.

Having considered all factors and reviewing the available evidence, the directors have a reasonable expectation that the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis.

c) **Group accounts**

The financial statements consolidate the financial statements of the Company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Enitities are consolidated where King's Schools Taunton Limited exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

d) **School fees receivable and similar income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

1. **ACCOUNTING POLICIES** (continued)

e) **Ancillary and non-ancillary trading income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

f) **Voluntary sources, grants and donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

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

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

g) **Coronavirus Job Retention Scheme (CJRS) Income**

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the organisation with no future related costs. It is recognised as income in the period in which it becomes receivable within 'Other – Grants and Donations" (note 7).

h) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

The cost of refurbishing and converting existing buildings is written off in the year in which it is incurred except where the useful life has been extended.

i) **Pension costs**

The Company participates in The Teachers' Pensions Scheme, which is an unfunded Government scheme which provide benefits based on final pensionable pay. The Company also contributes to defined contribution pension schemes for teaching and non-teaching staff.

1. **ACCOUNTING POLICIES** (continued)

i) Pension costs continued

The Company historically offered membership of The Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth Plan is a multi employer pension scheme where the scheme assets are pooled for investment purposes and cannot be atributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the Company, though, due to the guarantees inherent in the scheme, the Company remains potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for as if it were a defined contribution scheme, with contributions recorded as they become payable.

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. More detail is given in note 22.

j) **Tangible fixed assets and depreciation**

In accordance with Section 35.10 (d) of FRS102, King's Schools Taunton Limited has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads. Assets in the course of construction are not depreciated.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---|---|
| - Freehold land is not depreciated | |
| - Freehold buildings: | Variable according to the building and written off over the expected useful life (see paragraph below) |
| - Freehold improvements: | Over the useful economic life of the improvement |
| - Computer equipment | 25% on cost |
| - Fixtures and fittings | 4% - 50% on cost |
| - Plant and machinery | 10% - 20% on cost |
| - Motor vehicles | 25% on cost |

The Company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The Company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. The Directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the Directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

The Company exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

1. **ACCOUNTING POLICIES** (continued)

k) **Financial instruments**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

l) **Investments and Fees in Advance Investments**

Investments and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Realised and unrealised investment gains and losses are recognised as 'net gains/(losses) on investment assets' in the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

m) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

n) **Leasing commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the SOFA over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

o) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet.

p) **Fund accounts**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the Directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1. **ACCOUNTING POLICIES** (continued)

q) **Taxation**

King's Schools Taunton Limited is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The Company has two subsidiary companies that are subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The corporation tax arising on the subsidiary companies' profit for the year is mitigated by the payment of Gift Aid by these entities to the School.

r) **Termination Payments**

The best estimate of the expenditure required to settle an obligation for termination benefits, is recognised immediately as an expense, when the Group is demonstrably committed to terminate the employment of an employee, or to provide termination benefits.

## 2 SCHOOL FEES

| | Group and Charity | |
|---|---|---|
| | **2022** | *2021* |
| **(a) The Schools' fees income comprises:** | **£** | *£* |
| Gross fees | **19,228,692** | *17,860,037* |
| Less: Total scholarships, bursaries, etc | **(4,172,491)** | *(5,013,454)* |
| | **15,056,201** | *12,846,582* |

## 3 CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME

| | Group and Charity | |
|---|---|---|
| | **2022** | *2021* |
| | **£** | *£* |
| Extra subjects | **1,078,555** | *619,321* |
| Entrance and registration fees and fees in lieu of notice | **90,653** | *93,672* |
| Commissions and other income | **271,614** | *202,714* |
| | **1,440,822** | *915,707* |

## 4 OTHER TRADING ACTIVITIES

| | Group | |
|---|---|---|
| | **2022** | *2021* |
| **Non-ancillary trading income** | **£** | *£* |
| Rents receivable and other sales | **20,850** | *15,886* |
| WST Enterprises Limited | **330,931** | *10,874* |
| King's College Schools International Limited | **227,710** | *162,589* |
| | **579,491** | *189,349* |

| | Charity | |
|---|---|---|
| | **2022** | *2021* |
| **Non-ancillary trading income** | **£** | *£* |
| Rents receivable and other sales | **20,850** | *15,886* |
| WST Enterprises Limited | **127,473** | *5,027* |
| King's College Schools International Limited | **216,665** | *143,463* |
| | **364,988** | *164,376* |

| | Group and Charity | |
|---|---|---|
| **Other activities** | **2022** | *2021* |
| | **£** | *£* |
| Interest on overdue fees | **5,376** | - |
| Loss on sale of fixed asset | **(1,380)** | - |
| | **3,996** | - |

## 5 INVESTMENTS - INVESTMENT INCOME

| | | | Group and Charity | |
|---|---|---|---|---|
| | | | **Total** | *Total* |
| | **Unrestricted** | **Restricted** | **2022** | *2021* |
| **Securities investment income** | **£** | **£** | **£** | *£* |
| Equities | 11,659 | - | **11,659** | *11,028* |
| Fixed interest | 2,339 | - | **2,339** | *8,875* |
| Alternatives | 29,847 | - | **29,847** | *7,010* |
| | 43,845 | **-** | **43,845** | *26,913* |

## 6 INVESTMENTS - BANK AND OTHER INTEREST

| | | | Group and Charity | |
|---|---|---|---|---|
| | | | **Total** | *Total* |
| | **Unrestricted** | **Restricted** | **2022** | *2021* |
| | **£** | **£** | **£** | *£* |
| Bank interest | 2,618 | - | **2,618** | *511* |
| | 2,618 | **-** | **2,618** | *511* |

## 7 VOLUNTARY SOURCES - GRANTS AND DONATIONS

| | Unrestricted | Restricted | Group and Charity Total 2022 | *Total 2021* |
|---|---|---|---|---|
| | £ | £ | £ | *£* |
| Government Grant CJRS | - | - | **-** | *244,548* |
| Donations | 21,229 | 93,565 | **114,794** | *327,106* |
| | 21,229 | 93,565 | **114,794** | *571,654* |

## 8 ANALYSIS OF EXPENDITURE

### a) Total Expenditure

| | Staff Costs (note 9) | Support Costs | Group Depreciation (note 12) | Total 2022 | *Total 2021* |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | *£* |
| **Costs of raising funds:** | | | | | |
| Non ancillary trading | 64,474 | 150,029 | - | **214,503** | *24,973* |
| Financing cost (note 9) | - | (29,842) | - | **(29,842)** | *(14,980)* |
| Investment management | - | 14,871 | - | **14,871** | *18,521* |
| **Total cost of raising funds** | 64,474 | 135,058 | - | 199,532 | *28,514* |
| **Charitable expenditure** | | | | | |
| Teaching | 6,553,988 | 872,877 | 32,308 | **7,459,173** | *6,647,162* |
| Welfare | 784,930 | 1,587,831 | 4,707 | **2,377,468** | *1,926,818* |
| Premises | 875,065 | 2,523,649 | 270,810 | **3,669,524** | *3,158,632* |
| School administration | 1,111,697 | 1,624,517 | 114,786 | **2,851,000** | *2,507,235* |
| Grants, awards and prizes (all from unrestricted funds) | - | 10,681 | - | **10,681** | *6,038* |
| Governance | - | 118,813 | - | **118,813** | *283,669* |
| Expenditure from restricted funds | - | 20,415 | - | **20,415** | *19,200* |
| **Total charitable expenditure** | 9,325,680 | 6,758,783 | 422,611 | **16,507,074** | *14,548,754* |
| **Total expenditure** | 9,390,154 | 6,893,841 | 422,611 | **16,706,606** | *14,577,268* |

### b) Governance included in support costs

King's Schools Taunton reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. Two trustees were reimbursed a total of £1,774 during the year (2021: two were reimbursed a total of £1,017).

| | Total 2022 | *Total 2021* |
|---|---|---|
| | £ | *£* |
| Remuneration paid to auditor for audit services | **26,100** | *23,010* |
| Additional remuneration paid to auditors for prior year | **-** | *-* |
| Reimbursement of personal expenses to governors | **1,774** | *1,017* |
| | **27,874** | *24,027* |

## 9 FINANCING COSTS

| | Group and Company 2022 | *2021* |
|---|---|---|
| | £ | *£* |
| Other interest paid | **2,470** | 1,326 |
| Bank charges | **9,088** | *7,527* |
| Provision for bad and doubtful debts | **(41,400)** | *(23,833)* |
| | **(29,842)** | *(14,980)* |

Provision for bad and doubful debts includes £46,616 recovered in the year relating to debts that had previously been provided for in full (2021: £10,872).

## 10 STAFF COSTS

| The aggregate payroll costs for the year were: | Group 2022 £ | Group 2021 £ |
|---|---|---|
| Wages and salaries | **7,672,051** | *7,170,272* |
| Social security costs | **690,405** | *643,573* |
| Teachers' pension contributions | **905,297** | *871,339* |
| Other pension contributions | **115,866** | *111,462* |
| Private Medical Insurance | **6,535** | *5,018* |
| | **9,390,154** | *8,801,664* |

| | Charity 2022 £ | Charity 2021 £ |
|---|---|---|
| Wages and salaries | **7,607,577** | *7,169,624* |
| Social security costs | **690,405** | *643,573* |
| Teachers' pension contributions | **905,297** | *871,339* |
| Other pension contributions | **115,866** | *111,462* |
| Private Medical Insurance | **6,535** | *5,018* |
| | **9,325,680** | *8,801,016* |

None of the governors received remuneration or other benefits from King's Schools Taunton or from any connected body.

| | 2022 £ | 2021 £ |
|---|---|---|
| Aggregate employee benefits of key management personnel | **431,752** | *394,807* |

The Headmasters and the Director of Finance and Operations are classed by the School as being the Key Management Personnel.

The number of employees whose annual emoluments were £ 60,000 or more was:

| | 2022 (number) | 2021 (number) |
|---|---|---|
| £ 60,001 - £ 70,000 | **1** | *2* |
| £ 70,001 - £ 80,000 | **-** | *1* |
| £ 80,001 - £ 90,000 | **1** | *1* |
| £ 90,001 - £ 100,000 | **1** | *1* |
| £ 100,001 - £ 110,000 | **1** | *1* |
| £ 110,001 - £ 120,000 | **1** | *-* |

The average number of employees during the year calculated on a head count basis was:

| | 2022 (number) | 2021 (number) |
|---|---|---|
| Teaching staff | **132** | *129* |
| Others | **145** | *143* |
| | **277** | *272* |

Included in staff costs are termination payments and payments in lieu of notice totalling £32,059 (2021: £7,986). The amount outstanding at the year-end was nil (2021:nil).

## 11 DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Remissions of £13,763 were awarded to two children of one director attending the School (2021: £11,813).

**12 TAXATION**

The Company is a registered charity and therefore no liability to taxation arises on its charitable activities.

**13 TANGIBLE FIXED ASSETS**

| GROUP | Freehold Land & Buildings £ | Under Construction £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| At 1 September 2021 | 17,717,722 | - | 834,380 | 943,814 | 855,426 | 23,400 | **20,374,742** |
| Additions | 16,280 | 2,063,751 | 191,149 | - | 149,671 | - | **2,420,851** |
| Disposals | - | - | (18,719) | - | - | - | **(18,719)** |
| **At 31 August 2022** | **17,734,002** | **2,063,751** | **1,006,810** | **943,814** | **1,005,097** | **23,400** | **22,776,874** |
| **Depreciation** | | | | | | | |
| At 1 September 2021 | 3,067,825 | - | 459,206 | 896,170 | 697,228 | 18,991 | **5,139,420** |
| Charge for the year | 259,715 | - | 56,428 | 12,644 | 90,884 | 2,940 | **422,611** |
| Disposals | - | - | (10,139) | - | - | - | **(10,139)** |
| **At 31 August 2022** | **3,327,540** | - | **505,495** | **908,814** | **788,112** | **21,931** | **5,551,892** |
| **Net book value** | | | | | | | |
| **At 31 August 2022** | **14,406,462** | **2,063,751** | **501,315** | **35,000** | **216,985** | **1,469** | **17,224,982** |
| Net book value at 31 August 2021 | 14,649,897 | - | 375,174 | 47,644 | 158,198 | 4,409 | 15,235,322 |

| COMPANY | Land & Buildings Freehold £ | Under Construction £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| At 1 September 2021 | 17,717,722 | - | 834,380 | 943,814 | 855,426 | 23,400 | **20,374,742** |
| Additions | 16,280 | 2,063,751 | 191,149 | - | 149,671 | - | **2,420,851** |
| Disposals | - | - | (18,719) | - | - | - | **(18,719)** |
| **At 31 August 2022** | **17,734,002** | **2,063,751** | **1,006,810** | **943,814** | **1,005,097** | **23,400** | **22,776,874** |
| **Depreciation** | | | | | | | |
| At 1 September 2021 | 3,067,825 | - | 459,206 | 896,170 | 697,228 | 18,991 | **5,139,420** |
| Charge for the year | 259,715 | - | 56,428 | 12,644 | 90,884 | 2,940 | **422,611** |
| Disposals | - | - | (10,139) | - | - | - | **(10,139)** |
| **At 31 August 2022** | **3,327,540** | - | **505,495** | **908,814** | **788,112** | **21,931** | **5,551,892** |
| **Net book value** | | | | | | | |
| **At 31 August 2022** | **14,406,462** | **2,063,751** | **501,315** | **35,000** | **216,985** | **1,469** | **17,224,982** |
| Net book value at 31 August 2021 | 14,649,897 | - | 375,174 | 47,644 | 158,198 | 4,409 | 15,235,322 |

All assets are used for charitable purposes.

### 14 SECURITIES INVESTMENTS

| | 2022 | *2021* |
|---|---|---|
| **Group investments** | **£** | *£* |
| At 1 September 2021 | 2,787,121 | *2,496,655* |
| New money invested | 640,246 | *71,589* |
| Reinvested income | 43,845 | *26,913* |
| Amounts extracted | (96,904) | *(74,624)* |
| Management fees | (14,871) | *(18,521)* |
| Realised gains on investments | (164,181) | *66,092* |
| Unrealised gains on investments | 52,269 | *219,017* |
| **Group investments at 31 August 2022** | **3,247,525** | *2,787,121* |
| Less: Investments classified as cash | **(323,395)** | *(63,007)* |
| **Group investments at 31 August 2022** | **2,924,130** | *2,724,114* |
| Investments in subsidaries | **101** | *101* |
| **Company investments at 31 August 2022** | **2,924,231** | *2,724,215* |

| | | |
|---|---|---|
| **Investments comprise:** | | |
| **Listed investments** | | |
| Fixed interest | 174,734 | *250,568* |
| Equities | 1,633,978 | *1,541,762* |
| **Alternative investments** | | |
| Hedge funds | - | *72,462* |
| Commercial property funds | 163,958 | - |
| Commodities and other | 951,460 | *859,322* |
| **Group investments at 31 August 2022** | **2,924,130** | *2,724,114* |
| Investments in subsidiaries | **101** | *101* |
| **Company investments at 31 August 2022** | **2,924,231** | *2,724,215* |

Securities and Investments were managed for King's Schools Taunton Limited by Cazenove Capital.

At 31 August 2022, three investments (2021: three) had a carrying value equal to 5% or more of the value of the investment portfolio, being:

| | £ | |
|---|---|---|
| SUTL Cazenove Charity Responsible Fund | 2,271,860 | 77.69% |
| Black Rock ICS Institutional Sterling Liquidity Fund | 300,000 | 10.26% |
| J P Morgan Liquidity Funds | 300,000 | 10.26% |

The original cost of these investments were £2,866,986.

## 15 DEBTORS

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | *2021* | **2022** | *2021* |
| | **£** | *£* | **£** | *£* |
| School fees receivable | **201,347** | *215,113* | **201,347** | *215,113* |
| Trade debtors | **56,427** | *11,281* | **-** | *-* |
| Other debtors | **61,023** | *66,158* | **58,879** | *65,775* |
| Prepayments and accrued income | **389,238** | *382,835* | **385,837** | *382,835* |
| Amounts owed by group undertakings | **-** | *-* | **1,118,485** | *713,000* |
| Woodard Corporation | **1,107** | *72* | **1,107** | *72* |
| | **709,142** | *675,459* | **1,765,655** | *1,376,795* |

## 16 CREDITORS: Amounts falling due within one year

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | *2021* | **2022** | *2021* |
| | **£** | *£* | **£** | *£* |
| Deposits from parents | **321,360** | *379,351* | **321,360** | *379,351* |
| Fees received in advance of term | **2,845,235** | *2,777,150* | **2,845,235** | *2,777,150* |
| Trade creditors | **1,153,121** | *834,238* | **1,150,320** | *833,160* |
| Taxes and Social Security costs | **207,737** | *160,866* | **178,984** | *160,866* |
| Pension Scheme Deficit Recovery Plan | **283,909** | *44,920* | **283,909** | *44,920* |
| Other creditors | **785,299** | *499,648* | **622,172** | *499,048* |
| Accruals | **580,787** | *458,742* | **570,603** | *455,742* |
| | **6,177,448** | *5,154,915* | **5,972,583** | *5,150,237* |

### Summary of movement in deferred income

| | **2022** | *2021* |
|---|---|---|
| Balance at 1 September 2021 | **2,777,150** | *2,150,710* |
| Amounts arising in the year | **2,845,235** | *2,777,150* |
| Amounts transferred to SOFA | **(2,777,150)** | *(2,150,710)* |
| Balance at 31 August 2022 | **2,845,235** | *2,777,150* |

Deferred income arises due to fee payments received in advance of the new financial year.

## 17 CREDITORS: Amounts falling due after one year

| | Group and Company | |
|---|---|---|
| | **2022** | *2021* |
| | **£** | *£* |
| Deposits from parents | **1,475,910** | *1,491,970* |
| Fees In Advance | **721,615** | **-** |
| Pension Scheme Deficit Recovery Plan | **-** | *112,443* |
| | **2,197,525** | *1,604,413* |

Parents pay to the school a deposit in advance. The deposits are refunded on the pupils' last terms school bill.

## 18 Fees In Advance

| | Group and Company | |
|---|---|---|
| | **2022** | *2021* |
| | **£** | *£* |
| After 5 years | **300,110** | **-** |
| Within 2 - 5 years | **374,450** | **-** |
| Within 1 to 2 years | **47,055** | **-** |
| Due after more than one year | **721,615** | **-** |
| Within 1 year | **18,600** | **-** |

## 19 COMMITMENTS UNDER OPERATING LEASES

**Group and Company**

The future minimum commitments under non-cancellable operating leases for vehicles and temporary buildings are:

| | **2022** | *2021* |
|---|---|---|
| | **£** | *£* |
| within 1 year | **100,109** | *104,204* |
| within 1 to 5 years | **77,201** | *153,530* |
| | **177,310** | *257,734* |

## 20 SHARE CAPITAL

**Group and Company**

| | **2022** | *2021* |
|---|---|---|
| | **£** | *£* |
| **Authorised** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |
| **Allotted, called up and fully paid** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |

## 21 FINANCIAL INSTRUMENTS

**Group and Company**

| | **2022** | *2021* |
|---|---|---|
| **FINANCIAL ASSETS:** | **£** | *£* |
| Investments held at FV through Profit and Loss | **2,924,130** | *2,249,599* |

## 22 PENSION SCHEME DEFICIT RECOVERY PLAN

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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 £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

| | |
|---|---|
| From 1 April 2022 to 31 January 2025: | £3,312,000 per annum (payable monthly) |

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

| | |
|---|---|
| From 1 April 2019 to 30 September 2025: | £11,243,000 per annum (payable monthly and increasing by 3% on each 1 April) |

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

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contibutions 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.

| **Present Values of Provision** | **2022** | *2021* |
|---|---|---|
| | **£** | *£* |
| Present value of provision | **-** | *157,363* |

| | **Period ending 31 August** | |
|---|---|---|
| **Reconciliation of opening and closing provisions** | **2022** | *2021* |
| | **£** | *£* |
| Provision a start of period | **157,363** | *200,215* |
| Unwinding of the discount factor (interest expense) | **-** | *972* |
| Deficit contribution paid on withdrawal | **(157,363)** | *(43,612)* |
| Remeasurements - impact of any change in assumptions | **-** | *(212)* |
| Remeasurements - amendments to the contribution schedule | **-** | *-* |
| **Provision at end of period** | **-** | *157,363* |

**22 PENSION SCHEME DEFICIT RECOVERY PLAN** (continued)

| **Income and expenditure impact** | **2022** | *2021* |
|---|---|---|
| | **£** | £ |
| Interest expense | **-** | *972* |
| Remeasurements - impact of any change in assumptions | **-** | *(212)* |
| Remeasurements - amendments to the contribution schedule | **-** | **-** |

| **Assumptions** | **2022** | *2021* |
|---|---|---|
| | **% per annum** | *% per annum* |
| Rate of discount | **4.46** | *0.63* |

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.

| **Deficit contributions schedule** | **2022** | *2021* |
|---|---|---|
| | **£** | £ |
| Year 1 | **-** | *44,920* |
| Year 2 | **-** | *46,268* |
| Year 3 | **-** | *47,656* |
| Year 4 | **-** | *20,200* |
| Year 5 | **-** | **-** |
| Year 6 | **-** | **-** |
| Year 7 | **-** | - |
| Year 8 | **-** | - |
| Year 9 | **-** | - |
| Year 10 | **-** | - |
| | - | *159,044* |

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. It is these contributions that have been used to derive the Company’s balance sheet liability at 31 August 2021.

King's Schools Taunton Limited has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan, based on the Plan's financial position as at 30 September 2020. As of this date the estimated employer debt for King's Schools Taunton Limited was £315,455 (2021: £476,150) including Series 3 liabilities. King's Schools Taunton Limited have settled 90% of the estimated debt Oct 2022 leaving an estimated liability of £31,545, see note 23 and note 27.

### 23 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

| | At 1 Sep 2021 | Incoming resources | Resources expended | Transfers and gains | At 31 Aug 2022 |
|---|---|---|---|---|---|
| **GROUP AND CHARITY** | | | | | £ |
| **Restricted Funds** | | | | | |
| Michael J Baker travel fund | 30,356 | - | (1,700) | - | **28,656** |
| Library fund | 101 | - | - | - | **101** |
| Joan Sewell bequest fund | 37,268 | 2,250 | (17,715) | - | **21,803** |
| John Crabtree award | 17,078 | - | (1,000) | - | **16,078** |
| Foundation for Sport and the Arts - grant | 15,750 | - | - | (875) | **14,875** |
| New Sixth Form Centre | 303,750 | 91,315 | - | - | **395,065** |
| | **404,303** | **93,565** | **(20,415)** | **(875)** | **476,578** |

The Michael Baker Travel Fund was set up in memory of Michael Baker who died in 1999. It is awarded to one or two leavers each year for travel outside of Europe for specific goals ie: helping local communities.

The Joan Sewell Bequest fund helps support various academic projects in the school, including essay prizes and educational trips.

The John Crabtree award is presented annually to the most gifted mathematician in the Lower Sixth Form.

The Foundation for Sport and the Arts Grant was a grant towards the construction of the sports hall. The figure is reduced annually as per the initial agreement.

KST committed to a timeline for the new Sixth Form Centre in October 2021 with completion due late Winter 2022. Fundraising has previously been taking place and will continue to do so in 2022/23. This project will be for a Sixth Form Centre for the benefit of all at King's College. It will be multi-functional to further re-inforce, in particular, the support to and development of the Sixth Form pupils. It will include classrooms, a Careers and Enterprise Room, communal and study areas, and large function rooms.

| | | | | | |
|---|---|---|---|---|---|
| **GROUP** | | | | | |
| **Unrestricted Funds** | | | | | |
| General reserves | 15,397,495 | 16,686,664 | (16,574,416) | 875 | **15,510,618** |
| Designated - Bursary | 2,249,882 | 459,297 | (111,775) | (111,912) | **2,485,492** |
| Designated - Pension Deficit | 600,345 | 2,241 | - | | **602,586** |
| | **18,247,722** | **17,148,202** | **(16,686,191)** | **(111,037)** | **18,598,696** |
| **CHARITY** | | | | | |
| **Unrestricted Funds** | | | | | |
| General reserves | 15,397,495 | 16,472,161 | (16,359,913) | 875 | **15,510,618** |
| Designated - Bursary | 2,249,882 | 459,297 | (111,775) | (111,912) | **2,485,492** |
| Designated - Pension Deficit | 600,345 | 2,241 | - | - | **602,586** |
| | **18,247,722** | **16,933,699** | **(16,471,688)** | **(111,037)** | **18,598,696** |

Bursary Fund - in 2015 £1m was allocated to this fund, the income from which will go to support KST's extensive bursary programme to support families who could otherwise not afford the full fees.

The Company has a contingent liability of some £31,545 in relation to a deficit on its Pension Trust Growth Plan scheme (see also note 22). In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund became larger than the deficit. It was and is the Council's intention to buy-out the liability using the Pension Deficit fund. KST withdrew from the scheme with effect from 1st September, 2021 and payment for 90% of the full provisional buy-out took place October, 2022. There is currently a court case pending (decision Q4 2024 at the earliest) which will impact liabilities. Should liabilities increase as a result of the Court case, KST's employer debt would increase. It should be noted that individual debt estimates will be recalculated as at the actual date of exit – 1st September, 2021. After the Court case, the revised amount will be calculated and The Pension Trust will then request the remaining balance. KST will maintain the Pension Deficit fund to cover the 10% currently remaining plus expected sufficient contingency to cover the future court decision.

## 24 ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Group's net assets belong to the various funds as follows:

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 476,578 | - | **476,578** |
| Unrestricted funds | | | | | |
| General | 17,224,982 | 101 | 45,354 | (2,197,525) | **15,072,912** |
| Designated | - | 2,924,130 | 163,948 | - | **3,088,078** |
| **Company** | **17,224,982** | **2,924,231** | **685,980** | **(2,197,525)** | **18,637,668** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2022** | **17,224,982** | **2,924,130** | **686,081** | **(2,197,525)** | **18,637,668** |

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 404,303 | - | **404,303** |
| Unrestricted funds | | | | | |
| General | 15,235,322 | 101 | 1,766,457 | (1,604,413) | **15,397,467** |
| Designated | - | 2,724,114 | 126,141 | - | **2,850,255** |
| **Company** | **15,235,322** | **2,724,215** | **2,297,001** | **(1,604,413)** | **18,652,125** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2021** | **15,235,322** | **2,724,114** | **2,297,102** | **(1,604,413)** | **18,652,125** |

## 25 PENSION SCHEMES

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for some of its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,065,462 (2021: £1,053,731) and at the year-end £86,219 (2021: £86,888) was accrued in respect of contributions to this scheme. The scheme was closed to new entrants from October 2021.

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

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

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

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

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

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

**Pensions Trust Growth Plan**

See note 22.

## 25 Consolidated Statement of Financial Activities - Comparative figures by fund type Year Ended 31 August 2021

| | Notes | Unrestricted Funds | Restricted Funds | TOTAL 2020 |
|---|---|---|---|---|
| | | £ | £ | £ |
| **INCOME FROM:** | | | | |
| **Charitable Activities** | | | | |
| School fees receivable | 2 | 12,846,580 | - | **12,846,580** |
| Ancillary trading income | 3 | 915,707 | - | **915,707** |
| **Other trading activities** | | | | |
| Non-ancillary trading income | 4 | 189,349 | - | **189,349** |
| Other activities | 4 | - | - | **-** |
| **Investments** | | | | |
| Investment Income | 5 | 26,913 | - | **26,913** |
| Bank and other interest | 6 | 511 | - | **511** |
| **Voluntary sources** | | | | |
| Appeal income and donations | 7 | 360,591 | 211,063 | **571,654** |
| **TOTAL INCOME** | | **14,339,651** | **211,063** | **14,550,714** |
| **EXPENDITURE ON:** | | | | |
| **Raising funds** | | | | |
| Non-ancillary trading | 8 | 24,973 | - | **24,973** |
| Financing costs | 8 | (14,980) | - | **(14,980)** |
| Investment management | 8 | 18,521 | - | **18,521** |
| | | **28,514** | **-** | **28,514** |
| **Charitable Activities** | | | | |
| Education and grant making | 8 | 14,529,554 | 19,200 | **14,548,754** |
| **TOTAL EXPENDITURE** | | **14,558,068** | **19,200** | **14,577,268** |
| **Net income and expenditure before transfers** | | **(218,417)** | **191,863** | **(26,554)** |
| Realised gains/(losses) on investment assets | 14 | 66,092 | - | **66,092** |
| Unrealised gains on investment assets | 14 | 219,017 | - | **219,017** |
| **Net income** | | **66,692** | **191,863** | **258,555** |
| Transfers between funds | 21 | 875 | (875) | **-** |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **67,567** | **190,988** | **258,555** |
| Fund balances at 1 September 2020 | | 18,180,155 | 213,315 | 18,393,470 |
| **FUND BALANCES at 31 August 2021** | | **18,247,722** | **404,303** | **18,652,025** |

### 26 SUBSIDIARIES

The Company owns all of the share capital of WST Enterprises Limited, a company incorporated in England/Wales. This company carries out trading activity on behalf of the School including commercial letting of the School's buildings and sports facilities.

WST Enterprises Limited (company number: 05181894) had a turnover of £330,931 (2021: £10,874), profit on ordinary activities of £127,473 (2021: £5,027), and a profit before tax and gift aid of £127,473 in the year ended 31 August 2022 (2021: £5,027). At 31 August 2022 the Company had shareholder's funds of £100 (2021: £100).

The Company owns all of the share capital of King's College Schools International Limited a company incorporated in England/Wales. This company carries out international activities on behalf of the School.

King's College Schools International Limited (company number: 09749938) had turnover of £227,710 (2021: £162,589), £216,665 profit on ordinary activities (2021: £143,463), and a profit before tax and gift aid of £216,665 (2021: £143,463 ) in the year ended 31 August 2022. At 31 August 2022 the Company had shareholder's funds of £1 (2021: £1).

Gross assets for WST Enterprises amount to £779,133 (2021: £411,902), and gross liabilities of £779,033 (2021: £411,802). King's College Schools International Limited (formerly KST International Ltd) had gross assets of £544,318 (2021: £305,877) and gross liabilities of £544,317 (2021: £305,876).

All subsidiaries have a common registered office with the school.

### 27 CONTINGENT LIABILITIES

King's Schools Taunton Limited has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan, based on the Plan's financial position as at 30 September 2020. As of this date the estimated employer debt for King's Schools Taunton Limited was £315,455 (2021: £476,150) including Series 3 liabilities. King's Schools Taunton Limited have settled 90% of the estimated debt Oct 2022 leaving an estimated liability of £31,545.

### 28 CAPITAL COMMITMENTS

As at 31 August 2022, the group had contracted capital expenditure in relation to the construction of the new Sixth Form Centre of £1,497,399 including VAT (2021: nil).

### 29 ULTIMATE CONTROLLING PARTY

The Woodard Corporation is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of King's Schools Taunton Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

### 30 RELATED PARTIES

The Company is a wholly owned subsidiary of The Woodard Corporation, a registered charity number 1096270, which is incorporated in England and Wales. An amount of £102,657 (2021: £87,766) was paid in the period to the Corporation by way of a levy to meet Corporation running costs. At year end there was a balance of £1,107 owed by The Woodard Corporation to The Company.

The Company also controls two trading subsidiaries, WST Enterprises Limited and King's Schools College International Limited (formerly KST International Ltd). See note 26 above. WST Enterprises Limited makes use of the schools facilities for it's principal activity of lettings, the schools made recharges of £215,179 (2021: £1,094) to WST Enterprises Limited for costs incurred to support these lettings such as catering and staff cost, the debtor balance with WST Enterprises Limited at 31 August 2022 was £738,527 (2021: £409,402). King's College Schools International Limited's principal activity is the promotion of education overseas, the schools receive income from King's College Schools International Limited and provide support and advice to our overseas partner schools. The schools recharged £2,741 (2021: £7,102) for costs incurred and the debtor balance with King's College Schools International Ltd at 31 August 2022 was £379,958 (2021: £303,597).

### 31 ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

As explained at note 22, there is a deficit reduction plan in place in respect of King's Schools Taunton membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

*Pension scheme contingent liability*

As explained at note 27, there is a contingent liability in the event that King's Schools Taunton Ltd were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

*Provision for bad debts*

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

*Deposits*

Refundable deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that pupils leave the school on one term's notice and as such the deposit would be refunded to the parents at that point. However the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in the school for their full years of education and therefore the deposit will be refunded to them when they leave the school. Short term deposits reflect those pupils that will be leaving the school within one year, and the long term element reflects those pupils that will be leaving the school after 12 months from the balance sheet date.

**KING'S SCHOOLS TAUNTON LTD**

England & Wales - Charity number 1103346

# Accounts

Charity Registration No. 1103346

Company Registration No. 05084301 (England and Wales)

# KING'S SCHOOLS TAUNTON LIMITED

# DIRECTORS' REPORT

# and

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 AUGUST 2021

# KING'S SCHOOLS TAUNTON LIMITED

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# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
***YEAR ENDED 31 AUGUST 2021***

| | |
|---|---|
| **Directors** | L M Nash BEd FIOD ISM (Chairman and Custos)<br>Dr R A K Mott BA PhD (Vice-Custos)<br>C A Cavaghan-Pack BEd JP<br>C A Cooper<br>M D Featherstone MA PGCE<br>M A Gunn MA (Ed)<br>C H Hirst MA<br>J E R Houghton MA<br>R M U Lambert MA<br>W J Morrison BSc MRICS<br>Bishop W N Stock BA, Dip Theol.<br>M F Trimble BSc ACA FCSI<br>Commodore J R A Woodard BASC (Hons), MSc, PG Cert |
| **Secretary** | S C Worthy BA MBA |
| **Charity Number** | 1103346 |
| **Company Number** | 05084301 |
| **Registered Office** | 20 Holway Avenue<br>Taunton<br>TA1 3AR |
| **Principal Addresses** | King's College Taunton<br>South Road<br>Taunton<br>Somerset<br>TA1 3LA<br><br>King's Hall School<br>Kingston Road<br>Taunton<br>Somerset<br>TA2 8AA |
| **Key Management Personnel** | |
| **Heads** | R R Biggs, MA BSc (King's College Taunton)<br>J T S Chippendale, BSc (King's Hall School) |
| **Director of Finance and Operations** | S C Worthy BA MBA |

# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
***YEAR ENDED 31 AUGUST 2021***

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| | |
|---|---|
| **Auditors** | RSM UK Audit LLP<br>Hartwell House<br>55-61 Victoria Street<br>Bristol<br>BS1 6AD |
| **Tax advisers** | RSM UK Tax and Accounting Limited<br>St Philips Point<br>Temple Row<br>Birmingham<br>West Midlands<br>B2 5AF |
| **Bankers** | National Westminster Bank plc<br>49 North Street<br>Taunton<br>TA1 1NB |
| **Solicitors** | DAS Law Limited<br>North Quay<br>Temple Back<br>Bristol<br>BS1 6FL<br><br>Porter Dodson<br>The Quad<br>Blackbrook Park Avenue<br>Taunton<br>TA1 2PX<br><br>Veale Wasbrough Vizards<br>Narrow Quay House<br>Narrow Quay<br>Bristol<br>BS1 4QA |
| **Insurance Brokers** | Marsh Insurance Brokers Limited<br>1 Tower Place West<br>Tower Place<br>London<br>EC3R 5BU |

# KING'S SCHOOLS TAUNTON LIMITED

## DIRECTORS' REPORT (incorporating the STRATEGIC REPORT)
## *YEAR ENDED 31 AUGUST 2021*

The Directors present their report and financial statements for the year ended 31 August 2021 and confirm they comply with the requirements of the Charities Act 2011, the Charities SORP 2019 and the Companies Act 2006.

### REFERENCE AND ADMINISTRATIVE INFORMATION

The Company was incorporated on 25 March 2004 and commenced operations on 1 September 2004 when the business, assets and liabilities relating to King's Hall School and King's College Taunton were transferred from Woodard Schools (Western Division) Limited. On 15 July 2012 the Company changed its name from Woodard Schools Taunton Limited to King's Schools Taunton Limited. The Company is a limited liability company incorporated in the United Kingdom and a wholly owned subsidiary of The Woodard Corporation, which is also a registered charity (number 1096270). The Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

As Woodard schools, King's Hall School and King's College Taunton (the Schools) share an educational vision which empowers and adds value to a child's development, within an actively Christian environment. King's Hall School is an independent co-educational preparatory school for day and boarding pupils aged 2 to 13 and incorporates pre-preparatory and nursery departments. King's College Taunton is an independent co-educational senior school for boarding and day pupils aged 13 to 19. The Schools are forward-thinking and dynamic places of learning with dedicated staff, excellent facilities and a warm and open culture.

Note 31 on page 53 provides details of a connected charity, namely the parent charity, the Woodard Corporation.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 20 March 2013, replacing those dated 18 March 2004 amended by Special Resolution(s) dated 25 January 2006, 28 April 2009 and 23 June 2009. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects, and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the Company.

#### School Council (Governing Body)

The Council Members are the Directors and charitable trustees of the Company and comprise the Council of King's Hall School and King's College Taunton. The Directors are also Governors for the purpose of Charity law. They are elected to hold office for five years. Any retiring Director may be re-appointed. The Directors determine the policy and strategy of the Company. It is the collective responsibility of the School Council to ensure that the Schools are fit for purpose and to determine and support its strategic direction in order to enable it to attain their stated objectives. The day-to-day management of the Schools is delegated to the Headmasters and Director of Finance and Operations (who operates across both schools), supported by the Senior Management Teams in each School. The chairman of the Council is known as the Custos.

#### Recruitment and Training of Council Members

All Council Members are Corporate Fellows of the Woodard Corporation. Corporate Fellows are responsible for electing the Woodard Corporation Board. Council Members are recruited on the basis of nominations from school contacts and from selection when a post becomes available.

The Council looks to ensure a mix of skills and selects new Council Members on the basis of background, competence, specialist skills and Christian commitment. Specific attention is paid to the succession planning of Council Members, both with a view to their skill sets and in relation to the chairmanship of the Council and its sub-committees.

Council Members are provided with induction training by the Headmasters, Director of Finance and Operations and their staff and a wider programme of training events is organised by the Woodard Corporation and other organisations. Council Members are also encouraged to attend events run by the Association of Governing Bodies of Independent Schools (AGBIS).

**Organisational Management**

The Schools are governed by the Council which delegates work to a number of committees. Membership of each committee is outlined on page 22. The Directors determine the general policy of the Company. The day-to-day management of the Company is delegated to the Headmasters and the Director of Finance and Operations, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by Council which provide for only significant expenditure decisions and major capital projects to be referred to Council for prior approval.

The Headmasters oversee the recruitment of all educational staff, whilst the Director of Finance and Operations oversees the recruitment of operational staff. The Headmasters and Director of Finance and Operations are invited to attend Council meetings.

The full Council met for a full meeting three times during the year. Due to the Covid-19 pandemic these meetings were held virtually. They attended one Education Day at King's Hall School. The King's College day was cancelled due to the Covid-19 pandemic.

*Education and Pastoral Committee* – the Education and Pastoral Committee is responsible for oversight of the academic performance of the Schools and educational and pastoral policy, making recommendations to Council for approval. The Education and Pastoral Committee met three times during the year, all were held virtually.

*Finance and Estates Committee* – the Finance and Estates Committee has a remit to consider budgets, both revenue and capital, cash flow information, financial reports, including the financial statements, financial policies and relevant financial regulations. It does this through consideration of audit management letters and other reports relating to governance and control of the Schools. It also oversees the Schools' estates strategies, including capital developments and maintenance of the buildings. It makes recommendations to Council for approval. The Finance and Estates Committee met four times during the year, all were held virtually.

*Remuneration Committee* – the Remuneration Committee reviews the performance and remuneration of the Executive. It makes recommendations to Council for approval. The Remuneration Committee met virtually once during the year.

*Appointments Committee* – the Appointments Committee is responsible for managing the recruitment of new Council Members to Council. It ensures an orderly succession policy is in place and that the Council has an appropriate mix of skills and experience. It makes recommendations to Council for approval. The Appointments Committee met twice during the year, both were held virtually.

*Compliance Group* - Compliance Group is charged with overseeing the compliance of both King's College and King's Hall School with all relevant legislation and regulatory requirements. It makes recommendations to Council for approval. The Compliance Group met virtually once during the year.

**Group Structure and Relationships**

The Company has two wholly owned non-charitable subsidiaries, WST Enterprises Limited and King's College Schools International Limited.

The Schools have developed links with a variety of organisations by means of which they enjoy access to information on best practice which enables them to offer the widest possible access to the facilities and educational opportunities which they provide. Council Members and staff ensure that they are able to attain the highest standards of quality and performance through membership of professional associations including the Independent Schools Council, the Headmasters' and Headmistresses'

Conference, the Independent Association of Preparatory Schools, the Independent Schools' Bursars Association, the Association of Governing Bodies of Independent Schools, the Boarding Schools' Association, the Taunton Chamber of Commerce and the Somerset Chamber of Commerce, as well as through involvement in the work of the Independent Schools' Inspectorate, various examining bodies, through networking with peer groups and by many other means.

All the pupils in the two Schools are encouraged to develop an awareness of the social context of the all-round education they receive at the Schools and they are engaged in a number of activities to enhance their understanding and to enrich their experience. There is a thriving association of former pupils of King's College, the Old Aluredian Club, which supports the work of that School. Beyond King's was introduced last year; this is an online initiative, which combines a directory of alumni, pupils, parents and Friends of King's, who are able to connect, support and mentor each other, whilst at school and beyond. Two further organisations, The Friends of King's College and The Friends of King's Hall School, membership of which is open to past and present parents of pupils at the Schools, neighbours and others, also supports the work of the Schools. King's Schools Taunton Limited is a substantial employer in the Taunton area and has responsibility for the care and upkeep of several listed properties and important parts of the local environment.

King's Schools Taunton Limited also cooperates with many local schools and charities in its on-going endeavours to widen public access to the schooling it provides, to optimise the educational use of its cultural and sporting facilities and to awaken in its pupils, in the public interest, an awareness of the social context of the all-round education they receive.

**How the Board Complies with its Section 172 Duty**

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

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

The Directors welcome the new reporting requirement as an opportunity to explain how dialogue with stakeholders has informed and helped to shape decisions in promoting the success of the Schools to achieve their charitable purposes.

As set out on pages 4 and 5 within "Group Structure and Relationships" the Schools have developed links with a wide range of organisations to ensure the widest possible access to our facilities and education. Through membership of HMC, IAPS, AGBIS and ISBA and through networking with peer groups we ensure that we are able to attain the highest standards of quality and performance.

Details of how the Schools have engaged with employees and had regard to employee interests can be found within the Employment Policy and Employee Involvement sections on page 8. Details of volunteer engagement can also be found on page 9.

The Directors can demonstrate the promotion and success of the charity for the benefit of the stakeholders through the review of achievements and performance for the year, included within this Strategic Report. The Schools have continued to benefit from access to high quality academic education as well as pastoral and social support throughout the period of school closure during the summer term. The Schools also play an important role in providing activities for local community groups and access to their facilities.

The Trustees are responsible for strategic planning and policy-making for the Schools and, accordingly, all key decisions, the current performance and future longer-term plans of the charity and stakeholders are referred to and taken by the Board. The Schools are governed by the governing body (Council) which delegates work to a number of committees. Membership of each committee is outlined on page 22. The Governors, who are also the directors, determine the general policy of the company.

As set out in the Strategic report, our culture, staff, volunteer and pupil welfare and wellbeing, throughout the COVID-19 period has been fundamental to continued success. Further information can be found in our Strategic Report and the detailed review of achievements and performance for the year.

### CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

#### Charitable Objects

The Company's objects, as set out in the Articles of Association, are to promote and extend education in accordance with the doctrines and principles of the Church of England, through its two schools, King's Hall School and King's College Taunton. The Council has a written statement of its own Aims and Objectives, most recently fully updated in October 2013, which enshrines the Company's objectives in its own context. From this document flows the Company's strategic plan against which the principal activities are monitored regularly.

In setting the objectives and planning the activities of the Schools, the Council gives careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. King's Schools Taunton Limited is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the Schools and at a level that is consistent with the aim of providing a first class education to all pupils.

The Schools' charitable objectives are 'to promote and extend education', and these objectives are recognised as benefiting the public when pursued in the context of formal education in a body where all surplus funds are re-invested. The Woodard Corporation and all of the schools it owns are charitable bodies, with no external shareholders and no possibility of making distributions, including in the form of dividends. All surpluses are re-invested in education.

#### Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education and they see themselves as communities working together for the benefit of all concerned, and of the Church and the nation. They are strong Christian foundations which adhere to Catholic belief as found in the Church of England, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain. A Woodard education values both the spiritual and moral development of each person within the school community giving strength, confidence and respect for others.

#### Objectives of and Principal Activities for the Year

The principal objective and activity of the Schools is the delivery of education to pupils ranging from 2 to 19 years of age. The Schools aim to support children in reaching their potential in all areas of their activity at the Schools, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life. King's Schools also aim to further extend access to the schools' facilities to the local community.

#### Public Benefit

Within the objects, the Schools aim to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. They provide them with a first class independent education and a wide range of sporting and cultural opportunities. The Schools' public

benefit aim is that all pupils will be self-confident and instilled with a desire to contribute to the wider community.

In the furtherance of these aims the Directors of King's Schools Taunton Limited as the Company's trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

The Schools welcome pupils from all backgrounds. To admit a prospective pupil, the Schools need to be satisfied that they will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the Schools and parents that potential pupils can cope with the pace of learning and benefit from the education they provide. An individual's gender, ethnicity, race, religion or disability do not form part of the assessment processes.

The Schools are a part of a wider community and are keen that their staff and pupils participate. The Schools also offer a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. The Council is committed to developing the programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of the schools are explained in the 'Review of Achievements and Performance for the Year' section of this report.

Woodard and its schools provide a significant benefit to the public. The schools strive to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay fees. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individuals or elements of Woodard are incidental to delivery of the charitable objectives.

### ACCESS POLICY

It is important to the Schools that access to the education offered is not restricted to those who can afford the fees. The School Council believes that pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

The Schools' Awards policies, including for bursaries, contribute to a widening of access to the education they offer and the facilities its pupils enjoy.

### Bursary Policy

The Schools Council views bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by the Schools. All who meet the Schools general entry requirements are eligible for bursary awards which are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means the methodology promulgated by the Independent Schools' Bursars Association is used, which takes a number of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. The funds available for bursaries are limited. When considering awards, the Schools have to be mindful that they must ensure a balance between those parents paying full fees, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

In January 2015 the School Council allocated £1 million of unrestricted funds to a designated Bursary Fund. These funds are invested and the objective is to build this fund significantly through fund raising and accumulating investment income and capital growth. A percentage of the capital sum is contributed to the Schools' bursary programme annually.

The Schools gave significant bursary support to those financially impacted by the Covid-19 pandemic.

The bursary awards range up to 80% remission of fees. Information about fee assistance through bursaries is provided to all applying to the schools. Further details of the bursary policy and how to apply are available on the Schools' websites.

**Other Policies on Assistance:**

***Family discounts policy***
To underline the value placed on continuity for families, discounts are offered where parents have more than one child at the Schools.

***Promoting high academic standards - scholarship policy***
The purpose of scholarship awards is to recognise high academic potential or the ability to excel in co-curricular activities. Scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to co-curricular activities. Scholarships are awarded with a fixed remission of fees of between 10% and 50%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. The Schools include details of the various awards available in their prospectuses and on their websites.

***Assistance for teaching staff***
As part of its emphasis on attracting and retaining high calibre staff, the Schools offer a discount scheme for those staff members who choose to educate their children at the Schools.

***Further assistance***
Support is also available to children of MOD employees and the Clergy.

**Grant Making Policy**

The Schools provided scholarships, grants, prizes and other awards totalling £531,709 from unrestricted funds. In common with other independent schools, King's College Taunton and King's Hall School make these awards based on the educational potential of the pupil (subject to the particular conditions imposed by the original donor where the award is out of restricted funds). The Schools also provided means tested bursaries totalling £1,447,600 (8.1% of gross fees) to families who would not otherwise be able to afford the fees or where the pupil's education and future prospects would otherwise be at risk. This included short and longer-term support to those affected by the impact from the Covid-19 pandemic. They provided assistance to 136 pupils. In partnership with Royal SpringBoard, two of these received 110% remission of fees. The availability of all such awards for fee-assistance, together with the terms and conditions for each kind of award, is advertised on the Schools' websites.

**Employment Policy**

King's Schools Taunton Limited is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability. The Schools will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

**Employee Involvement**

The Schools encourage the involvement of its employees in its management through regular meetings of the staff with management and Governors (in particular with the Governor responsible for staff welfare). Management at all levels have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy. Employees are required to play an active part in appraisal of their performance and are also requested to comment on what the Schools do well and what could be improved.

### Disabled Persons

The Schools will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise.

There will be a training scheme made available for any employees who become injured or disabled during the course of their employment so they can, where possible, continue in employment with the Schools.

### Volunteers

The Schools enjoy the support of a large number of volunteer groups and individuals including, in particular, parents, who help the Schools to raise funds and assist with specific activities and school events. The Council records its deep appreciation for the work of these volunteers; the assistance given would extend to several hundred hours of voluntary service.

### Investment Policy and Objectives

The Company's articles of association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Council's policy is to preserve and enhance the capital value of investments and maximise income consistent with maintaining a balanced investment return from income and capital, with moderate risk.

## STRATEGIC REPORT

### Impact of Coronavirus Pandemic

The Coronavirus pandemic has continued to impact upon King's during the year. Following on from the closure in March 2020, the schools reopened in September 2020 with greatly enhanced health measures in place and additional facilities. Schools were ordered to close again to all except the children of 'Key Workers' in January 2021 (reopening March 2021) and much of the education was again moved online. The impact has been continued levels of uncertainty and risk for the whole education sector. King's Schools Taunton again adapted well to the new situation providing an excellent online educational and support provision during the lockdown period that has been widely appreciated by pupils and parents. In addition, the Finance Office again worked closely with parents regarding charges and supporting those in significant need as a result of the pandemic. The impact on the income for the year to 31st August 2021 has again been significant; but this has been mitigated as much as possible including through the use of the furlough scheme.

During the year, the schools made further adaptations to support social distancing including purchasing hundreds of single desks and spacing them apart in classrooms, one way systems where appropriate, staggered meal times, separated assemblies and chapel services, separated day and boarding bubbles, a massively enhanced cleaning regime, hand washing and sanitising stations all around the school, allocated areas in classrooms, screens where appropriate, and a protocol of cleaning desks after each lesson. King's also has strict isolation protocols in case of suspected infections, including isolation rooms in the health centre and also in the boarding houses. Moreover, King's College also provided quarantining for children at the start of the Summer Term and from red list countries prior to the start of the 2021/22 academic year.

All of our pupils returned in September 2021, including boarding and international pupils, and numbers are very strong with record numbers at the College.

### King's College

The school was closed to pupils on site due to the Covid-19 pandemic from the beginning of the Lent Term until three weeks from the end of that term. Teaching once again was conducted remotely, largely via Teams. A small number of overseas pupils were already in the air on their way to the

school when news of the lockdown broke, so they stayed with us throughout the term.
Once the lockdown ended, a number of overseas pupils did not re-join the school for the remainder of the term, and were supported by a continuing remote provision as part of the "blended" learning programme – classes were conducted on site, with most pupils physically present, while a few joined via Teams.

Lessons were back to normal at the start of the Summer Term, though a number of Covid restrictions remained in place: staff had to wear masks in public spaces, meals were staggered and continued to make use of the extra space provided by the marquee which was erected the previous year. Day pupils remained in their day rooms and were not allowed into boarding houses. Pupils and staff continued to undergo twice-weekly lateral flow tests and to report the results on NHS and school websites.

The school made the decision that GCSE and A level grades would be largely determined by pupils' performances in assessments which closely resembled normal, formal examinations – held in the sports hall under usual exam conditions over a period of three weeks. Mitigating factors were taken into account when deciding each pupil's grades, bearing in mind that the lockdowns and remote learning experiences had affected different children in different ways.

Boarding houses were kept open throughout all three half term breaks.

**King's Hall School**

In response to the closure of schools in January we moved seamlessly to provide a live online remote teaching and learning programme to all pupils through three main platforms. Once again, in the Early Years Foundation Stage this was Tapestry, in Years 1 and 2 it was SeeSaw and from Years 3 to 8 it was via MS Teams. This continued until three weeks before the end of the Lent Term.

We provided on-site care for a significantly increased number of Key Worker children throughout the term time closure.

The core remote learning provision had academic lessons delivered as live with creative and sporting opportunities aplenty being offered, encouraged and reviewed. Musical ensembles and choirs combined digitally, Strava clubs were formed and dramatic, artistic and DT construction challenges set.

The overall provision was excellent and very broad across both schools, and very widely regarded by parents as exceeding their hopes and expectations.

## REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

### King's College

The School's high educational standards are validated through strong public examination results, our measure of value added and through external inspection. The School offers a broad range of subjects, though the emphasis is on traditional, academically rigorous disciplines. We have particular strength in art, history, mathematics, the sciences, languages and design technology. A new A level, in psychology, was introduced at the start of the year and has proved very popular.

*Academic Results*

At both GCSE and A level the academic results for the school were strong this year. For the second year running, grades were generated by the school, based largely on the results of assessments which replicated the usual examinations experience for pupils in the Summer Term. We are confident that the grades are a fair reflection of the ability and hard work of the two cohorts.

At A level, the overall A* to B rate was 85%. In all, 27 pupils gained three or more A or A*s. The great majority of students who had offers from universities have been accepted onto their first or second choice courses.

Subjects which performed particularly well this year, on the measure of the percentage of grades A* to B, include Art, Music, French, Latin, German, Spanish, PE, Philosophy and Russian (all 100%), along with Biology (95%), English (95%), Design Technology (88%) and Physics (85%).

Our BTEC Sport candidates once again performed well, with the majority of grades achieved being at the Distinction or Distinction* level.

King's leavers have gained places at some of the country's leading universities this year, including Oxford, Durham, St Andrew's, Exeter, Bath, Leeds, Liverpool, Manchester, Sheffield, King's London, UCL, Bristol and the University of the Arts London.

At GCSE, the school's overall percentage of grades A*, A, 9, 8 and 7 (equivalent to the old A*s and As) was 64%. Six pupils achieved ten grades of A*, 9 or 8. A further 19 achieved ten or more grades at A*, A, 9, 8 or 7.

Individual departments which did particularly well this year, measured by the percentage of grades A*, A, 9, 8, and 7, included German, Music and Textiles (all 100%), Philosophy and Latin (both 83%), Art (73%), French (72%) and Mathematics (71%).

Four pupils gained silver awards in the Senior Physics Challenge, run by Oxford University. Two pupils won silver in the Chemistry Olympiad, a national competition organised by the Royal Society of Chemistry.

This was another successful year for our debating team. For the second year running, a team of two senior pupils qualified for the Oxford Union Finals Day (among the best five in the South West); and another team of three won the South West final of the ESU Mace competition, which earned them a place in the last 12 nationally at the National Finals' Day in London.

*Improving Facilities*

Continued significant progress was made in the refurbishment of educational and pastoral facilities, including the creation of further study spaces within boarding houses. One girls' house was significantly expanded. High quality temporary classrooms have also been installed nearby. These will be taken away once the new Sixth Form Centre is built - the completion date for which is likely to be Autumn 2022.

*Equestrian*

The equestrian programme continued to grow in popularity, having moved to larger stables nearer to the school. A new arena was completed early in the academic year.

*Arts, Music and Drama*

The drama highlight of the year was the production of *Chicago* at the end of the Summer Term. This had been rehearsed, in year-group bubbles, throughout the year, and was widely considered one of the best productions seen at the school in recent times.

We had the usual regular and very varied programme of music performances through the year. The extensive programme of concerts included the regular Friday Live lunchtime series, broadcast across the whole world from the school reception area.

*Sport and Outdoor Pursuits*

This was one of the most successful sporting years on record.

Our boys' 1st XI cricket team won through to the last rounds of the national T20 Cup, losing narrowly to Malvern School in the final at Arundel.

Our girls' 1st VI tennis team were unbeaten all season.

In swimming, our boys' team won the annual Meade-King Cup quadrangular gala for the first time in 30 years, with the girls coming second.

One of our riders became national champion in the 80cm arena eventing class at Hickstead in May. The school equestrian team qualified for the Addington show jumping competition later in the year. A large number of pupils gained Bronze and Gold Duke of Edinburgh's Awards, adapting well to the restrictions placed on their expeditions by the pandemic.

*CCF*

Captain Steve Shaw had been awarded the Cadet Forces Medal in recognition of unbroken long and efficient service of at least 12 years to the Cadet Forces.

*Remote Teaching*

The school once again provided an outstanding programme of remote learning for all but the final few weeks of the Lent Term, when most pupils were able to return, and continued to provide an excellent "blended" programme to the end of the term, so that pupils not able to return could remain on track. As was the case in the first lockdown the year before, a rich and varied programme of co-curricular activities was sustained throughout.

*Community*

A large number of our pupils were involved in outreach programmes, which included coaching athletics and football at local primary schools.

The School remains involved in the MCC Hub scheme for cricket, which links local cricket clubs, talented players from state schools and high-level coaches, using the School's indoor cricketing facilities.

The school remains an active member of the local Citizens UK branch, leading this year on a campaign for safer streets in Taunton.

*Facilities made open to the public*

For the academic year 2020-21 Covid had a big impact on our external bookings and many events which local music and theatre groups would usually hold in our Chapel and Theatre were unable to go ahead.

There were still some bookings for our outside sports facilities such as the astro-turf hockey pitches, cricket pitches and also the swimming pool, which were used by local clubs and county organisations.

**King's Hall School**

King's Hall School provides a very high standard of education and this is validated by review of the academic results and other achievements and through external inspection. The School offers a broad curriculum and educates children with a wide range of ability. It has an exceptional Forest School on site utilised by all children which makes full use of the School's stunning rural position and proves very popular with children and staff alike. 'Woodland Adventures' and a variety of courses are run during the school holidays as part of the wrap-around care provision. As well as achieving high academic attainment the School is a strong force on the sporting front, especially in rugby, cricket, hockey, netball, tennis and athletics. The School has impressive musical performers; artists with great talent; self-motivated and able designers; its drama and performing arts programme is full, varied and of a very high standard.

The School aims to support children in reaching their potential in all areas of their activity at the School. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or design technology: Year 8 leavers secured 39 scholarships this year and around 200 awards to senior schools have been gained in these six disciplines over the last six years. The School produces well-rounded individuals who are able to make a positive contribution to society. An effective democratically elected Pupil Council operates successfully from Year 3 upwards with 'Pupil Voice' existing in Pre-Prep. There are constant charitable events taking place, with a significant focus this year being towards funds for Comic Relief, Hospice South West, Open Door and Young Somerset.

*Academic Performance*

Year 8 leavers gained thirteen academic scholarships to senior schools. There was a 100% pass rate for all pupils who sat the Common Entrance examinations: all bar one subject achieved over 90% A* to C grades of which five had 100% A* to C grades. Year 6 children gained eight academic scholarships to continue to King's College after Year 8.

*Sport*

King's Hall School continues to compete at a very high level, especially in rugby, hockey, cricket, athletics, tennis, football and netball. Wherever sporting competition was permitted within the Covid guidance, King's Hall children were successful. The 1st XV and the Colts rugby teams had very positive seasons. The boys' and girls' hockey teams won the vast majority of their matches. The girls 1st XI cricket team were undefeated and became County Champions. The boys 1st XI cricket team also became County Champions and the Under 12 boys were County runners up. The Under 11 boys won through to be County Champions and they went on to be regional champions and, following that, in the National Final were runners up. A good number of boys and girls were selected to play for Somerset at their age group.

The tennis teams performed strongly with both boys and girls on the County squads and one boy is the County Tennis Champion for his age group. A large number of children competed in the Exmoor Challenge whilst our riding team won several Show Jumping Classes during the year and also competed at Hickstead. One boy became U13 National squash champion and another boy is the County U12 Squash champion.

Twelve children gained sports scholarships to their senior schools and six won awards in Year 6 to

continue on to King's College.

*Art, DT, Music, Drama and Performing Arts*

An impressive and diverse Art and DT exhibition at the end of the year displayed the various creative talents in the School. Despite Covid, the Specialist Art group still undertook some enrichment activities to extend their knowledge and understanding. The music department put on extremely high quality concerts using technology to combine individual performances in unison. Sadly, external attendance at festivals and competitions was curtailed. We have now completed an initiative to provide instrumental teaching to all children in Years 2, 3 and 4. All children have class lessons on the violin, in Year 3 it is brass and in Year 4 all children have class lessons on a woodwind instrument.

Drama productions continued to be plentiful with the Michaelmas Term seeing Year 8 create three productions within their bubbles. They were extremely high quality performances, with sound including radio microphones, lighting, set and costumes. December saw two excellent nativity productions from Pre-Prep. In March Year 6 produced an array of 6 tales spliced together digitally from individually recorded contributions. Year 4 performed outside in the Summer to two parental audiences. The Speech and Drama activity continues to thrive with many children taking part but external performances and exams did not happen this year.

The King's Hall Arts Week welcomed an enormous range of visitors across the curriculum enriching the experience for the children as well as numerous trips and productions taking place. The theme was 'Circus'. Workshops, trips, visiting artists, authors, storytellers and dance as well as some following the remarkable circus troupe performance.

Three music, two art, three DT and three drama/performing arts scholarships were gained by Year 8 children to senior schools and two music and three performing arts scholarships were gained by children in Year 6.

*Significant projects*

The major focus has been on an internal refurbishment of some boarding accommodation, the renovation of two Forest School huts and surrounds, redecoration of music rooms, roofing in several areas and preparations to clad two more classrooms in the woods.

**International Schools**

KST has a subsidiary company to take advantage of the opportunity to develop schools internationally, applying the successful King's Schools approach to education and personal development. This company works with selected partners who are generally responsible for the day-to-day operation of the schools while King's Schools assist with recruiting key personnel, curriculum and policies. Once a school is operating, personnel from the UK schools provide support to the local management and undertake regular educational and compliance audits to ensure that the King's Schools formula is being applied successfully.

*India*

The school in India continues to grow, though for much of the last academic year the teaching has been largely remote. A new Head is due to start as soon as the Covid situation allows.

*Qatar*

King's College Doha opened on 18 September 2016. It now has 650 children up to Year 9. There continues to be close dialogue and support for the school including the monitoring responsibilities conducted through both a formal inspection as well as regular reports. Plans have been outlined for the opening of a second site in Doha and construction is hoped to be complete to allow for a September 2022 opening.

*Future Schools*

King's College Riyadh is due to open in September 2021 welcoming pupils up to Year 3.

The launch of King's College Cairo has been announced and construction is underway for an opening in September 2022.

**Key Performance Indicators**

KST uses KPIs internally and externally in line with anonymised results from national surveys. These KPIs include surplus, pupil numbers, and academic results. These KPIs are analysed within KST, by Governors and also by the Woodard Corporation.

**Statement on Brexit**

Following the outcome of the UK referendum on European Union membership, the UK left the European Union on 31st January 2020. In preparation for this date, and in anticipation of the transition period, the school reviewed operations to understand and plan for the initial impact from Brexit. Guidance was also available from a number of sources including the Independent Schools Bursars Association. At this stage it is not possible to implement comprehensive policies for all possible changes as the future trade, visa and travel agreements are not all yet in place. The school will continue to work with relevant authorities, staff, parents and suppliers to fully understand the impact in all areas including visa requirements, the supply chain and data handling and protection, in order to minimise risk and potential disruption.

**Funds held as custodian trustee on behalf of others**

KST does not hold funds or act as custodian trustee on behalf of others

## FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The net income for the year amounted to a surplus of £258,555. This is in line with expectations in response to the impact from Covid-19. Despite activities being reduced this year due to the continuing impact from Covid-19, WST Enterprises Limited continues to hire out the Schools' facilities during holidays and school hours where it can, as well as undertaking commercial activity on behalf of the Schools and externally. The very successful national and international cricket festival will return stronger in the summer 2022. WST Enterprises Limited contributed £5,027 to the Schools' operating results. King's College Schools International Limited contributed £143,463 to the Schools' operating results with turnover of £162,589 contributing to the Group results. The Equity Shareholders' Funds increased by £258,555.

The parents of pupils often make significant sacrifices to pay the fees. In doing so they help to relieve UK taxpayers of the financial burden of educating a significant number of UK based children. The saving made by the Schools is estimated to have a value in the last year of £3.9 million.

The Company is unable to recover the VAT on purchases it makes. During the past year, King's Schools Taunton Limited has paid an estimated £721,683 in VAT on goods and services.

## RESERVES POLICY

It has been the Council's policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the Schools without the requirement to have recourse to sales of tangible fixed assets, except where those are no longer required for the primary purpose of the Schools. At year end the Council consider that the Charity holds sufficient funds to meet these needs.

KST currently has a small level of free reserves (£162,273) and, although there is not a specific target, intends to build them up over time. At the present stage in the development cycle the free reserves are being utilised in order to finance on-going improvements and the provision of additional facilities in accordance with the Schools' strategic plan. The Schools continue to invest in their infrastructure, both with new capital projects and to deliver significant repairs and improvements to existing facilities.

The Council continues to keep the Schools' banking facilities under review to ensure they remain appropriate to support the Schools' working capital requirements. The restricted reserve is invested both in cash and a balanced range of quoted investments. The unrestricted reserves are primarily invested in tangible fixed assets and investments which are all used for the Schools' direct charitable activities.

*Bursary fund.* The Council recognises the long term need to support families who could otherwise not afford the full school fees. In 2015 the Council allocated £1m to a Bursary fund, the income from which will go to support the Council's extensive bursary programme. It is the intention to grow this fund in the long term. At 31 August 2021 the investments within this Fund were valued at £2,186,776

*Pension Deficit fund.* The Company has a contingent liability of some £476,150 in relation to a deficit on its Pension Trust Growth Plan scheme (see also note 20). In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund is now larger than the deficit. At 31 August 2021 the investments within this Fund were valued at £600,345.

**Investment Performance against Objectives**

***Bursary Fund***
The portfolio, managed by Cazenove Capital, was valued at £2,186,776 on 31 August 2021 (31 August 2020: £1,337,700).

Over the period the portfolio return was 16.7%, adjusted for additions and withdrawals. The trustees have adopted a total return approach, and the withdrawals are met from a combination of income and capital as appropriate. The portfolio is invested in accordance with the agreed investment strategy.

N.B. The rise in value linked not only to a strong investment performance period, but also the addition from the surplus within the Pension Deficit Fund of £587,258 in March 2021, and the inflow of £71,589 on 15 December 2020 from the overseas school.

***Pension Deficit Fund***
The portfolio, managed by Cazenove Capital, was valued at £600,345 on 31 August 2021 (31 August 2020: £1,158,954).

Over the period the portfolio return was 2.4%. There is currently no income drawn from the portfolio; income is re-invested.

N.B. The reduction in value during the period was caused by the re-allocation of £587,258 in March 2021 as per instructions from the Trustees.

**Engagement with Suppliers, Customers and Others in a Business Relationship with KST**

King's Schools seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the schools' operations.

During the year the schools have further promoted this engagement though specific initiatives including:

- Regular communication and engagement with parents and prospective parents of pupils attending KST to enhance the understanding of the provision to each pupil and to fully coordinate support to pupils from parents and the schools;

- Engagement with other educational organisations and partners at local and national levels to share best practice and to provide peer support;
- Dialogues with local councils on matters which impact children and families in the community as well as those that relate to the operation of each school;
- Engaging with local businesses to promote career and educational opportunities for pupils for their mutual benefit;
- Seeking opportunities to engage with local and national suppliers in the area;
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to KST;
- In particular, KST has adopted the government's policies and guidance during the Coronavirus pandemic and sought to maximise its support to all suppliers through the crisis in order to sustain their support and services in the future;
- Promoting and encouraging pupil and staff opportunities to engage in local voluntary and other projects to support the community; and
- Providing community access to KST and, in many cases, adopting a role that puts the school at the heart of the community.

**How the School Council Complies with Section 172 of the Companies Act**

*Promoting the success of the charitable group*

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charitable group to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

*The likely consequence of any decision in the long term*

KST makes all key decisions through reference to its long-term strategic plan and after projecting the timing and impact of such decisions. This strategy is primarily designed around the objective to improve the educational outcome for pupils. Every decision and strategy or policy adopted is regularly reviewed for its impact on stakeholders, and the need for any change is identified and implemented.

*The interests of the charitable group's employees*

Our employees are vital to KST and we regard ongoing, regular engagement with them as a top priority. KST seeks employee engagement through regular feedback and meetings, including formal appraisals. We address any issues raised by our employees as quickly as possible and communicate back to them what we have done. Staff are offered access to support, and all parts of KST seek to ensure that staff welfare is actively considered and addressed. Through application of up-to-date health and safety policies, and regular meetings and consultations, we also actively seek to ensure that the working environment meets necessary high standards of safety and security.

*The need to foster the charitable group's business relationships with suppliers, customers, and others*

Our relationships with partners and suppliers are key to our effectiveness. KST actively seeks to engage in service reviews with key suppliers, and the Woodard procurement manager assists in this process for business-critical activities. These reviews are focussed on a two-way relationship with KST based with an aim of helping one another to achieve an optimum service as efficiently as possible, achieving best value for money. Where KST has procured outsourced services, we seek to ensure that staff and management from that contractor are supported as an equal member of the school communities, and as stakeholders.

*The impact of the charitable group's operations on the community and the environment*

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. As well as covering environmental issues in our schools' curriculums, KST encourages staff and pupils to participate in initiatives to reduce negative environmental impacts. Our school promotes recycling of waste and is involved in actions to maximise efficiency in energy consumption.

*The desirability of the group maintaining a reputation for high standards of business conduct*

Our reputation and public trust in KST is fundamental to our future success. Our ethos and values are a fundamental part of employee recruitment and training to ensure that we maintain high standards; the same basis is used in appraisal processes. We apply similar values and procedures in choosing school partners and suppliers both in the UK and abroad.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Coronavirus Pandemic**

These financial statements were compiled during the Covid 19 global pandemic, shortly after the majority of the restrictions on daily living had been relaxed, and after a vaccine was identified and delivered to the majority of the adult population. Like most trustees, the governors keep under consideration the impact of a catastrophic event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below is therefore reflective of a more stable environment and does not specifically look at the pandemic, or other similar events, but offers a wider view of common events plus a specific risk looking at those events that could impact the continuity of education. However, the threat of a global pandemic or serious illness/disease is considered as part of the Governors' Risk Register.

**Risk Management**

The governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. The numbers across both schools are currently very strong, but there is no room for complacency. For September 2020, despite a number of increased costs, the governing body froze all fees at the 2019 level. This was due to the considerable uncertainty facing our parents at this extremely difficult time. For September 2021 the governing body has again limited fee changes, to an overall 3 to 3.5% increase.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the respective schools' sites on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The Council is responsible for the identification and management of risks. It has a Risk Management Policy and maintains a Risk Register for the Schools and the subsidiary trading companies. It undertakes regular reviews of the risk management processes which are in place and examines the major specific risks which the Schools face each financial year when considering forward plans. The Schools and the subsidiary companies have developed systems to monitor and control these and sundry lesser risks to mitigate any impact that they may have on the Schools and the Group in the future.

The principal risks to which the Schools are exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas include:

- the governors consider possible serious critical incidents/events and ensure that the school has a plan in place to allow education to continue in a range of different scenarios;
- the market in which the Schools operate, which is highly competitive and requires us to monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience;
- the fact that the Schools operate in a highly regulated sector, including the area of child protection and safeguarding. To assist us we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements as well as having school or individual membership of bodies being the constituent associations of the Independent Schools Council, ensuring that we have access to up to date information and support;
- the fact that the Schools operate in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all relevant challenges; and

- the difficult economic conditions, locally, nationally and internationally; Directors and senior managers in the Schools keep abreast of economic conditions to identify trends and develop plans to address issues.

The key controls used by the Schools include:

- formal agendas and minutes for all meetings of the Council and committees;
- terms of reference for all committees;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and clear reporting lines;
- comprehensive formal written policies regarding key areas;
- clear authorisation limits;
- vetting procedures as required by law, for protection of the vulnerable;
- regular contact between the Custos, chairs of Council committees, senior officers and other staff;
- regular attendance on relevant training courses by Council Members and staff; and
- the maintenance and regular review of a detailed Risk Register.

The Schools plan strategically having regard for risk. The management provides the School Council with regular reports which include details of the principal strategic objectives and the activity to achieve those objectives. The Schools also record significant achievements and update the Council and the Woodard Board on short-term plans.

**Financial Risk Management Objectives and Policies**

The Company is currently debt free and therefore has no interest risk exposure. The Company uses its trade debtors, creditors and operating lease arrangements to manage its cash flow and ensure that liquidity risk is minimised. The Company's investments are managed externally by a firm of professional investment managers.

## GOING CONCERN

The governing body has reviewed the impact of the global pandemic on school operations and finances. In the year to 31st August 2021, the financial impact was mitigated through use of the various elements of support provided by the Government including the Coronavirus Job Retention Scheme (furlough scheme) and by some reduced variable costs. The governing body recognise that the financial implications in 2020-21 brought about as a result of the pandemic will continue into 2021-22, and possibly beyond, and continues to rework plans for the coming year, to ensure the financial impact on the school continues to be mitigated in the most appropriate way.

Having considered all factors and reviewing the available evidence, the directors have a reasonable expectation that the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 33.

## FUTURE PLANS

**King's Schools**
The objectives set for the year were mainly achieved despite the extraordinary circumstances of the ongoing COVID-19 Pandemic.

Within the constraints of the impact from the COVID-19 Pandemic and subject to confirmation at the 2021/22 Strategy Meeting, the key aims for 2021-22 are:

1. To continue the development of a culture of excellence with a relentless focus on improvement in a nurturing and creative environment

2. To work towards a 5% year on year surplus to support the long-term sustainability of King's College and King's Hall
3. To continue to support expansion in the number of international schools with our partners, enabling significant additional income and enriching activities for King's Hall and King's College
4. To continue to focus on raising admissions, including establishing new markets, until full capacity is reached for both schools
5. Development of a 5-10-year strategy that reflects the changing external environment
6. As part of overarching strategy to complete the estates plan
7. To work towards the establishment of an overarching sustainability strategy covering both schools
8. To demonstrate continued focus on the EDI agenda – especially at Board level.

**King's College**
The objectives set for the year were achieved.

The key aims for 2021-22 are:

1. To commence building the Sixth Form Centre, with completion due in the Michaelmas 2022, and to raise in excess of £1million towards the project through donations
2. To build on last year's academic success and to maintain positive value-added results in all departments
3. To consistently maintain total numbers of 480 and beyond in the College
4. To explore and develop our connections and partnerships to ensure that the benefit of the school to the community continues to grow
5. To ensure a smooth handover to a new Headmaster in September 2022
6. To continue to ensure King's College is inspection-ready.

**King's Hall**
The objectives set for the year were mainly achieved despite the extraordinary circumstances of the ongoing COVID-19 Pandemic.

The key aims for 2021-22 are:

1. To sustain the high level of Scholarship and 13+ successes and to maintain positive value-added results in all departments
2. To further extend links with Nurseries and Primary schools in the area
3. To raise total numbers towards 320 in the school
4. To explore and develop our connections and partnerships to ensure that the benefit of the school to the community continues to grow
5. To continue to ensure King's Hall is inspection-ready.

## GROUP STREAMLINED ENERGY AND CARBON REPORTING

| | **2020-21** | **2019-20** |
|---|---|---|
| Energy consumption used to calculate emissions (kWh) | **6,631,655.06** | 5,514,569.90 |
| Energy consumption break down (kWh): | | |
| • gas | **3,887,998.50** | 3,118.257.00 |
| • electricity | **1,484,278.50** | 1,399,664.00 |
| • transport fuel | **167,915.43** | 216,021.29 |
| • Delivery Vehs Diesel | **8,974.86** | 13,893.89 |
| • Fuel – Garden Machinery | **8,702.57** | 3,231.09 |
| • burning oil | **-** | 25,708.00 |
| • gas oil | **1,073,785.20** | 737,795.04 |

| | | |
|---|---|---|
| **Scope 1** emissions in metric tonnes CO2e | | |
| Gas consumption | **714.88** | 573.35 |
| Owned transport – mini-buses | **34.89** | 36.92 |
| Delivery Vehs | **2.36** | 3.84 |
| Other Passenger Vehicles | **3.79** | 4.57 |
| Garden Machinery | **2.47** | 0.92 |
| Burning Oil | - | 6.34 |
| Gas Oil | **275.72** | 189.45 |
| **Total Scope 1** | **1,034.11** | 815.39 |
| | | |
| **Scope 2** emissions in metric tonnes CO2e | | |
| Purchased electricity | **346.04** | 326.32 |
| **Scope 3** emissions in metric tonnes CO2e | | |
| Business travel in employee-owned vehicles | 4.94 | 8.34 |
| **Total gross emissions in metric tonnes CO2e** | **1,385.09** | **1,150.05** |
| **Intensity ratio Tonnes CO2e per pupil** | **1.84** | **1.56** |

Group reporting requires us to include all subsidiaries and related companies that qualify. The numbers above include all qualifying subsidiaries and related companies, being King's Schools Taunton Limited, WST Enterprises Limited and King's College Schools International Limited.

*Quantification and reporting methodology*

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas (GHG) Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

*Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil. The measurement from 2019/20 was artificially low due to the impact of Covid with the school sites largely closed for over five months. In 2020/21 Covid-mitigation measures were in place including extra common rooms for the day pupils in their year-bubbles, marquees and additional toilets. All requiring heating and lighting. In addition, the need for greater air-flow with windows and doors open has also had a negative carbon impact.

*Measures taken to improve efficiency*

During the year, the schools implemented a number of initiatives to improve the efficiency of energy use. These included:

- Reviews of light fittings across both sites to seek alternatives, and installation of LED lighting where possible;
- Encouraging staff, through communication and signage, to turn off lights and close windows (Covid measures) when exiting rooms or installing motion sensors so that lighting is only on when rooms are being used;
- Encouraging staff, through communication, to turn down radiators;
- Replacement of old inefficient gas boilers with more efficient condensing boilers;
- Adjusting timers on lighting and heating systems to minimise the energy demand when not required or to minimise the time delays on switch off timers to minimum practical levels; and
- Replacement of old cookers, washing machines, etc with high energy efficient appliances.

Going forward the school is engaging in a number of projects to improve energy efficiency in future years as follows:

- Engagement where appropriate with the Energy Saving Opportunities Scheme (ESOS) to identify possible areas for energy saving;
- Creation of long-term energy efficiency plans;
- Including energy efficiency as a high priority item in construction of new buildings with consideration of underfloor heating, energy controls, solar panels and air source heat pumps – our next new build will be carbon neutral for energy;
- Ongoing review of settings and the operation of building management systems to ensure that energy use is minimised according to the need of pupils and staff;
- Installation of campus-wide building management systems to optimise energy usage;
- Replacement of diesel-powered equipment with electric items;
- Encouraging staff to use public transport, bicycles and walking as an alternative mode of transport including promotion of the Cycle to Work Scheme and possible exploration of salary exchange for leasing electric vehicles;
- Encouraging staff to minimise travel and promoting the use of technology for meetings and other communications; and
- Initiatives through reviews of school travel plans to encourage pupils to travel from home to school by walking or cycling or on school provided transport.

**DIRECTORS**

The Directors who served during the year, and the committees of which they are members, are:

| | | |
|---|---|---|
| L M Nash (Custos) | | All committees |
| Dr R A K Mott (Vice-Custos) | | All committees |
| S J Carder | (retired 30 November 2020) | Education and Pastoral |
| C A Cavaghan-Pack | | Education and Pastoral |
| C A Cooper | | Finance and Estates |
| G P Davis | (retired 31 August 2021) | Finance and Estates, Remuneration |
| M D Featherstone | | Education and Pastoral |
| M A Gunn | (appointed 17 March 2021) | Education and Pastoral |
| C H Hirst | | Education and Pastoral, Remuneration |
| J E R Houghton | | Finance and Estates |
| R M U Lambert | | Finance and Estates |
| W J Morrison | | Finance and Estates |
| L C Scott | (retired 26 April 2021) | Education and Pastoral |
| Bishop Nigel Stock | | Education and Pastoral |
| M F Trimble | | Finance and Estates, Remuneration, Appointments |
| Commodore J R A Woodard | | Education and Pastoral |

None of the Directors has any beneficial interest in the Company.

**Exemptions from disclosure**

KST has not taken advantage of any exemption from disclosure in relation to trustee details.

## DIRECTORS' REPORT (incorporating the STRATEGIC REPORT)
*YEAR ENDED 31 AUGUST 2021*

### AUDITORS

RSM UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

### DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

This Directors' Report (including the Strategic Report) was approved by the board of directors of King's Schools Taunton Limited on 9 December 2021 and signed on their behalf:

**L M Nash**
Chair

# KING'S SCHOOLS TAUNTON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED
## *YEAR ENDED 31 AUGUST 2021*

### Opinion

We have audited the financial statements of King's Schools Taunton Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and the 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

### Conclusions relating to going concern

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

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

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

### Other information

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

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 Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Directors' responsibilities set out on page 23, 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 Directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

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

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

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

# KING'S SCHOOLS TAUNTON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED
***YEAR ENDED 31 AUGUST 2021***

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**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.

RSM UK Audit LLP

Kevin Barwick (Senior Statutory Auditor)
For and on behalf of
RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

21 December 2021

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2021*

| | Notes | Unrestricted Funds | Restricted Funds | Total 2021 | *Total 2020* |
|---|---|---|---|---|---|
| | | £ | £ | £ | *£* |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | | 12,846,580 | - | **12,846,580** | *12,407,317* |
| Ancillary trading income | 2 | 915,707 | - | **915,707** | *624,185* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 3 | 189,349 | - | **189,349** | *228,266* |
| Other activities | 3 | - | - | **-** | *9,872* |
| **Investments** | | | | | |
| Investment Income | 4 | 26,913 | - | **26,913** | *36,165* |
| Bank and other interest | 5 | 511 | - | **511** | 12,411 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 6 | 360,591 | 211,063 | **571,654** | *786,667* |
| **TOTAL INCOME** | | **14,339,651** | **211,063** | **14,550,714** | *14,104,883* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Non-ancillary trading | 7 | 24,973 | - | **24,973** | *30,047* |
| Financing costs | 7 | (14,980) | - | **(14,980)** | *(78,837)* |
| Investment management | 7 | 18,521 | - | **18,521** | *20,497* |
| | | **28,514** | - | **28,514** | *(28,293)* |
| **Charitable Activities** | | | | | |
| Education and grant making | 7 | 14,529,554 | 19,200 | **14,548,754** | *14,208,853* |
| **TOTAL EXPENDITURE** | | **14,558,068** | **19,200** | **14,577,268** | *14,180,560* |
| **Net income and expenditure before transfers** | | **(218,417)** | **191,863** | **(26,554)** | *(75,677)* |
| Realised gains/(losses) on investment assets | 13 | 66,092 | - | **66,092** | *(28,468)* |
| Unrealised gains on investment assets | 13 | 219,017 | - | **219,017** | *53,813* |
| **Net income** | | **66,692** | **191,863** | **258,555** | **(50,332)** |
| Transfers between funds | 21 | 875 | (875) | **-** | **-** |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **67,567** | **190,988** | **258,555** | *(50,332)* |
| Fund balances at 1 September 2020 | | 18,180,155 | 213,315 | 18,393,470 | *18,443,802* |
| **FUND BALANCES at 31 August 2021** | | **18,247,722** | **404,303** | **18,652,025** | *18,393,470* |

In the prior year, all income and expenditure related to unsrestricted funds, with the exception of £29,853 of voluntary income and £6,520 of grant making expenditure which related to restricted funds.

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 notes on pages 33 to 53 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2021*

| | Notes | Unrestricted Funds | Restricted Funds | Total 2021 | *Total 2020* |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | | 12,846,580 | - | **12,846,580** | *12,407,317* |
| Ancillary trading income | 2 | 915,707 | - | **915,707** | *624,185* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 3 | 164,376 | - | **164,376** | *198,219* |
| Other activities | 3 | - | - | **-** | 9,872 |
| **Investments** | | | | | |
| Investment Income | 4 | 26,913 | - | **26,913** | *36,165* |
| Bank and other interest | 5 | 511 | - | **511** | 12,411 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 6 | 360,591 | 211,063 | **571,654** | *786,667* |
| **TOTAL INCOME** | | **14,314,678** | **211,063** | **14,525,741** | *14,074,836* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Financing costs | 7 | (14,980) | - | **(14,980)** | *(78,837)* |
| Investment management | 7 | 18,521 | - | **18,521** | *20,497* |
| | | **3,541** | **-** | **3,541** | *(58,340)* |
| **Charitable Activities** | | | | | |
| Education and grant making | 7 | 14,529,554 | 19,200 | **14,548,754** | *14,208,853* |
| **TOTAL EXPENDITURE** | | **14,533,095** | **19,200** | **14,552,295** | *14,150,513* |
| **Net income and expenditure before transfers** | | **(218,417)** | **191,863** | **(26,554)** | *(75,677)* |
| Realised gains/(losses) on investment assets | 13 | 66,092 | - | **66,092** | *(28,468)* |
| Unrealised gains on investment assets | 13 | 219,017 | - | **219,017** | *53,813* |
| **Net income** | | **66,692** | **191,863** | **258,555** | *(50,332)* |
| Transfers between funds | 21 | 875 | (875) | **-** | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **67,567** | **190,988** | **258,555** | *(50,332)* |
| Fund balances at 1 September 2020 | | 18,180,155 | 213,315 | **18,393,470** | *18,443,802* |
| **FUND BALANCES at 31 August 2021** | | **18,247,722** | **404,303** | **18,652,025** | *18,393,470* |

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.

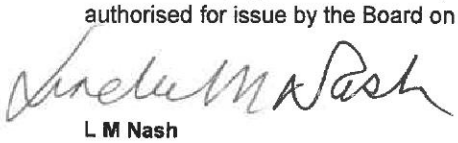
The notes on pages 33 to 53 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED AND CHARITY BALANCE SHEETS
## *AS AT 31 AUGUST 2021*

| | Notes | GROUP 2021 £ | GROUP *2020* £ | CHARITY 2021 £ | CHARITY *2020* £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | **15,235,322** | *15,506,882* | **15,235,322** | *15,506,882* |
| Investments | 13 | **2,724,114** | *2,249,599* | **2,724,114** | *2,249,599* |
| Investments in subsidaries | 13 | **-** | *-* | **101** | 101 |
| | | **17,959,436** | *17,756,481* | **17,959,537** | *17,756,582* |
| **CURRENT ASSETS** | | | | | |
| Stocks | | **15,145** | *22,782* | **15,145** | *22,782* |
| Debtors | 14 | **675,459** | *678,743* | **1,376,795** | *1,285,986* |
| Cash | | **6,761,413** | *5,911,109* | **6,055,298** | *5,280,509* |
| | | **7,452,017** | *6,612,634* | **7,447,238** | *6,589,277* |
| **CREDITORS:** due within one year | 15 | **(5,154,915)** | *(4,392,603)* | **(5,150,237)** | *(4,369,347)* |
| **NET CURRENT ASSETS** | | **2,297,102** | *2,220,031* | **2,297,001** | *2,219,930* |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **20,256,538** | *19,976,512* | **20,256,538** | *19,976,512* |
| **CREDITORS:** due after more than one year | 16 | **(1,604,413)** | *(1,582,942)* | **(1,604,413)** | *(1,582,942)* |
| **TOTAL NET ASSETS** | | **18,652,125** | *18,393,570* | **18,652,125** | *18,393,570* |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 18 | **100** | *100* | **100** | *100* |
| **FUNDS** | | | | | |
| Restricted funds | 21 | **404,303** | *213,315* | **404,303** | *213,315* |
| Unrestricted funds | | | | | |
| General | 21 | **15,397,495** | *15,653,483* | **15,397,495** | *15,653,483* |
| Designated | 21 | **2,850,227** | *2,526,672* | **2,850,227** | *2,526,672* |
| | | **18,247,722** | *18,180,155* | **18,247,722** | *18,180,155* |
| **EQUITY SHAREHOLDERS' FUNDS** | | **18,652,125** | *18,393,570* | **18,652,125** | *18,393,570* |

The notes on pages 33 to 53 form part of these financial statements. The financial statements were approved and authorised for issue by the Board on 9 December 2021 and signed on its behalf by



**L M Nash**
**Director**

Company registration number 05084301

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS AND NOTES TO THE CASH FLOW STATEMENT
## *AS AT 31 AUGUST 2021*

| | 2021<br>£ | *2020*<br>£ |
|---|---|---|
| **Cash flows from operating activities:** | | |
| **Net cash provided by (used in) operating activities** | **1,230,678** | *44,322* |
| **Cash flows from investing activities:** | | |
| Dividends, interest and rents from investments | **27,424** | *48,576* |
| Purchase of property, plant and equipment | **(191,025)** | *(121,386)* |
| Proceeds from sale of investments | **1,866,357** | *490,102* |
| Purchase of investments | **(2,074,277)** | *(440,951)* |
| **Net cash provided by (used in) investing activities** | **(371,521)** | *(23,659)* |
| **Cash flows from financing activities:** | | |
| Financing costs | **(8,853)** | *(9,943)* |
| **Net cash provided by (used in) financing activities** | **(8,853)** | *(9,943)* |
| **Change in cash and cash equivalents in the year** | **850,304** | *10,720* |
| **Cash and cash equivalents at the beginning of the year** | **5,911,109** | *5,900,389* |
| **Cash and cash equivalents at the end of the year** | **6,761,413** | *5,911,109* |

**Reconciliation of net income/(expenditure) to net cash flow from operating activities**

| | 2021<br>£ | *2020*<br>£ |
|---|---|---|
| **Net income/(expenditure) for period (as per the Statement of Financial Activities)** | **258,555** | *(50,332)* |
| **Adjustments for:** | | |
| Depreciation charges | **462,584** | *507,740* |
| (Gains)/losses on investments | **(285,116)** | *(25,345)* |
| Dividends, interest and rents from investments | **(27,424)** | *(48,576)* |
| Financing costs | **27,374** | *30,440* |
| Decrease/(increase) in stocks | **7,637** | *(1,314)* |
| Decrease/(increase) in debtors | **3,284** | *(84,081)* |
| Increase/(decrease) in creditors | **783,784** | *(284,210)* |
| **Net cash provided by (used in) operating activities** | **1,230,678** | *44,322* |

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS AND NOTES TO THE CASH FLOW STATEMENT
## *AS AT 31 AUGUST 2021*

| | 2021 | *2020* |
|---|---|---|
| | £ | £ |
| **Analysis of cash and cash equivalents** | | |
| Cash at bank and in hand | **6,761,413** | *5,911,109* |
| **Total cash and cash equivalents** | **6,761,413** | *5,911,109* |

**Analysis of changes in Net Debt**

| | At 1st Sept 2020 | Cash flows | Other non-cash changes | At 31st Aug 2021 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cash and cash equivalents** | | | | |
| Cash at bank and in hand | **5,911,109** | **850,304** | **-** | **6,761,413** |
| **Total** | **5,911,109** | **850,304** | **-** | **6,761,413** |

## 1 ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) **Basis of accounting**

The accounts of the Group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK accounting standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

King's Schools Taunton Limited meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 33 and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in Sterling (£) and the functional currency is sterling (£).

b) **Going Concern**

The accounts have been prepared on a going concern basis. The King's Schools' Board reviews the financial information for the company and the group and considers whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts.

Having considered all factors and reviewing the available evidence, the directors have a reasonable expectation that the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis.

The governing body has reviewed the impact of the global pandemic on school operations and finances. In the year to 31st August 2021, the financial impact was mitigated through use of the various elements of support provided by the Government including the Coronavirus Job Retention Scheme (furlough scheme) and by some reduced variable costs. The governing body recognise that the financial implications in 2020-21 brought about as a result of the pandemic will continue into 2021-22, and possibly beyond, and continues to rework plans for the coming year, to ensure the financial impact on the school continues to be mitigated in the most appropriate way.

c) **Group accounts**

The financial statements consolidate the financial statements of the Company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Enitities are consolidated where King's Schools Taunton Limited exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

d) **School fees receivable and similar income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

1. **ACCOUNTING POLICIES** (continued)

e) **Ancillary and non-ancillary trading income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

f) **Voluntary sources, grants and donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

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

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

g) **Coronavirus Job Retention Scheme (CJRS) Income**

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the organisation with no future related costs. It is recognised as income in the period in which it becomes receivable within 'Other – Grants and Donations" (note 6).

h) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

The cost of refurbishing and converting existing buildings is written off in the year in which it is incurred except where the useful life has been extended.

i) **Pension costs**

The Company participates in The Teachers' Pensions Scheme, which is an unfunded Government scheme, and The Pensions Trust Growth Plan, both of which provide benefits based on final pensionable pay. The funds of the schemes are separate from the Company, although the Company share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as a defined contribution scheme. The Company also contributes to other defined contribution pension schemes for non-teaching staff.

1. **ACCOUNTING POLICIES** (continued)

i) Pension costs continued

The Company historically offered membership of The Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth Plan is a multi employer pension scheme where the scheme assets are pooled for investment purposes and cannot be atributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the Company, though, due to the guarantees inherent in the scheme, the Company remains potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for as if it were a defined contribution scheme, with contributions recorded as they become payable.

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. More detail is given in note 20.

j) **Tangible fixed assets and depreciation**

In accordance with Section 35.10 (d) of FRS102, King's Schools Taunton Limited has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---|---|
| - Freehold land is not depreciated | |
| - Freehold buildings: | Variable according to the building and written off over the expected useful life (see paragraph below) |
| - Freehold improvements: | Over the useful economic life of the improvement |
| - Computer equipment | 25% on cost |
| - Fixtures and fittings | 4% - 50% on cost |
| - Plant and machinery | 10% - 20% on cost |
| - Motor vehicles | 25% on cost |

The Company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The Company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. The Directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the Directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

The Company exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

1. **ACCOUNTING POLICIES** (continued)

k) **Financial instruments**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

l) **Investments and Fees in Advance Investments**

Investments and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Realised and unrealised investment gains and losses are recognised as 'net gains/(losses) on investment assets' in the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

m) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

n) **Leasing commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the SOFA over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

o) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.
Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet.

p) **Fund accounts**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the Directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1. **ACCOUNTING POLICIES** (continued)

q) **Taxation**

King's Schools Taunton Limited is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The Company has two subsidiary companies that are subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The corporation tax arising on the subsidiary companies' profit for the year is mitigated by the payment of Gift Aid by these entities to the School.

## 2 CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME

| | Group and Charity | |
|---|---|---|
| | **2021** | *2020* |
| | **£** | *£* |
| Extra subjects | **619,321** | *368,280* |
| Entrance and registration fees and fees in lieu of notice | **93,672** | *88,730* |
| Commissions and other income | **202,714** | *167,175* |
| | **915,707** | *624,185* |

## 3 OTHER TRADING ACTIVITIES

| | Group | |
|---|---|---|
| | **2021** | *2020* |
| **Non-ancillary trading income** | **£** | *£* |
| Rents receivable and other sales | **15,886** | *4,800* |
| WST Enterprises Limited | **10,874** | *64,335* |
| King's College Schools International Limited | **162,589** | *159,131* |
| | **189,349** | *228,266* |

| | Charity | |
|---|---|---|
| | **2021** | *2020* |
| **Non-ancillary trading income** | **£** | *£* |
| Rents receivable and other sales | **15,886** | *4,800* |
| WST Enterprises Limited | **5,027** | *50,242* |
| King's College Schools International Limited | **143,463** | *143,177* |
| | **164,376** | *198,219* |

| | Group and Charity | |
|---|---|---|
| **Other activities** | **2021** | *2020* |
| | **£** | *£* |
| Interest on overdue fees | **-** | *9,872* |
| | **-** | *9,872* |

## 4 INVESTMENTS - INVESTMENT INCOME

| | | | Group and Charity | |
|---|---|---|---|---|
| | | | **Total** | *Total* |
| | **Unrestricted** | **Restricted** | **2021** | *2020* |
| **Securities investment income** | **£** | **£** | **£** | *£* |
| Equities | 11,028 | - | **11,028** | *15,141* |
| Fixed interest | 8,875 | - | **8,875** | *18,673* |
| Alternatives | 7,010 | - | **7,010** | *2,351* |
| | 26,913 | - | **26,913** | *36,165* |

## 5 INVESTMENTS - BANK AND OTHER INTEREST

| | | | Group and Charity | |
|---|---|---|---|---|
| | | | **Total** | *Total* |
| | **Unrestricted** | **Restricted** | **2021** | *2020* |
| | **£** | **£** | **£** | *£* |
| Bank interest | 511 | - | **511** | *12,411* |
| | 511 | - | **511** | *12,411* |

## 6 VOLUNTARY SOURCES - GRANTS AND DONATIONS

| | Unrestricted | Restricted | Group and Charity Total 2021 | *Total 2020* |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Government Grant CJRS | 244,548 | - | **244,548** | *618,531* |
| Donations | 116,043 | 211,063 | **327,106** | *168,136* |
| | 360,591 | 211,063 | **571,654** | *786,667* |

## 7 ANALYSIS OF EXPENDITURE

### a) Total Expenditure

| | Staff Costs (note 9) | Support Costs | Group Depreciation (note 12) | Total 2021 | *Total 2020* |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Costs of raising funds:** | | | | | |
| Non ancillary trading | 648 | 24,325 | - | **24,973** | *30,047* |
| Financing cost (note 8) | - | (14,980) | - | **(14,980)** | *(78,837)* |
| Investment management | - | 18,521 | - | **18,521** | *20,497* |
| **Total cost of raising funds** | 648 | 27,866 | - | 28,514 | *(28,293)* |
| **Charitable expenditure** | | | | | |
| Teaching | 6,106,899 | 511,647 | 28,616 | **6,647,162** | *6,837,398* |
| Welfare | 718,562 | 1,203,549 | 4,707 | **1,926,818** | *1,656,591* |
| Premises | 858,637 | 2,027,240 | 272,755 | **3,158,632** | *2,821,739* |
| School administration | 1,116,918 | 1,233,810 | 156,507 | **2,507,235** | *2,658,743* |
| Grants, awards and prizes (all from unrestricted funds) | - | 6,038 | - | **6,038** | *11,255* |
| Governance | - | 283,669 | - | **283,669** | *216,607* |
| Expenditure from restricted funds | - | 19,200 | - | **19,200** | *6,520* |
| **Total charitable expenditure** | 8,801,016 | 5,285,153 | 462,585 | **14,548,754** | *14,208,853* |
| **Total expenditure** | 8,801,664 | 5,313,019 | 462,585 | **14,577,268** | *14,180,560* |

### b) Governance included in support costs

King's Schools Taunton reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. Two trustees were reimbursed £1,017 during the year (2020: two were reimbursed a total of £837)

| | Total 2021 | *Total 2020* |
|---|---|---|
| | £ | £ |
| Remuneration paid to auditor for audit services | **23,010** | *21,900* |
| Additional remuneration paid to auditors for prior year | **-** | *610* |
| Reimbursement of personal expenses to governors | **1,017** | *837* |
| | **24,027** | *23,347* |

## 8 FINANCING COSTS

| | Group and Company 2021 | *2020* |
|---|---|---|
| | £ | £ |
| Other interest paid | **1,326** | 762 |
| Bank charges | **7,527** | *9,182* |
| Provision for bad and doubtful debts | **(23,833)** | *(88,781)* |
| | **(14,980)** | *(78,837)* |

Provision for bad and doubful debts includes £10,872 recovered in the year relating to debts that had previously been provided for in full.

## 9 STAFF COSTS

The aggregate payroll costs for the year were:

| | Group 2021 £ | Group 2020 £ |
|---|---|---|
| Wages and salaries | **7,170,272** | *7,277,845* |
| Social security costs | **643,573** | *655,861* |
| Teachers' pension contributions | **871,339** | *901,318* |
| Other pension contributions | **111,462** | *113,924* |
| Private Medical Insurance | **5,018** | *4,066* |
| | **8,801,664** | *8,953,014* |

| | Charity 2021 £ | Charity 2020 £ |
|---|---|---|
| Wages and salaries | **7,169,624** | *7,273,811* |
| Social security costs | **643,573** | *655,861* |
| Teachers' pension contributions | **871,339** | *901,318* |
| Other pension contributions | **111,462** | *113,924* |
| Private Medical Insurance | **5,018** | *4,066* |
| | **8,801,016** | *8,948,980* |

None of the governors received remuneration or other benefits from King's Schools Taunton or from any connected body.

| | 2021 £ | 2020 £ |
|---|---|---|
| Aggregate employee benefits of key management personnel | **394,807** | *413,922* |

The Headmasters and the Director of Finance and Operations are classed by the School as being the Key Management Personnel.

The number of employees whose annual emoluments were £ 60,000 or more was:

| | 2021 (number) | 2020 (number) |
|---|---|---|
| £ 60,001 - £ 70,000 | **2** | *3* |
| £ 70,001 - £ 80,000 | **1** | - |
| £ 80,001 - £ 90,000 | **1** | *1* |
| £ 90,001 - £ 100,000 | **1** | *1* |
| £ 100,001 - £ 110,000 | **1** | - |
| £ 110,001 - £ 120,000 | - | *1* |

The average number of employees during the year calculated on a head count basis was:

| | 2021 (number) | 2020 (number) |
|---|---|---|
| Teaching staff | **129** | *130* |
| Others | **143** | *137* |
| | **272** | *267* |

Included in staff costs are redundancy or termination payments totalling £7,986 (2020: £28,038).
The amount outstanding at the year-end was nil (2020:nil).

## 10 DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Remissions of £11,813 were awarded to two children of one director attending the School (2020: £11,467).

## 11 TAXATION

The Company is a registered charity and therefore no liability to taxation arises on its charitable activities.

## 12 TANGIBLE FIXED ASSETS

| GROUP | Freehold Land & Buildings £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 September 2020 | 17,717,722 | 672,828 | 943,814 | 825,953 | 23,400 | **20,183,717** |
| Additions | - | 161,552 | - | 29,473 | - | **191,025** |
| **At 31 August 2021** | **17,717,722** | **834,380** | **943,814** | **855,426** | **23,400** | **20,374,742** |
| **Depreciation** | | | | | | |
| At 1 September 2020 | 2,807,505 | 391,443 | 882,769 | 579,795 | 15,323 | **4,676,835** |
| Charge for the year | 260,320 | 67,763 | 13,401 | 117,433 | 3,668 | **462,585** |
| **At 31 August 2021** | **3,067,825** | **459,206** | **896,170** | **697,228** | **18,991** | **5,139,420** |
| **Net book value** | | | | | | |
| **At 31 August 2021** | **14,649,897** | **375,174** | **47,644** | **158,198** | **4,409** | **15,235,322** |
| Net book value at 31 August 2020 | 14,910,217 | 281,385 | 61,045 | 246,158 | 8,077 | 15,506,882 |

| COMPANY | Land & Buildings Freehold £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 September 2020 | 17,717,722 | 672,828 | 943,814 | 825,953 | 23,400 | **20,183,717** |
| Additions | - | 161,552 | - | 29,473 | - | **191,025** |
| **At 31 August 2021** | **17,717,722** | **834,380** | **943,814** | **855,426** | **23,400** | **20,374,742** |
| **Depreciation** | | | | | | |
| At 1 September 2020 | 2,807,505 | 391,443 | 882,769 | 579,795 | 15,323 | **4,676,835** |
| Charge for the year | 260,320 | 67,763 | 13,401 | 117,433 | 3,668 | **462,585** |
| **At 31 August 2021** | **3,067,825** | **459,206** | **896,170** | **697,228** | **18,991** | **5,139,420** |
| **Net book value** | | | | | | |
| **At 31 August 2021** | **14,649,897** | **375,174** | **47,644** | **158,198** | **4,409** | **15,235,322** |
| Net book value at 31 August 2020 | 14,910,217 | 281,385 | 61,045 | 246,158 | 8,077 | 15,506,882 |

All assets are used for charitable purposes.

## 13 SECURITIES INVESTMENTS

| | 2021 | *2020* |
|---|---|---|
| **Group investments** | **£** | *£* |
| At 1 September 2020 | 2,496,655 | *2,457,180* |
| New money invested | 71,589 | *56,938* |
| Reinvested income | 26,913 | *36,165* |
| Amounts extracted | (74,624) | *(58,468)* |
| Management fees | (18,521) | *(20,505)* |
| Realised gains on investments | 66,092 | *(28,468)* |
| Unrealised gains on investments | 219,017 | *53,813* |
| **Group investments at 31 August 2021** | **2,787,121** | *2,496,655* |
| Less: Investments classified as cash | **(63,007)** | *(247,056)* |
| **Group investments at 31 August 2021** | **2,724,114** | *2,249,599* |
| Investments in subsidaries | **101** | *101* |
| **Company investments at 31 August 2021** | **2,724,215** | *2,249,700* |

| | | |
|---|---|---|
| **Investments comprise:** | | |
| **Listed investments** | | |
| Fixed interest | 250,568 | *631,907* |
| Equities | 1,541,762 | *1,159,403* |
| **Alternative investments** | | |
| Hedge funds | 72,462 | *100,168* |
| Commercial property funds | - | *52,032* |
| Commodities and other | 859,322 | *306,089* |
| **Group investments at 31 August 2021** | **2,724,114** | *2,249,599* |
| Investments in subsidiaries | **101** | *101* |
| **Company investments at 31 August 2021** | **2,724,215** | *2,249,700* |

Securities and Investments were managed for King's Schools Taunton Limited by Cazenove Capital.

At 31 August 2021, three investments (2020: nil) had a carrying value equal to 5% or more of the value of the investment portfolio, being:

| | £ | |
|---|---|---|
| Black Rock ICS Institutional Sterling Liquidity Fund | 300,000 | 11.01% |
| JP Morgan GBP Liquidity LVNAV Fund | 300,000 | 11.01% |
| JP Morgan America Equity Fund | 157,795 | 5.79% |

The original cost of these investments were £707,991.

## 14 DEBTORS

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| School fees receivable | 215,113 | 171,813 | 215,113 | 171,813 |
| Trade debtors | 11,281 | 123,749 | - | - |
| Other debtors | 66,158 | 36,347 | 65,775 | 36,347 |
| Prepayments and accrued income | 382,835 | 346,834 | 382,835 | 346,834 |
| Amounts owed by group undertakings | - | - | 713,000 | 730,992 |
| Woodard Corporation | 72 | - | 72 | - |
| | 675,459 | 678,743 | 1,376,795 | 1,285,986 |

## 15 CREDITORS: Amounts falling due within one year

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Deposits from parents | 379,351 | 320,458 | 379,351 | 320,458 |
| Fees received in advance of term | 2,777,150 | 2,150,710 | 2,777,150 | 2,150,710 |
| Trade creditors | 834,238 | 884,181 | 833,160 | 884,181 |
| Taxes and Social Security costs | 160,866 | 208,443 | 160,866 | 188,487 |
| Pension Scheme Deficit Recovery Plan | 44,920 | 43,612 | 44,920 | 43,612 |
| Other creditors | 499,648 | 455,116 | 499,048 | 455,116 |
| Woodard Corporation | - | 62 | - | 62 |
| Accruals | 458,742 | 330,021 | 455,742 | 326,721 |
| | 5,154,915 | 4,392,603 | 5,150,237 | 4,369,347 |

### Summary of movement in deferred income

| | |
|---|---|
| Balance at 1 September 2020 | 2,150,710 |
| Amounts arising in the year | 2,777,150 |
| Amounts transferred to SOFA | (2,150,710) |
| Balance at 31 August 2021 | 2,777,150 |

Deferred income arises due to fee payments received in advance of the new financial year.

## 16 CREDITORS: Amounts falling due after one year

| | Group and Company | |
|---|---|---|
| | 2021 | 2020 |
| | £ | £ |
| Deposits from parents | 1,491,970 | 1,426,339 |
| Pension Scheme Deficit Recovery Plan | 112,443 | 156,603 |
| | 1,604,413 | 1,582,942 |

Parents pay to the school a deposit in advance. The deposits are refunded on the pupils' last terms school bill.

## 17 COMMITMENTS UNDER OPERATING LEASES

The future minimum commitments under non-cancellable operating leases for vehicles and temporary buildings are:

| | Group and Company | |
|---|---|---|
| | **2021** | *2020* |
| | **£** | *£* |
| within 1 year | **104,204** | *50,843* |
| within 1 to 5 years | **153,530** | *94,236* |
| after 5 years | **-** | *-* |
| | **257,734** | *145,079* |

## 18 SHARE CAPITAL

| | Group and Company | |
|---|---|---|
| | **2021** | *2020* |
| | **£** | *£* |
| **Authorised** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |
| **Allotted, called up and fully paid** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |

## 19 FINANCIAL INSTRUMENTS

| | Group and Company | |
|---|---|---|
| | **2021** | *2020* |
| **FINANCIAL ASSETS:** | **£** | *£* |
| Investments held at FV through Profit and Loss | **2,724,114** | *2,249,599* |

## 20 PENSION SCHEME DEFICIT RECOVERY PLAN

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

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

**Deficit contributions**

| | |
|---|---|
| From 1 April 2019 to 31 January 2025: | £11,243,000 per annum (payable monthly and increasing by 3% on each 1 April) |

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

| | |
|---|---|
| From 1 April 2016 to 30 September 2025: | £12,945,440 per annum (payable monthly and increasing by 3% on each 1 April) |
| From 1 April 2016 to 30 September 2028: | £54,560 per annum (payable monthly and increasing by 3% on each 1 April) |

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

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contibutions 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.

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

| **Present Values of Provision** | **2021** | *2020* |
|---|---|---|
| | **£** | *£* |
| Present value of provision | **157,363** | *200,215* |

| | **Period ending 31 August** | |
|---|---|---|
| **Reconciliation of opening and closing provisions** | **2021** | *2020* |
| | **£** | *£* |
| Provision a start of period | **200,215** | *238,632* |
| Unwinding of the discount factor (interest expense) | **972** | *2,095* |
| Deficit contribution paid | **(43,612)** | *(42,342)* |
| Remeasurements - impact of any change in assumptions | **(212)** | *1,830* |
| Remeasurements - amendments to the contribution schedule | **-** | *-* |
| **Provision at end of period** | **157,363** | *200,215* |

**20 PENSION SCHEME DEFICIT RECOVERY PLAN** (continued)

| **Income and expenditure impact** | **2021** | *2020* |
|---|---|---|
| | **£** | *£* |
| Interest expense | **972** | *2,095* |
| Remeasurements - impact of any change in assumptions | **(212)** | *1,830* |
| Remeasurements - amendments to the contribution schedule | **-** | *-* |

| **Assumptions** | **2021** | *2020* |
|---|---|---|
| | **% per annum** | *% per annum* |
| Rate of discount | **0.63** | *0.55* |

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.

| **Deficit contributions schedule** | **2021** | *2020* |
|---|---|---|
| | **£** | *£* |
| Year 1 | **44,920** | *43,612* |
| Year 2 | **46,268** | *44,920* |
| Year 3 | **47,656** | *46,268* |
| Year 4 | **20,200** | *47,656* |
| Year 5 | **-** | *20,200* |
| | **159,044** | *202,656* |

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.

### 21 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

| | At 1 Sep 2020 | Incoming resources | Resources expended | Transfers and gains | At 31 Aug 2021 |
|---|---|---|---|---|---|
| **GROUP AND CHARITY** | | | | | £ |
| **Restricted Funds** | | | | | |
| Michael J Baker travel fund | 29,856 | 500 | - | - | **30,356** |
| Library fund | 101 | - | - | - | **101** |
| Joan Sewell bequest fund | 54,905 | 563 | (18,200) | - | **37,268** |
| John Crabtree award | 18,078 | - | (1,000) | - | **17,078** |
| Foundation for Sport and the Arts - grant | 16,625 | - | - | (875) | **15,750** |
| New Sixth Form Centre | 93,750 | 210,000 | - | - | **303,750** |
| | **213,315** | **211,063** | **(19,200)** | **(875)** | **404,303** |

The Michael Baker Travel Fund was set up in memory of Michael Baker who died in 1999. It is awarded to one or two leavers each year for travel outside of Europe for specific goals ie: helping local communities.

The Joan Sewell Bequest fund helps support various academic projects in the school, including essay prizes and educational trips.

The John Crabtree award is presented annually to the most gifted mathematician in the Lower Sixth Form.

The Foundation for Sport and the Arts Grant was a grant towards the construction of the sports hall. The figure is reduced annually as per the initial agreement.

KST committed to a timeline for the new Sixth Form Centre in October 2021 with completion due late Autumn 2022. Fundraising has previously been taking place and will continue to do so in 2021/22. This project will be for a Sixth Form Centre for the benefit of all at King's College. It will be multi-functional to further re-inforce, in particular, the support to and development of the Sixth Form pupils. It will include classrooms, a Careers and Enterprise Room, communal and study areas, and large function rooms.

| | | | | | |
|---|---|---|---|---|---|
| **GROUP** | | | | | |
| **Unrestricted Funds** | | | | | |
| General reserves | 15,653,483 | 13,570,799 | (13,827,662) | 875 | **15,397,495** |
| Designated - Bursary | 1,367,717 | 760,209 | (138,212) | 260,168 | **2,249,882** |
| Designated - Pension Deficit | 1,158,955 | 8,643 | (592,194) | 24,941 | **600,345** |
| | **18,180,155** | **14,339,651** | **(14,558,068)** | **285,984** | **18,247,722** |
| **CHARITY** | | | | | |
| **Unrestricted Funds** | | | | | |
| General reserves | 15,653,483 | 13,545,826 | (13,802,689) | 875 | **15,397,495** |
| Designated - Bursary | 1,367,717 | 760,209 | (138,212) | 260,168 | **2,249,882** |
| Designated - Pension Deficit | 1,158,955 | 8,643 | (592,194) | 24,941 | **600,345** |
| | **18,180,155** | **14,314,678** | **(14,533,095)** | **285,984** | **18,247,722** |

Bursary Fund - in 2015 £1m was allocated to this fund, the income from which will go to support KST's extensive bursary programme to support families who could otherwise not afford the full fees.

The Company has a contingent liability of some £476,150 in relation to a deficit on its Pension Trust Growth Plan scheme (see also note 20). In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund is now larger than the deficit. It is the Council's intention to buy-out the liability using the Pension Deficit fund. There is currently no timeline for this buy-out.

## 22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Company's net assets belong to the various funds as follows:

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 404,303 | - | **404,303** |
| Unrestricted funds | | | | | |
| General | 15,235,322 | 101 | 1,766,457 | (1,604,413) | **15,397,467** |
| Designated | - | 2,724,114 | 126,141 | - | **2,850,255** |
| **Company** | **15,235,322** | **2,724,215** | **2,297,001** | **(1,604,413)** | **18,652,125** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2021** | **15,235,322** | **2,724,114** | **2,297,102** | **(1,604,413)** | **18,652,125** |

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 213,315 | - | **213,315** |
| Unrestricted funds | | | | | |
| General | 15,506,882 | 101 | 1,729,441 | (1,582,942) | **15,653,482** |
| Designated | - | 2,249,599 | 277,075 | - | **2,526,674** |
| **Company** | **15,506,882** | **2,249,700** | **2,219,931** | **(1,582,942)** | **18,393,571** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2020** | **15,506,882** | **2,249,599** | **2,220,032** | **(1,582,942)** | **18,393,571** |

## 23 PENSION SCHEMES

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,053,731 (2020: £1,276,880) and at the year-end £86,888 (2020: £106,053) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

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

**Pensions Trust Growth Plan**

See note 20.

| 24 Reconciliation of net incoming resources to net cash inflow from operations | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| **Net income for the year ended 31 August 2021** | **258,555** | *(50,332)* |
| **Adjustments for** | | |
| Depreciation charges | **462,585** | *507,740* |
| (Gains)Losses on investments | **(465,662)** | *54,246* |
| Financing costs | **(8,853)** | *(9,943)* |
| Purchase of tangible fixed assets | **(191,025)** | *(121,386)* |
| (Increase)/decrease in stocks | **7,637** | *(1,314)* |
| (Increase)/decrease in debtors | **3,284** | *(84,081)* |
| Increase/(decrease) in creditors | **783,783** | *(284,210)* |
| **Net Cash provided by (used in) operating activities** | **850,304** | *10,720* |

| 25 Analysis of cash and cash equivalents | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Cash in hand and at a bank | **6,761,413** | *5,911,109* |

## 26 Consolidated Statement of Financial Activities - Comparative figures by fund type Year Ended 31 August 2020

| | Notes | Unrestricted Funds | Restricted Funds | TOTAL 2020 |
|---|---|---|---|---|
| | | £ | £ | £ |
| **INCOME FROM:** | | | | |
| **Charitable Activities** | | | | |
| School fees receivable | | 12,407,317 | - | **12,407,317** |
| Ancillary trading income | 2 | 624,185 | - | **624,185** |
| **Other trading activities** | | | | |
| Non-ancillary trading income | 3 | 228,266 | - | **228,266** |
| Other activities | 3 | 9,872 | - | **9,872** |
| **Investments** | | | | |
| Investment Income | 4 | 36,165 | - | **36,165** |
| Bank and other interest | 5 | 12,411 | - | **12,411** |
| **Voluntary sources** | | | | |
| Appeal income and donations | 6 | 756,814 | 29,853 | **786,667** |
| **TOTAL INCOME** | | **14,075,030** | **29,853** | **14,104,883** |
| **EXPENDITURE ON:** | | | | |
| **Raising funds** | | | | |
| Non-ancillary trading | 7 | 30,047 | - | **30,047** |
| Financing costs | 7 | (78,837) | - | **(78,837)** |
| Investment management | 7 | 20,497 | - | **20,497** |
| | | **(28,293)** | **-** | **(28,293)** |
| **Charitable Activities** | | | | |
| Education and grant making | 7 | 14,202,333 | 6,520 | **14,208,853** |
| **TOTAL EXPENDITURE** | | **14,174,040** | **6,520** | **14,180,560** |
| **Net income and expenditure before transfers** | | **(99,010)** | **23,333** | **(75,677)** |
| Realised gains/(losses) on investment assets | 13 | (28,468) | - | **(28,468)** |
| Unrealised gains on investment assets | 13 | 53,813 | - | **53,813** |
| **Net income** | | **(73,665)** | **23,333** | **(50,332)** |
| Transfers between funds | 21 | 875 | (875) | **-** |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **(72,790)** | **22,458** | **(50,332)** |
| Fund balances at 1 September 2019 | | 18,252,945 | 190,857 | 18,443,802 |
| **FUND BALANCES at 31 August 2020** | | **18,180,155** | **213,315** | **18,393,470** |

## 27 SUBSIDIARIES

The Company owns all of the share capital of WST Enterprises Limited, a company incorporated in England/Wales. This company carries out trading activity on behalf of the School including commercial letting of the School's buildings and sports facilities.

WST Enterprises Limited (company number: 05181894) had a turnover of £10,874 (2020: £64,335), profit on ordinary activities of £5,027 (2020: £50,242), and a profit before tax and gift aid of £5,027 in the year ended 31 August 2021 (2020: £50,242). At 31 August 2021 the Company had shareholder's funds of £100 (2020: £100).

The Company owns all of the share capital of King's College Schools International Limited a company incorporated in England/Wales. This company carries out international activities on behalf of the School.

King's College Schools International Limited (company number: 09749938) had turnover of £162,589 (2020: £159,131), £143,463 profit on ordinary activities (2020: £143,177), and a profit before tax and gift aid of £143,463 (2020: £143,177 ) in the year ended 31 August 2021. At 31 August 2021 the Company had shareholder's funds of £1 (2020: £1).

Gross assets for WST Enterprises amount to £411,902 (2020: 456,861), and gross liabilities of £411,802 (2020: £456,761). King's College Schools International Limited (formerly KST International Ltd) had gross assets of £305,877 (2020: £297,489) and gross liabilities of £305,876 (2020: £297,489)

All subsidiaries have a common registered office with the school.

## 28 CONTINGENT LIABILITIES

King's Schools Taunton Limited has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan, based on the Plan's financial position as at 30 September 2020. As of this date the estimated employer debt for King's Schools Taunton Limited was £476,150 (2020: £495,631) including Series 3 liabilities.

## 29 CAPITAL COMMITMENTS

As at 31 August 2021, the group had no contracted capital expenditure (2020: nil).

## 30 ULTIMATE CONTROLLING PARTY

The Woodard Corporation is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of King's Schools Taunton Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

## 31 RELATED PARTIES

The Company is a wholly owned subsidiary of The Woodard Corporation, a registered charity number 1096270, which is incorporated in England and Wales. An amount of £87,766 (2020: £71,263) was paid in the period to the Corporation by way of a levy to meet Corporation running costs. At year end there was a balance of £72 owed by The Woodard Corporation to the Company.

The Company also controls two trading subsidiaries, WST Enterprises Limited and King's Schools College International Limited (formerly KST International Ltd). See note 27 above. WST Enterprises Limited makes use of the schools facilities for it's principal activity of lettings, the schools made recharges of £1,094 (2020: £9,453) to WST Enterprises Limited for costs incurred to support these lettings such as catering and staff cost, the debtor balance with WST Enterprises Limited at 31 August 2021 was £409,402 (2020: £454,886). King's College Schools International Limited's principal activity is the promotion of education overseas, the schools receive income from King's College Schools International Limited and provide support and advice to our overseas partner schools. The schools recharged £7,102 (2020: £4,813) for costs incurred and the debtor balance with King's College Schools International Ltd at 31 August 2021 was £303,597 (2020: £276,107).

## 32 ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

As explained at note 20, there is a deficit reduction plan in place in respect of King's Schools Taunton membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

*Pension scheme contingent liability*

As explained at note 28, there is a contingent liability in the event that King's Schools Taunton Ltd were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

*Provision for bad debts*

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

*Deposits*

Refundable deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that pupils leave the school on one term's notice and as such the deposit would be refunded to the parents at that point. However the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in the school for their full years of education and therefore the deposit will be refunded to them when they leave the school. Short term deposits reflect those pupils that will be leaving the school within one year, and the long term element reflects those pupils that will be leaving the school after 12 months from the balance sheet date.

**KING'S SCHOOLS TAUNTON LTD**

England & Wales - Charity number 1103346

# Accounts

Charity Registration No. 1103346

Company Registration No. 05084301 (England and Wales)

# KING'S SCHOOLS TAUNTON LIMITED

# DIRECTORS' REPORT

# and

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 AUGUST 2020

# KING'S SCHOOLS TAUNTON LIMITED

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# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
***YEAR ENDED 31 AUGUST 2020***

| | |
|---|---|
| **Directors** | Mrs L M Nash BEd FIOD ISM (Chairman and Custos)<br>Dr R A K Mott BA PhD (Vice-Custos)<br>S J Carder MA MBA<br>Mrs C A Cavaghan-Pack BEd JP<br>Mrs C A Cooper<br>G P Davis FCA<br>M D Featherstone MA PGCE<br>C H Hirst MA<br>J E R Houghton MA<br>R M U Lambert<br>W J Morrison BSc MRICS<br>Mrs L C Scott BA PGCE<br>Bishop W N Stock BA, Dip Theol.<br>M F Trimble BSc ACA FCSI<br>Captain J R A Woodard |
| **Secretary** | S C Worthy BA MBA |
| **Charity Number** | 1103346 |
| **Company Number** | 05084301 |
| **Registered Office** | 20 Holway Avenue<br>Taunton<br>TA1 3AR |
| **Principal Addresses** | King's College Taunton<br>South Road<br>Taunton<br>Somerset<br>TA1 3LA<br><br>King's Hall School<br>Kingston Road<br>Taunton<br>Somerset<br>TA2 8AA |
| **Key Management Personnel** | |
| **Heads** | R Biggs, MA BSc (King's College Taunton)<br>J T S Chippendale, BSc (King's Hall School) |
| **Director of Finance and Operations** | S C Worthy BA MBA |

# KING'S SCHOOLS TAUNTON LIMITED

## COMPANY INFORMATION
***YEAR ENDED 31 AUGUST 2020***

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| | |
|---|---|
| **Auditors** | RSM UK Audit LLP<br>Hartwell House<br>55-61 Victoria Street<br>Bristol<br>BS1 6AD |
| **Tax advisers** | RSM UK Tax and Accounting Limited<br>St Philips Point<br>Temple Row<br>Birmingham<br>West Midlands<br>B2 5AF |
| **Bankers** | National Westminster Bank plc<br>49 North Street<br>Taunton<br>TA1 1NB |
| **Solicitors** | DAS Law Limited<br>North Quay<br>Temple Back<br>Bristol<br>BS1 6FL<br><br>Porter Dodson<br>The Quad<br>Blackbrook Park Avenue<br>Taunton<br>TA1 2PX<br><br>Veale Wasbrough Vizards<br>Narrow Quay House<br>Narrow Quay<br>Bristol<br>BS1 4QA |
| **Insurance Brokers** | Marsh Insurance Brokers Limited<br>Capital House<br>1-5 Perrymount Road<br>Haywards Heath<br>RH16 3DU |

# KING'S SCHOOLS TAUNTON LIMITED

## DIRECTORS' REPORT (incorporating the STRATEGIC REPORT)
## *YEAR ENDED 31 AUGUST 2020*

The Directors present their report and financial statements for the year ended 31 August 2020 and confirm they comply with the requirements of the Charities Act 2011, the Charities SORP 2015 and the Companies Act 2006.

### REFERENCE AND ADMINISTRATIVE INFORMATION

The Company was incorporated on 25 March 2004 and commenced operations on 1 September 2004 when the business, assets and liabilities relating to King's Hall School and King's College Taunton were transferred from Woodard Schools (Western Division) Limited. On 15 July 2012 the Company changed its name from Woodard Schools Taunton Limited to King's Schools Taunton Limited. The Company is a limited liability company incorporated in the United Kingdom and a wholly owned subsidiary of The Woodard Corporation, which is also a registered charity (number 1096270). The Directors of the Company are also Fellows (members) of the Woodard Corporation and participate in the election of its board of management and are committed to its charitable objects.

As Woodard schools, King's Hall School and King's College Taunton (the Schools) share an educational vision which empowers and adds value to a child's development, within an actively Christian environment. King's Hall School is an independent co-educational preparatory school for day and boarding pupils aged 2 to 13 and incorporates pre-preparatory and nursery departments. King's College Taunton is an independent co-educational senior school for boarding and day pupils aged 13 to 19. The Schools are forward-thinking and dynamic places of learning with dedicated staff, excellent facilities and a warm and open culture.

Note 30 on page 47 provides details of a connected charity, namely the parent charity, the Woodard Corporation.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 20 March 2013, replacing those dated 18 March 2004 amended by Special Resolution(s) dated 25 January 2006, 28 April 2009 and 23 June 2009. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects, and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the Company.

#### School Council (Governing Body)

The Council Members are the Directors and charitable trustees of the Company and comprise the Council of King's Hall School and King's College Taunton. The Directors are also Governors for the purpose of Charity law. They are elected to hold office for five years. Any retiring Director may be re-appointed. The Directors determine the policy and strategy of the Company. It is the collective responsibility of the School Council to ensure that the Schools are fit for purpose and to determine and support its strategic direction in order to enable it to attain their stated objectives. The day-to-day management of the Schools is delegated to the Headmasters and Director of Finance and Operations (who operates across both schools), supported by the Senior Management Teams in each School. The chairman of the Council is known as the Custos.

#### Recruitment and Training of Council Members

All Council Members are Corporate Fellows of the Woodard Corporation. Corporate Fellows are responsible for electing the Woodard Corporation Board. Council Members are recruited on the basis of nominations from school contacts and from selection when a post becomes available.

The Council looks to ensure a mix of skills and selects new Council Members on the basis of background, competence, specialist skills and Christian commitment. Specific attention is paid to the succession planning of Council Members, both with a view to their skill sets and in relation to the chairmanship of the Council and its sub-committees.

Council Members are provided with induction training by the Headmasters, Director of Finance and Operations and their staff and a wider programme of training events is organised by the Woodard Corporation and other organisations. Council Members are also encouraged to attend events run by the Association of Governing Bodies of Independent Schools (AGBIS).

**Organisational Management**

The Schools are governed by the Council which delegates work to a number of committees. Membership of each committee is outlined on page 19. The Directors determine the general policy of the Company. The day-to-day management of the Company is delegated to the Headmasters and the Director of Finance and Operations, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by Council which provide for only significant expenditure decisions and major capital projects to be referred to Council for prior approval.

The Headmasters oversee the recruitment of all educational staff, whilst under delegated authority the Director of Finance and Operations oversees the recruitment of operational staff. The Headmasters and Director of Finance and Operations are invited to attend Council meetings.

The full Council met for a full meeting twice during the year, but due to the Covid-19 pandemic also met virtually a further four times for extraordinary meetings. They attended two Education Days, one at each School.

*Education and Pastoral Committee* – the Education and Pastoral Committee is responsible for oversight of the academic performance of the Schools and educational and pastoral policy, making recommendations to Council for approval. The Education and Pastoral Committee met three times during the year.

*Finance and Estates Committee* – the Finance and Estates Committee has a remit to consider budgets, both revenue and capital, cash flow information, financial reports, including the financial statements, financial policies and relevant financial regulations. It does this through consideration of audit management letters and other reports relating to governance and control of the Schools. It also oversees the Schools' estates strategies, including capital developments and maintenance of the buildings. It makes recommendations to Council for approval. The Finance and Estates Committee met three times during the year.

*Remuneration Committee* – the Remuneration Committee reviews the performance and remuneration of the Executive. It makes recommendations to Council for approval. The Remuneration Committee met once during the year.

*Appointments Committee* – the Appointments Committee is responsible for managing the recruitment of new Council Members to Council. It ensures an orderly succession policy is in place and that the Council has an appropriate mix of skills and experience. It makes recommendations to Council for approval. The Appointments Committee met twice during the year.

*Compliance Group* - Compliance Group is charged with overseeing the compliance of both King's College and King's Hall School with all relevant legislation and regulatory requirements. It makes recommendations to Council for approval. The Compliance Group met once during the year.

**Group Structure and Relationships**

The Company has two wholly owned non-charitable subsidiaries, WST Enterprises Limited and King's College Schools International Limited.

The Schools have developed links with a variety of organisations by means of which they enjoy access to information on best practice which enables them to offer the widest possible access to the facilities and educational opportunities which they provide. Council Members and staff ensure that they are able to attain the highest standards of quality and performance through membership of professional associations including the Independent Schools Council, the Headmasters' and Headmistresses'

Conference, the Independent Association of Preparatory Schools, the Independent Schools' Bursars Association, the Association of Governing Bodies of Independent Schools, the Boarding Schools' Association, the Taunton Chamber of Commerce and the Somerset Chamber of Commerce, as well as through involvement in the work of the Independent Schools' Inspectorate, various examining bodies, through networking with peer groups and by many other means.

All the pupils in the two Schools are encouraged to develop an awareness of the social context of the all-round education they receive at the Schools and they are engaged in a number of activities to enhance their understanding and to enrich their experience. There is a thriving association of former pupils of King's College, the Old Aluredian Club, which supports the work of that School. Beyond King's was introduced last year; this is an online initiative, which combines a directory of alumni, pupils, parents and Friends of King's, who are able to connect, support and mentor each other, whilst at school and beyond. Two further organisations, The Friends of King's College and The Friends of King's Hall School, membership of which is open to past and present parents of pupils at the Schools, neighbours and others, also supports the work of the Schools. King's Schools Taunton Limited is a substantial employer in the Taunton area and has responsibility for the care and upkeep of several listed properties and important parts of the local environment.

King's Schools Taunton Limited also cooperates with many local schools and charities in its on-going endeavours to widen public access to the schooling it provides, to optimise the educational use of its cultural and sporting facilities and to awaken in its pupils, in the public interest, an awareness of the social context of the all-round education they receive.

**How the Board Complies with its Section 172 Duty**

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

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

The Directors welcome the new reporting requirement as an opportunity to explain how dialogue with stakeholders has informed and helped to shape decisions in promoting the success of the Schools to achieve their charitable purposes.

As set out on pages 4 and 5 within "Group Structure and Relationships" the Schools have developed links with a wide range of organisations to ensure the widest possible access tour facilities and education. Through membership of HMC, IAPS, AGBIS and ISBA and through networking with peer groups we ensure that we are able to attain the highest standards of quality and performance.

Details of how the Schools have engaged with employees and had regard to employee interests can be found within the Employment Policy and Employee Involvement sections on page 8. Details of volunteer engagement can also be found on page 9.

The Directors can demonstrate the promotion and success of the charity for the benefit of the stakeholders through the review or achievements and performance for the year, included within this Strategic Report. The Schools have continued to benefit from access to high quality academic education as well as pastoral and social support throughout the period of school closure during the summer term. The Schools also play an important role in providing activities for local community groups and access to their facilities.

The Trustees are responsible for strategic planning and policymaking for the Schools and, accordingly, all key decisions, the current performance and future longer-term plans of the charity and stakeholders are referred to and taken by the Board. The Schools are governed by the governing body (Council) which delegates work to a number of committees. Membership of each committee is outlined on page 19. The Governors, who are also the directors, determine the general policy of the company.

As set out in the Strategic report, our culture, staff, volunteer and pupil welfare and wellbeing, throughout the COVID-19 period has been fundamental to continued success. Further information can be found in our Strategic Report and the detailed review of achievements and performance for the year.

### Energy and Carbon Reporting

The company has taken advantage of the exemption to comply with the Energy and Carbon Report Regulations 2018 as a subsidiary of the Woodard Corporation Limited.

### CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

### Charitable Objects

The Company's objects, as set out in the Articles of Association, are to promote and extend education in accordance with the doctrines and principles of the Church of England, through its two schools, King's Hall School and King's College Taunton. The Council has a written statement of its own Aims and Objectives, most recently fully updated in October 2013, which enshrines the Company's objectives in its own context. From this document flows the Company's strategic plan against which the principal activities are monitored regularly.

In setting the objectives and planning the activities of the Schools, the Council gives careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. King's Schools Taunton Limited is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The fees are set at a level to ensure the financial viability of the Schools and at a level that is consistent with the aim of providing a first class education to all pupils.

The Schools' charitable objectives are 'to promote and extend education', and these objectives are recognised as benefiting the public when pursued in the context of formal education in a body where all surplus funds are re-invested. The Woodard Corporation and all of the schools it owns are charitable bodies, with no external shareholders and no possibility of making distributions, including in the form of dividends. All surpluses are re-invested in education.

### Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education and they see themselves as communities working together for the benefit of all concerned, and of the Church and the nation. They are strong Christian foundations which adhere to Catholic belief as found in the Church of England, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain. A Woodard education values both the spiritual and moral development of each person within the school community giving strength, confidence and respect for others.

### Objectives of and Principal Activities for the Year

The principal objective and activity of the Schools is the delivery of education to pupils ranging from 2 to 19 years of age. The Schools aim to support children in reaching their potential in all areas of their activity at the Schools, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life. King's Schools also aim to further extend access to the schools' facilities to the local community.

**Public Benefit**

Within the objects, the Schools aim to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. They provide them with a first class independent education and a wide range of sporting and cultural opportunities. The Schools' public benefit aim is that all pupils will be self-confident and instilled with a desire to contribute to the wider community.

In the furtherance of these aims the Directors of King's Schools Taunton Limited as the Company's trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

The Schools welcome pupils from all backgrounds. To admit a prospective pupil, the Schools need to be satisfied that they will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy the Schools and parents that potential pupils can cope with the pace of learning and benefit from the education they provide. An individual's gender, ethnicity, race, religion or disability do not form part of the assessment processes.

The Schools are a part of a wider community and are keen that their staff and pupils participate. The Schools also offer a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. The Council is committed to developing the programme of cooperation and joint working with local maintained sector junior and secondary schools. The activities undertaken and the success of the schools are explained in the 'Review of Achievements and Performance for the Year' section of this report.

Woodard and its schools provide a significant benefit to the public. The schools strive to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay fees. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individuals or elements of Woodard are incidental to delivery of the charitable objectives.

**ACCESS POLICY**

It is important to the Schools that access to the education offered is not restricted to those who can afford the fees. The School Council believes that pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

The Schools' Awards policies, including for bursaries, contribute to a widening of access to the education they offer and the facilities its pupils enjoy.

**Bursary Policy**

The Schools Council views bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by the Schools. All who meet the Schools general entry requirements are eligible for bursary awards which are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means the methodology promulgated by the Independent Schools' Bursars Association is used, which takes a number of factors into consideration including family income, investments and savings and family circumstances for

example dependant relatives and the number of siblings. The funds available for bursaries are limited. When considering awards, the Schools have to be mindful that they must ensure a balance between those parents paying full fees, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

In January 2015 the School Council allocated £1 million of unrestricted funds to a designated Bursary Fund. These funds are invested and the objective is to build this fund significantly through fund raising and accumulating investment income and capital growth. A percentage of the capital sum is contributed to the Schools' bursary programme annually.

The Schools gave significant bursary support to those financially impacted by the Covid-19 pandemic.

The bursary awards range up to 85% remission of fees. Information about fee assistance through bursaries is provided to all applying to the schools. Further details of the bursary policy and how to apply are available on the Schools' websites.

**Other Policies on Assistance:**

***Family discounts policy***
To underline the value placed on continuity for families, discounts are offered where parents have more than one child at the Schools.

***Promoting high academic standards - scholarship policy***
The purpose of scholarship awards is to recognise high academic potential or the ability to excel in co-curricular activities. Scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to co-curricular activities. Scholarships are awarded with a fixed remission of fees of between 10% and 50%. Where further assistance is required, scholarship awards may be supplemented by a means-tested bursary. The Schools include details of the various awards available in their prospectuses and on their websites.

***Assistance for teaching staff***
As part of its emphasis on attracting and retaining high calibre staff, the Schools offer a discount scheme for those staff members who choose to educate their children at the Schools.

***Further assistance***
Support is also available to children of MOD employees and the Clergy.

**Grant Making Policy**

The Schools provided scholarships, grants, prizes and other awards totalling £599,165 from unrestricted funds. In common with other independent schools, King's College Taunton and King's Hall School make these awards based on the educational potential of the pupil (subject to the particular conditions imposed by the original donor where the award is out of restricted funds). The Schools also provided means tested bursaries totalling £1,227,760 (7.2% of gross fees) to families who would not otherwise be able to afford the fees or where the pupil's education and future prospects would otherwise be at risk. This included short and longer-term support to those affected by the impact from the Covid-19 pandemic. They provided assistance to 113 pupils of which 5 pupils benefited from a remission of fees of 80% support or more. The availability of all such awards for fee-assistance, together with the terms and conditions for each kind of award, is advertised on the Schools' websites.

**Employment Policy**

King's Schools Taunton Limited is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability. The Schools will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

**Employee Involvement**

The Schools encourage the involvement of its employees in its management through regular meetings

of the staff with management and Governors (in particular with the Governor responsible for staff welfare). Management at all levels have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy. Employees are required to play an active part in appraisal of their performance and are also requested to comment on what the Schools do well and what could be improved.

### Disabled Persons

The Schools will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure they are given full and fair consideration when such vacancies arise.

There will be a training scheme made available for any employees who become injured or disabled during the course of their employment so they can, where possible, continue in employment with the Schools.

### Volunteers

The Schools enjoy the support of a large number of volunteer groups and individuals including, in particular, parents, who help the Schools to raise funds and assist with specific activities and school events. The Council records its deep appreciation for the work of these volunteers; the assistance given would extend to several hundred hours of voluntary service.

### Investment Policy and Objectives

The Company's articles of association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Council's policy is to preserve and enhance the capital value of investments and maximise income consistent with maintaining a balanced investment return from income and capital, with moderate risk.

## STRATEGIC REPORT

### Impact of Coronavirus Pandemic

Schools were ordered to close to all except the children of 'Key Workers' in March 2020 and much of the education was moved online. In brief, the impact has been to raise the level of uncertainty and risk for the whole education sector. King's Schools Taunton adapted well to the new situation providing an online educational and support provision that has been widely appreciated by pupils and parents. In addition, the Finance Office worked closely with parents regarding charges and supporting those in significant need as a result of the pandemic. The impact on the income for the year to 31st August 2020 has been significant; but this has been mitigated as much as possible including through use of the furlough scheme.

All of our pupils returned in September 2020, including boarding and international pupils, and numbers look very promising for the year. The schools have made a number of adaptations to make social distancing possible including purchasing hundreds of single desks and spacing them apart in classrooms, one way systems where appropriate, staggered meal times, separated assemblies and chapel services, separated day and boarding bubbles, a massively enhanced cleaning regime, hand washing and sanitising stations all around the school, allocated areas in classrooms, screens where appropriate, and a protocol of cleaning desks after each lesson. King's also has strict isolation protocols in case of suspected infections, including isolation rooms in the health centre and also in the boarding houses. It remains to be seen how much this will impact financial results for forthcoming years.

### King's College

The school was closed to pupils on site due to the Covid-19 pandemic from the final week of the Lent Term and all through the Summer Term. Provision was made to host the children of key workers, and a small number of families made use of this facility during the lockdown period.

For the purposes of remote teaching, the timetable was pared down to a small number of one-hour lessons each day, with 15 minute breaks between them. Saturday morning school was put on hold. Teaching was typically live and via MS Teams. Homework was set, submitted and returned via MS Teams. Live lessons were recorded for the benefit of pupils who lived in different time zones where they were unable to partake in the live lesson. A weekly "snapshot" report was sent to parents, indicating whether or not their child was engaging actively with the remote learning.

Headmaster's Assemblies were held every week, broadcast live to pupils and parents. Chapel services were recorded and broadcast by the Chaplain each week. Houseparents met with their houses online at least every week. Tutors met tutees at least once a week.

Many co-curricular activities were sustained online. A weekly sports challenge was set, fitness and yoga classes were provided and Strava-based competitions set up between various groups. Several clubs and societies met. Senior and junior inter-house "Masterchef" competitions were held, as were Scholars' debates and quizzes. The geography department conducted a virtual field trip to Cornwall, making good use of Google Earth. Concerts were recorded and broadcast.

The Fifth Form continued to study GCSE work until half term, after which they took part in "introduction to Sixth Form work" classes, joined by most of those new pupils due to join the Sixth Form in September. The Upper Sixth also continued with A level work until half term. After that they took part in university-style mini-courses for two weeks, delivered by alumni currently at university, and then enjoyed a two-week lecture and seminar series focussing on careers and personal development.

The process of generating Centre-Assessed-Grades (CAGs) was a careful, measured, fair and thorough one, with several checks and balances introduced at different stages. The overall distribution of grades was not out of line with previous years, and in fact at A level was slightly down on the results of 2019. The school was confident that the grades submitted were an honest and fair reflection of the work and abilities of the candidates.

**King's Hall School**

In response to the closure of schools we moved to provide an online remote learning programme to all pupils through three main platforms. In the Early Years Foundation Stage this was Tapestry, in Years 1 and 2 it was See-Saw and from Years 3 to 8 it was MS Teams.

We provided on site care for Key Worker children throughout the school holidays as well as term time closures. From 1 June, in line with DfE wishes, we welcomed back children in Years 6, 1, Reception and Nursery under Covid-secure guidelines. Towards the end of term, we managed to have all other children in the school back for at least half a day.

The core remote learning provision had most academic lessons delivered as live with creative and sporting opportunities aplenty being offered, encouraged and reviewed. Musical ensembles and choirs combined digitally, Strava clubs were formed and dramatic, artistic and DT construction challenges set. There was a strong mix of other opportunities ranging from the likes of Year 8 generating a Virtual Fundraising Fair to great effect, inspirational and informative speakers connecting with the children online and Year 4 creating a drama production through collective remote performances. These only give a flavour of the wide and varied experiences generated.

The overall provision was excellent and very broad across both schools, and very widely regarded by parents as exceeding their hopes and expectations.

## REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

**King's College**

The School's high educational standards are validated through strong public examination results, our measure of value added and through external inspection. The School offers a broad range of subjects, though the emphasis is on traditional, academically rigorous disciplines. We have particular strength in history, mathematics, the sciences, languages and design technology.

*Academic Results*

At both GCSE and A level, the academic results for the school were strong this year. Grades were generated by the school following a rigorous process and careful internal moderation, and we believe they were a fair reflection of the ability and hard work of the two cohorts.

At A level, the overall A* to B rate was 71.4%, with a 100% pass rate. In all, 19 students gained three or more A or A*s. The great majority of students who had offers from universities have been accepted onto their first or second choice courses; along with students across the country, we are grateful to universities for showing understanding and flexibility in these difficult and confusing times.
Subjects which performed particularly well this year, on the measure of the percentage of grades A* to B, include French, Further Mathematics, Latin, Music, Music Technology, Photography and Spanish (all 100%), along with Drama (88%), Art (86%), PE (85%), Philosophy (80%), Geography (77%), Physics (77%), Business Studies (74%), Economics (73%) and English (72%).

King's students have gained places at some of the country's leading universities this year, including Oxford, Imperial, UCL, KCL, Durham, Nottingham, Manchester and Exeter.

The six BTEC Sport candidates performed well, with three of them gaining three Distinctions or better.

At GCSE, the school's overall percentage of grades A*, A, 9, 8 and 7 (equivalent to the old A*s and As) was 59%, with a pass rate of 99.6%. Eight pupils achieved ten grades at A*, 9 or 8.

Individual departments which did particularly well this year, measured by the percentage of grades A*, A, 9, 8, and 7, included Chemistry (67%), Drama (76%), Design Technology (63%), French (71%), German (85%), History (63%), Latin (88%), Mathematics (71%), Physics (72%), Philosophy (64%), Spanish (70%) and Textiles (75%).

King's College pupils performed well in national academic and essay competitions. A Lower Sixth boy won a Highly Commended certificate for an essay submitted for the Unofficial Guide to Medicine Competition. His essay was titled 'How can the current problems in healthcare be minimised using AI and technology?' In the UK Senior Maths Challenge, King's pupils won four gold certificates, 19 silver, and 31 bronze. A Lower Sixth former was awarded a distinction in the National Olympiad for Girls.

It was our most successful year of inter-school debating for some time. A team of two senior pupils qualified for the Oxford Union Finals Day (among the best five in the South West); and another team of three won the South West final of the ESU Mace competition, which earned them a place in the last 12 nationally at the National Finals' Day in London. Sadly, both debating finals were then cancelled.

The school held its first Spanish exchange for some time. This will become an annual event.

*Improving Facilities*

Continued significant progress was made in the refurbishment of educational and pastoral facilities, including the creation of further study spaces within boarding houses.

*Equestrian*

The equestrian programme was shut down during the summer due to Covid-19, and has subsequently moved to larger stables nearer to the school. A new arena is being built and is due for completion Winter 2020/21.

*Arts, Music and Drama*

The drama highlight of the year was the production of A Christmas Carol at the end of the Michaelmas Term.

We had the usual regular and very varied programme of music performances through the year. The inter-house music competition was fiercely contested, this year involving the top musicians from our prep school, King's Hall School, as well. The extensive programme of concerts included the regular Friday Live lunchtime series, broadcast across the whole world from the school reception area.

Twenty-two of our artists put on an exhibition in a commercial art gallery, the Old Brick Workshop in Wellington.

*Sport and Outdoor Pursuits*

In terms of national competitions this was one of the most successful years on record. Several of our teams reached the final stages, but sadly none of the competitions could be concluded, due to Covid-19.

The U14 netball team qualified for the regional finals. Both the U16 and 1st team boys' hockey sides reached the last stages of their respective national knockout competitions.

Both junior and senior squash teams qualified for the latter stages of national cups. Our junior boys' cross-country team won through to a place in the national finals. The basketball team made it to the regional finals.

In swimming, our boys' medley relay team made it to the final of the prestigious national Bath and Otter relay competition in London.

The golf team qualified for the ISGA regional finals, and also for the HMC foursome's regional final.

Our U15 girls' football team were through to the national schools' semi-final and our U18 girls had again qualified for the national ISFA semi-final.
The School continues to see a large number of candidates completing their Duke of Edinburgh Gold awards while still at the school.

*CCF*

A team of Royal Marines CCF cadets won the annual Sir Steuart Pringle Trophy.

*Remote Teaching*

The school continued to provide an outstanding programme of remote learning from the final week of the Lent Term to the final week of the Summer Term. In addition, a rich and varied programme of co-curricular activities was sustained throughout the lockdown period, including meetings of clubs and societies, inter-house competitions (including senior and junior cookery competitions), quizzes, virtual field expeditions, sports challenges and music concerts.

*Community*

A large number of our pupils were involved in outreach programmes, which included coaching athletics and football at local primary schools.

The School remains involved in the MCC Hub scheme for cricket, which links local cricket clubs, talented players from state schools and high-level coaches, using the School's indoor cricketing facilities.

The school remains an active member of the local Citizens UK branch.

We run an annual "Philosothon" at the school which is attended by independent and state school pupils.

Facilities made open to the public include:

The School swimming pool, which is made available to local swimming clubs and other bodies.

Our Chapel and Theatre, which are made available to local music and theatre groups, for example the Amici Choir, Orchestra South West and the Somerset Opera Company. All performances were open to the public.

Other sports facilities, in particular our astro-turf hockey pitches, covered netball court, and indoor cricket school, were extensively used by local clubs and by county organisations.

**King's Hall School**

King's Hall School provides a very high standard of education and this is validated by review of the academic results and other achievements and through external inspection. The School offers a broad curriculum and educates children with a wide range of ability. It has an exceptional 'Forest School' on site utilised by all children to varying degrees which makes full use of the School's stunning rural position and proves very popular with children and staff alike. 'Woodland Adventures' and a variety of courses are run during the school holidays as part of the wrap-around care provision. As well as achieving high academic attainment the School is a strong force on the sporting front, especially in rugby, cricket, hockey, netball, tennis and athletics. The School has impressive musical performers; artists with great talent; self-motivated and able designers; its drama and performing arts programme is full, varied and of a very high standard.

The School aims to support children in reaching their potential in all areas of their activity at the School. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or design technology: Year 8 leavers secured 40 scholarships this year and around 200 awards to senior schools have been gained in these six disciplines over the last six years. The School produces well-rounded individuals who are able to make a positive contribution to society. An effective democratically elected Pupil Council operates successfully from Year 3 upwards with 'Pupil Voice' existing in Pre-Prep. There are constant charitable events taking place, with a significant focus this year being towards funds for the Brainwave Charity, support for Parkinson's UK and Hospice South West.

*Academic Performance*

Year 8 leavers gained eleven academic scholarships to senior schools. There was a 100% pass rate for all pupils who sat the Common Entrance examinations: all bar one subject achieved over 90% A* to C grades of which five had 100% A* to C grades. Year 6 children gained nine academic scholarships to continue to King's College after Year 8.

*Sport*

King's Hall School continues to compete at a very high level, especially in rugby, hockey, cricket, athletics, tennis, football and netball. The 1st XV and the Colts rugby teams had very successful seasons and competed regionally as well as at the Rosslyn Park National Sevens. The boys' and girls' hockey teams won the vast majority of their matches with the U13, U12 and U11 girls Hockey teams all qualifying to take part in the finals of the IAPS National Hockey Tournament. The girls 1st XI cricket team were undefeated and the boys 1st XI cricket team had a highly successful season. Ten boys and three girls in the school were selected to play for Somerset at their age group. The boys were either County champions or runners up at U13, U12 and U11 levels.

The tennis teams performed strongly in the AEGON league with both boys and girls playing for their County, one boy is the County Tennis Champion for his age group. Our girls and boys compete in the County Cross Country championships with several children representing the South West. Children again competed at the South West Regional Athletics Championships from which four qualified for the National Athletics Finals. A large number of children competed in the Exmoor Challenge whilst our riding team won several Show Jumping Classes during the year. One boy became U13 National squash champion and another boy is the County U12 Squash champion. One boy is National Biathlon Champion and

represented GB in the European Championships and at the World Championships.

Nine children gained sports scholarships to their senior schools and seven won awards in Year 6 to continue on to King's College.

*Art, DT, Music and Drama*

An impressive and diverse Art and DT exhibition at the end of the year displayed the various creative talents in the School. We had many children benefit from the visits of established artists to the School whilst the Specialist Art group visited sculpture gardens, galleries and museums to extend their knowledge and understanding. The music department put on extremely high quality concerts each term enjoying the talents of some exceptional performers. Frequent informal concerts allow budding talent to develop their performance skills in an unthreatening arena. Performance at competitions goes from strength to strength with unprecedented success in the Taunton Music Festival with a record number of first places.

Drama productions were plentiful with the Michaelmas Term seeing Year 8 give an assured performance of 'The Wiz' with extremely high quality performances, sound including radio microphones, lighting, set, make-up and costumes. December saw two excellent nativity productions from Pre-Prep. In March Year 6 produced a visually impressive version of 'Ghosthunters' with six children sharing the title role. Years 3 and 4 each performed smaller scale plays during the year. The Speech and Drama activity continues to thrive with many children taking part in the Taunton Drama Festival and here, like the musicians, it was a year to surpass last year's success with a record proportion receiving distinctions and winning their class.

The King's Hall Arts Week welcomes an enormous range of visitors across the curriculum enriching the experience for the children as well as numerous trips and productions taking place. Workshops, trips, visiting artists, authors, storytellers, a trip to the ballet and our own Fête de la Musique event all celebrate the Arts.

Two music, one art, four DT and three drama/performing arts scholarships were gained by Year 8 children to senior schools and one each of music and performing arts scholarships were gained by children in Year 6.

*Significant projects*

The major focus has been on a full refurbishment of the Swimming Pool Plant and Plant Room which has further improved the provision for swimming at the school.

**International Schools**

KST has a subsidiary company to take advantage of the opportunity to develop schools internationally applying the successful King's Schools approach to education and personal development. This company works with selected partners who are generally responsible for the day-today operation of the schools while King's Schools assist with recruiting key personnel, curriculum and policies. Once a school is operating, personnel from the UK schools provide support to the local management and undertake regular educational audits to ensure that the King's Schools formula is being applied successfully.

*India*

In October 2019 a full inspection of King's College India was conducted by the Chairman of Governors of King's Schools Taunton and the Headmasters of King's College and King's Hall. A detailed report was drawn up which highlighted several areas in need of improvement, not least in governance, management and child welfare and protection. The school has since drawn up an action plan to address the issues, against which good progress has been made. During lockdown, King's College India continued to provide an online remote learning programme.

*Qatar*

King's College Doha opened to 183 pupils on 18 September 2016. It had a very successful first year with numbers growing in year to circa 230 up to Year 4 and it now has 590 children up to Year 8. There continues to be close dialogue and support for the school including the monitoring responsibilities conducted through both a formal inspection as well as regular reports. We are engaged in plans for further developments in Doha.

We continue to evaluate possible further opportunities for International development.

**Key Performance Indicators**

KST uses KPIs internally and externally in line with anonymised results from national surveys. These KPIs include surplus, pupil numbers, and academic results. These KPIs are analysed within KST, by Governors and also by the Woodard Corporation.

**Statement on Brexit**

Following the outcome of the UK referendum on European Union membership, the UK left the European Union on 31st January 2020. In preparation for this date, and in anticipation of the transition period, the school reviewed operations to understand and plan for the initial impact from Brexit. Guidance was also available from a number of sources including the Independent Schools Bursars Association. At this stage it is not possible to implement comprehensive policies for all possible changes as the future trade, visa and travel agreements are not all yet in place. The school will continue to work with relevant authorities, staff, parents and suppliers to fully understand the impact in all areas including particularly visa requirements, the supply chain and data handling and protection, in order to minimise risk and potential disruption.

**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The net income for the year amounted to a deficit of £50,332. This is in line with expectations in response to the impact from Covid-19. Despite activities being significantly reduced this year due to the impact from Covid-19, WST Enterprises Limited continues to hire out the Schools' facilities during holidays and school hours where it can, as well as undertaking commercial activity on behalf of the Schools and externally. The very successful national and international cricket festival will return stronger in the summer 2021. WST Enterprises Limited contributed £50,242 to the Schools' operating results. King's College Schools International Limited contributed £143,177 to the Schools' operating results with turnover of £159,131 contributing to the Group results. Due to the impact from Covid-19, the Equity Shareholders' Funds decreased by £50,332.

The parents of pupils often make significant sacrifices to pay the fees. In doing so they help to relieve UK taxpayers of the financial burden of educating a significant number of UK based children. The saving made by the Schools is estimated to have a value in the last year of £4.4 million.

The Company is unable to recover the VAT on purchases it makes. During the past year, King's Schools Taunton Limited has paid an estimated £498,359 in VAT on goods and services.

**RESERVES POLICY**

It has been the Council's policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the Schools without the requirement to have recourse to sales of tangible fixed assets, except where those are no longer required for the primary purpose of the Schools. At year end the Council consider that the Charity holds sufficient funds to meet these needs.

KST currently has a small level of free reserves (£146,701) and, although there is not a specific target, intends to build them up over time. At the present stage in the development cycle the free reserves are being utilised in order to finance on-going improvements and the provision of additional facilities in

accordance with the Schools' strategic plan. The Schools continue to invest in their infrastructure, both with new capital projects and to deliver significant repairs and improvements to existing facilities.

The Council continues to keep the Schools' banking facilities under review to ensure they remain appropriate to support the Schools' working capital requirements. The restricted reserve is invested both in cash and a balanced range of quoted investments. The unrestricted reserves are primarily invested in tangible fixed assets and investments which are all used for the Schools' direct charitable activities.

*Bursary fund.* The Council recognises the long term need to support families who could otherwise not afford the full school fees. In 2015 the Council allocated £1m to a Bursary fund, the income from which will go to support the Council's extensive bursary programme. It is the intention to grow this fund in the long term. At 31 August 2020 the investments within this Fund were valued at £1,337,700.

*Pension Deficit fund.* The Company has a contingent liability of some £495,630 in relation to a deficit on its Pension Trust Growth Plan scheme (see also note 20). In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund is now larger than the deficit. At 31 August 2020 the investments within this Fund were valued at £1,158,954.

**Investment Performance against Objectives**

***Bursary Fund***
The portfolio, managed by Cazenove Capital, was valued at £1,337,700 on 31 August 2020 (31 August 2019: £1,297,692).

Over the period the portfolio return was 3.28%, adjusted for additions and withdrawals. The trustees have adopted a total return approach, and the withdrawals are met from a combination of income and capital as appropriate. The portfolio is invested in accordance with the agreed investment strategy.

***Pension Deficit Fund***
The portfolio, managed by Cazenove Capital, was valued at £1,158,954 on 31 August 2020 (31 August 2019: £1,159,489).

Over the period the portfolio return was -0.01%. There is currently no income drawn from the portfolio; income is re-invested.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Coronavirus Pandemic**

It should be noted that these financial statements were compiled during the Covid-19 global pandemic and before a vaccine was identified. Like most trustees, the governors keep under consideration the impact of a serious critical incident/event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below is therefore reflective of a more stable environment and does not specifically look at the pandemic, or other similar events, but offers a wider view of common events plus a specific risk looking at those events that could impact the continuity of education. However, the threat of a global pandemic or serious illness/disease is considered as part of the Governors' Risk Register.

**Risk Management**

The Council considers the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. Both schools' pupil numbers are strong; but, there is no room for complacency. The governing body, therefore, decided last year to increase fees in September 2019 by only 3%. For September 2020, despite a number of increased costs, the governing body froze all fees at the 2019 level. This was due to the considerable uncertainty facing our parents at this extremely difficult time.

Health and Safety is always a significant area for risk management. The risks range from fire and

infrastructure to personal risks (most notably when away from the respective schools' sites on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The Council is responsible for the identification and management of risks. It has a Risk Management Policy and maintains a Risk Register for the Schools and the subsidiary trading companies. It undertakes regular reviews of the risk management processes which are in place and examines the major specific risks which the Schools face each financial year when considering forward plans. The Schools and the subsidiary companies have developed systems to monitor and control these and sundry lesser risks to mitigate any impact that they may have on the Schools and the Group in the future.

The principal risks to which the Schools are exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas include:

- the governors consider possible serious critical incidents/events and ensure that the school has a plan in place to allow education to continue in a range of different scenarios
- the market in which the Schools operate, which is highly competitive and requires us to monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience
- the fact that the Schools operate in a highly regulated sector, including the area of child protection and safeguarding. To assist us we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements as well as having school or individual membership of bodies being the constituent associations of the Independent Schools Council, ensuring that we have access to up to date information and support.
- the fact that the Schools operate in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all relevant challenges
- the difficult economic conditions, locally, nationally and internationally; Directors and senior managers in the Schools keep abreast of economic conditions to identify trends and develop plans to address issues.

The key controls used by the Schools include:

- formal agendas and minutes for all meetings of the Council and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and clear reporting lines
- comprehensive formal written policies regarding key areas
- clear authorisation limits
- vetting procedures as required by law, for protection of the vulnerable
- regular contact between the Custos, chairs of Council committees, senior officers and other staff
- regular attendance on relevant training courses by Council Members and staff
- the maintenance and regular review of a detailed Risk Register

The Schools plan strategically having regard for risk. The management provides the School Council with regular reports which include details of the principal strategic objectives and the activity to achieve those objectives. The Schools also record significant achievements and update the Council and the Woodard Board on short-term plans.

The Schools' strategic plans are discussed between the School Council and the Woodard Board and protocols have been developed and agreed which outline the relationship between the two bodies. The key risk to the Schools continues to be the overall economic climate leading to parents wondering whether they can afford independent education. This is being managed by thorough, regular reviews of marketing activities and development of new markets.

### Financial Risk Management Objectives and Policies

The Company is currently debt free and therefore has no interest risk exposure. The Company uses its trade debtors, creditors and operating lease arrangements to manage its cash flow and ensure that liquidity risk is minimised. The Company's investments are managed externally by a firm of professional investment managers.

## GOING CONCERN

The governing body has reviewed the impact of the global pandemic on school operations and finances. In summer term of 2019-20 the financial impact was mitigated through the use of the support provided by the Government through the furlough scheme and by some reduced variable costs. The governing body recognise that the financial implications in 2019-20 brought about as a result of the pandemic will continue into 2020-21, and possibly beyond, and continues to rework plans for 2020/21 and 2021/22 to ensure the financial impact on the school continues to be mitigated in the most appropriate way.

After review of evidence including the cash-flow forecast and profit and loss budgets, with sensitivity analysis for further impacts from Covid-19, the King's Schools Taunton Board has a reasonable expectation that the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Details related to the adoption of the going concern basis can also be found in the accounting policies on page 28.

## FUTURE PLANS

### King's Schools

The objectives set for the year were largely achieved despite the extraordinary circumstances of the COVID-19 Pandemic.

Within the constraints of the impact from the COVID-19 Pandemic, the key aims for 2020-21 are:

1. To continue to develop a culture of excellence with a relentless focus on improvement in a nurturing and creative environment
2. To achieve a minimum break-even operating position and work towards 5% year on year to support the long-term sustainability of King's College and King's Hall
3. To continue to support expansion in the number of international schools with our partners EduReach, enabling significant additional income and enriching activities for King's Hall and King's College
4. To continue focus on raising admissions for both schools until full capacity reached
5. To further raise the profile of King's College and King's Hall in the local community including recording works in the Schools Together website
6. Development of 5-10 strategy that reflects the changing external environment
7. As part of overarching strategy to complete estates plan.

### King's College

The objectives set for the year were achieved.

Within the constraints of the impact from the COVID-19 Pandemic, the key aims for 2020-21 are:

1. To further develop plans for Sixth Form Centre and commence build in 2021
2. To build on last year's academic success and to maintain positive value-added results in all departments
3. To continue to develop virtual learning platforms into routine use
4. To raise total numbers towards 470 and beyond in the College.

## DIRECTORS' REPORT (incorporating the STRATEGIC REPORT)
## *YEAR ENDED 31 AUGUST 2020*

**King's Hall**
The objectives set for the year were achieved.

Within the constraints of the impact from the COVID-19 Pandemic, the key aims for 2020-21 are:

1. To sustain the high level of Scholarship and 13+ successes
2. To continue to develop virtual learning platforms into routine use
3. To further extend links with Nurseries and Primary schools in the area
4. To raise total numbers towards 320 in the school.

**DIRECTORS**
The Directors who served during the year, and the committees of which they are members, are:

| | | |
|---|---|---|
| Mrs L M Nash (Custos) | | All committees |
| Dr R A K Mott (Vice-Custos) | | All committees |
| S J Carder | | Education and Pastoral |
| Mrs C A Cavaghan-Pack | | Education and Pastoral |
| Mrs C A Cooper | | Finance and Estates |
| G P Davis | | Finance and Estates, Remuneration |
| M D Featherstone | | Education and Pastoral |
| C H Hirst | | Education and Pastoral, |
| J E R Houghton | | Finance and Estates |
| R M U Lambert | (appointed 24 June 2020) | Finance and Estates |
| W J Morrison | (appointed 24 June 2020) | Finance and Estates |
| Mrs L C Scott | | Education and Pastoral |
| Bishop Nigel Stock | | Education and Pastoral |
| M F Trimble | | Finance and Estates, Remuneration, Appointments |
| Capt J R A Woodard RN | (appointed 27 November 2019) | Education and Pastoral |

None of the Directors has any beneficial interest in the Company.

**AUDITORS**

RSM UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

## DIRECTORS' REPORT (incorporating the STRATEGIC REPORT)
*YEAR ENDED 31 AUGUST 2020*

### DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

This Directors' Report (including the Strategic Report) was approved by the board of directors of King's Schools Taunton Limited on 10 December 2020 and signed on their behalf:

**L M Nash**
Chair

# KING'S SCHOOLS TAUNTON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED
## *YEAR ENDED 31 AUGUST 2020*

### Opinion

We have audited the financial statements of King's Schools Taunton Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and the 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

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

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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED
*YEAR ENDED 31 AUGUST 2020*

**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 Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Directors' responsibilities set out on page 20, 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 Directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

**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.

RSM UK Audit LLP

Kevin Barwick (Senior Statutory Auditor)
For and on behalf of
RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
55-61 Victoria Street
Bristol
BS1 6AD

18 December 2020

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2020*

| | Notes | Unrestricted Funds | Restricted Funds | 2020 | *2019* |
|---|---|---|---|---|---|
| | | £ | £ | £ | *£* |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | | 12,407,317 | - | **12,407,317** | *13,664,824* |
| Ancillary trading income | 2 | 624,185 | - | **624,185** | *760,620* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 3 | 228,266 | - | **228,266** | *431,215* |
| Other activities | 3 | 9,872 | - | **9,872** | *10,447* |
| **Investments** | | | | | |
| Investment Income | 4 | 36,165 | - | **36,165** | *43,119* |
| Bank and other interest | 5 | 12,411 | - | **12,411** | 11,450 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 6 | 756,814 | 29,853 | **786,667** | *205,867* |
| **TOTAL INCOME** | | **14,075,030** | **29,853** | **14,104,883** | *15,127,542* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Non-ancillary trading | 7 | 30,047 | - | **30,047** | *172,931* |
| Financing costs | 7 | (78,837) | - | **(78,837)** | *21,155* |
| Investment management | 7 | 20,497 | - | **20,497** | *19,731* |
| | | **(28,293)** | **-** | **(28,293)** | *213,817* |
| **Charitable Activities** | | | | | |
| Education and grant making | 7 | 14,202,333 | 6,520 | **14,208,853** | *14,014,214* |
| **TOTAL EXPENDITURE** | | **14,174,040** | **6,520** | **14,180,560** | *14,228,031* |
| **Net income and expenditure before transfers** | | **(99,010)** | **23,333** | **(75,677)** | *899,511* |
| Realised gains/(losses) on investment assets | 13 | (28,468) | - | **(28,468)** | *(13,776)* |
| Unrealised gains on investment assets | 13 | 53,813 | - | **53,813** | *51,806* |
| **Net income** | | **(73,665)** | **23,333** | **(50,332)** | **937,541** |
| Transfers between funds | 21 | 875 | (875) | **-** | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **(72,790)** | **22,458** | **(50,332)** | *937,541* |
| Fund balances at 1 September 2019 | | 18,252,945 | 190,857 | 18,443,802 | *17,506,261* |
| **FUND BALANCES at 31 August 2020** | | **18,180,155** | **213,315** | **18,393,470** | *18,443,802* |

In the prior year, all income and expenditure related to unsrestricted funds, with the exception of £116,520 of voluntary income and £14,018 of grant making expenditure which related to restricted funds.

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 notes on pages 28 to 48 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

### *YEAR ENDED 31 AUGUST 2020*

| | Notes | Unrestricted Funds | Restricted Funds | 2020 | *2019* |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **INCOME FROM:** | | | | | |
| **Charitable Activities** | | | | | |
| School fees receivable | | 12,407,317 | - | **12,407,317** | *13,664,824* |
| Ancillary trading income | 2 | 624,185 | - | **624,185** | *760,620* |
| **Other trading activities** | | | | | |
| Non-ancillary trading income | 3 | 198,219 | - | **198,219** | *348,564* |
| Other activities | 3 | 9,872 | - | **9,872** | 10,447 |
| **Investments** | | | | | |
| Investment Income | 4 | 36,165 | - | **36,165** | *43,119* |
| Bank and other interest | 5 | 12,411 | - | **12,411** | 11,450 |
| **Voluntary sources** | | | | | |
| Appeal income and donations | 6 | 756,814 | 29,853 | **786,667** | *205,867* |
| **TOTAL INCOME** | | **14,044,983** | **29,853** | **14,074,836** | *15,044,891* |
| **EXPENDITURE ON:** | | | | | |
| **Raising funds** | | | | | |
| Financing costs | 7 | (78,837) | - | **(78,837)** | *21,155* |
| Investment management | 7 | 20,497 | - | **20,497** | *19,731* |
| | | **(58,340)** | - | **(58,340)** | *40,886* |
| **Charitable Activities** | | | | | |
| Education and grant making | 7 | 14,202,333 | 6,520 | **14,208,853** | *14,014,214* |
| **TOTAL EXPENDITURE** | | **14,143,993** | **6,520** | **14,150,513** | *14,055,100* |
| **Net income and expenditure before transfers** | | **(99,010)** | **23,333** | **(75,677)** | *989,791* |
| Realised gains/(losses) on investment assets | 13 | (28,468) | - | **(28,468)** | *(13,776)* |
| Unrealised gains on investment assets | 13 | 53,813 | - | **53,813** | *51,806* |
| **Net income** | | **(73,665)** | **23,333** | **(50,332)** | *1,027,821* |
| Transfers between funds | 21 | 875 | (875) | - | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **(72,790)** | **22,458** | **(50,332)** | *1,027,821* |
| Fund balances at 1 September 2019 | | 18,252,945 | 190,857 | **18,443,802** | *17,415,981* |
| **FUND BALANCES at 31 August 2020** | | **18,180,155** | **213,315** | **18,393,470** | *18,443,802* |

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 notes on pages 28 to 48 form part of these financial statements.

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED AND CHARITY BALANCE SHEETS
## *AS AT 31 AUGUST 2020*

| | Notes | GROUP 2020 £ | GROUP 2019 £ | CHARITY 2020 £ | CHARITY 2019 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 12 | **15,506,882** | *15,893,236* | **15,506,882** | *15,893,236* |
| Investments | 13 | **2,249,599** | *2,293,902* | **2,249,599** | *2,293,902* |
| Investments in subsidaries | 13 | **-** | *-* | **101** | 101 |
| | | **17,756,481** | *18,187,138* | **17,756,582** | *18,187,239* |
| **CURRENT ASSETS** | | | | | |
| Stocks | | **22,782** | *21,468* | **22,782** | *21,468* |
| Debtors | 14 | **678,743** | *594,662* | **1,285,986** | *1,275,469* |
| Cash | | **5,911,109** | *5,900,389* | **5,280,509** | *5,161,435* |
| | | **6,612,634** | *6,516,519* | **6,589,277** | *6,458,372* |
| **CREDITORS:** due within one year | 15 | **(4,392,603)** | *(5,041,701)* | **(4,369,347)** | *(4,983,655)* |
| **NET CURRENT ASSETS** | | **2,220,031** | *1,474,818* | **2,219,930** | *1,474,717* |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **19,976,512** | *19,661,956* | **19,976,512** | *19,661,956* |
| **CREDITORS:** due after more than one year | 16 | **(1,582,942)** | *(1,218,054)* | **(1,582,942)** | *(1,218,054)* |
| **TOTAL NET ASSETS** | | **18,393,570** | *18,443,902* | **18,393,570** | *18,443,902* |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 18 | **100** | *100* | **100** | *100* |
| **FUNDS** | | | | | |
| Restricted funds | 21 | **213,315** | *190,857* | **213,315** | *190,857* |
| Unrestricted funds | | | | | |
| General | 21 | **15,653,483** | *15,758,580* | **15,653,483** | *15,758,580* |
| Designated | 21 | **2,526,672** | *2,494,365* | **2,526,672** | *2,494,365* |
| | | **18,180,155** | *18,252,945* | **18,180,155** | *18,252,945* |
| **EQUITY SHAREHOLDERS' FUNDS** | | **18,393,570** | *18,443,902* | **18,393,570** | *18,443,902* |

The notes on pages 28 to 48 form part of these financial statements. The financial statements were approved and authorised for issue by the Board on 10 December 2020 and signed on its behalf by

**L M Nash**
**Director**

Company registration number 05084301

# KING'S SCHOOLS TAUNTON LIMITED

## CONSOLIDATED CASH FLOW STATEMENT
## *AS AT 31 AUGUST 2020*

| | 2020 | *2019.* |
|---|---|---|
| Net income for the year | **(50,332)** | *937,541* |
| Depreciation of tangible fixed assets | **507,740** | *519,222* |
| Investment interest received | **(36,165)** | *(43,119)* |
| Bank interest received | **(12,411)** | *(11,450)* |
| Interest payable | **9,943** | *10,306* |
| Gains on investments | **(4,848)** | *(18,299)* |
| (Increase)/decrease in debtors | **(84,081)** | *100,205* |
| (Decrease)/Increase in creditors | **(649,098)** | *235,755* |
| Increase/(decrease) in creditors due after more than one year | **364,888** | *(382,685)* |
| (Increase)/decrease in stocks | **(1,314)** | *(7,324)* |
| **Net cash inflow from operating activities** | **44,322** | *1,340,152* |
| **Cash flows from investing activites** | | |
| Investment interest received | **36,165** | *43,119* |
| Bank interest received | **12,411** | *11,450* |
| New money invested | **(93,102)** | *(88,259)* |
| Increase in investment uninvested cash | **83,777** | *59,416* |
| Investment amounts extracted | **58,476** | *54,860* |
| Purchase of tangible fixed assets | **(121,386)** | *(235,920)* |
| | **(23,659)** | *(155,334)* |
| **Cash inflow before financing** | **20,663** | *1,184,818* |
| **Financing** | | |
| Interest Paid | **(9,943)** | *(10,306)* |
| Cash outflow from financing | **(9,943)** | *(10,306)* |
| **Increase in cash in the year** | **10,720** | *1,174,512* |
| **Cash balances at the start of the year** | **5,900,389** | *4,725,876* |
| **Cash balances at the end of the year** | **5,911,109** | *5,900,389* |

## 1 ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

### a) Basis of accounting

The accounts of the Group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK accounting standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

King's Schools Taunton Limited meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 30 and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in Sterling (£) and the functional currency is sterling (£).

### b) Going Concern

The accounts have been prepared on a going concern basis. The Board of King's Schools Taunton Limited have reviewed the financial information for the Company and the Group and considered whether the Group and Company are a going concern for a period of at least 12 months from the date of approval of the accounts. After review of evidence including the cash-flow forecast and profit and loss budgets, with sensitivity analysis for further impacts from Covid-19, the King's Schools Taunton Board has a reasonable expectation that the group will be able to continue operating for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

### c) Group accounts

The financial statements consolidate the financial statements of the Company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Enitities are consolidated where King's Schools Taunton Limited exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

### d) School fees receivable and similar income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

1. **ACCOUNTING POLICIES** (continued)

e) **Ancillary and non-ancillary trading income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

f) **Voluntary sources, grants and donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

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

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

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

The cost of refurbishing and converting existing buildings is written off in the year in which it is incurred except where the useful life has been extended.

h) **Pension costs**

The Company participates in The Teachers' Pensions Scheme, which is an unfunded Government scheme, and The Pensions Trust Growth Plan, both of which provide benefits based on final pensionable pay. The funds of the schemes are separate from the Company, although the Company share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as a defined contribution scheme. The Company also contributes to other defined contribution pension schemes for non-teaching staff.

The Company historically offered membership of The Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth Plan is a multi employer pension scheme where the scheme assets are pooled for investment purposes and cannot be atributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the Company, though, due to the guarantees inherent in the scheme, the Company remains potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for as if it were a defined contribution scheme, with contributions recorded as they become payable.

1. **ACCOUNTING POLICIES** (continued)

h) **Pension costs** (continued)

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. More detail is given in note 20.

i) **Tangible fixed assets and depreciation**

In accordance with Section 35.10 (d) of FRS102, King's Schools Taunton Limited has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---|---|
| - Freehold land is not depreciated | |
| - Freehold buildings: | Variable according to the building and written off over the expected useful life (see paragraph below) |
| - Freehold improvements: | Over the useful economic life of the improvement |
| - Computer equipment | 25% on cost |
| - Fixtures and fittings | 4% - 50% on cost |
| - Plant and machinery | 10% - 20% on cost |
| - Motor vehicles | 25% on cost |

The Company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The Company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. The Directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the Directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

The Company exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

1. **ACCOUNTING POLICIES** (continued)

j) **Financial instruments**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

k) **Securities and Investments**

Securities and investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets. Realised gains and losses are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year. The revaluation reserve reflects the accumulated total of unrealised gains and losses. Uninvested cash is the balance of liquid cash, held as an investment, which has not been invested in securities.

l) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

m) **Leasing commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the SOFA over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

n) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school.

Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet

o) **Fund accounts**

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the Directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

p) **Taxation**

King's Schools Taunton Limited is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The Company has two subsidiary companies that are subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The corporation tax arising on the subsidiary companies' profit for the year is mitigated by the payment of Gift Aid by these entities to the School.

## 2 CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME

| | Group and Charity | |
|---|---|---|
| | **2020** | *2019* |
| | **£** | *£* |
| Extra subjects | **368,280** | *476,223* |
| Entrance and registration fees and fees in lieu of notice | **88,730** | *41,743* |
| Commissions and other income | **167,175** | *242,654* |
| | **624,185** | *760,620* |

## 3 OTHER TRADING ACTIVITIES

| | Group | |
|---|---|---|
| | **2020** | *2019* |
| **Non-ancillary trading income** | **£** | *£* |
| Rents receivable and other sales | **4,800** | *5,500* |
| WST Enterprises Ltd | **64,335** | *287,043* |
| KST International Ltd | **159,131** | 138,672 |
| | **228,266** | *431,215* |

| | Charity | |
|---|---|---|
| | **2020** | *2019* |
| **Non-ancillary trading income** | **£** | *£* |
| Rents receivable and other sales | **4,800** | *5,500* |
| WST Enterprises Ltd | **50,242** | *138,908* |
| KST International Ltd | **143,177** | 204,156 |
| | **198,219** | *348,564* |

| | Group and Charity | |
|---|---|---|
| **Other activities** | **2020** | *2019* |
| | **£** | *£* |
| Interest on overdue fees | **9,872** | *10,447* |
| | **9,872** | *10,447* |

## 4 INVESTMENTS - INVESTMENT INCOME

| | | | Group and Charity | |
|---|---|---|---|---|
| | | | **Total** | *Total* |
| | **Unrestricted** | **Restricted** | **2020** | *2019* |
| **Securities investment income** | **£** | **£** | **£** | *£* |
| Equities | 15,141 | - | **15,141** | *24,263* |
| Fixed interest | 18,673 | - | **18,673** | *17,851* |
| Cash | 2,351 | - | **2,351** | *1,005* |
| | 36,165 | - | **36,165** | *43,119* |

## 5 INVESTMENTS - BANK AND OTHER INTEREST

| | | | Group and Charity | |
|---|---|---|---|---|
| | | | **Total** | *Total* |
| | **Unrestricted** | **Restricted** | **2020** | *2019* |
| | **£** | **£** | **£** | *£* |
| Bank interest | 12,411 | - | **12,411** | *11,450* |
| | 12,411 | - | **12,411** | *11,450* |

## 6 VOLUNTARY SOURCES - GRANTS AND DONATIONS

| | Group and Charity | | | |
|---|---|---|---|---|
| | Unrestricted | Restricted | Total 2020 | *Total 2019* |
| | £ | £ | £ | *£* |
| Government Grant CJRS | 618,531 | - | **618,531** | *-* |
| Donations | 138,283 | 29,853 | **168,136** | *205,867* |
| | 756,814 | 29,853 | **786,667** | *205,867* |

## 7 ANALYSIS OF EXPENDITURE

### a) Total Expenditure

| | Group | | | | |
|---|---|---|---|---|---|
| | Staff Costs (note 9) | Support Costs | Depreciation (note 12) | Total 2020 | *Total 2019* |
| | £ | £ | £ | £ | *£* |
| **Costs of raising funds:** | | | | | |
| Non ancillary trading | 4,034 | 26,013 | - | **30,047** | *172,931* |
| Financing cost (note 8) | - | (78,837) | - | **(78,837)** | *21,155* |
| Investment management | - | 20,497 | - | **20,497** | *19,731* |
| **Total cost of raising funds** | 4,034 | (32,327) | - | (28,293) | *213,817* |
| **Charitable expenditure** | | | | | |
| Teaching | 6,339,559 | 467,041 | 30,798 | **6,837,398** | *6,624,516* |
| Welfare | 638,232 | 1,013,652 | 4,707 | **1,656,591** | *2,032,289* |
| Premises | 831,070 | 1,703,638 | 287,031 | **2,821,739** | *3,011,413* |
| School administration | 1,140,119 | 1,333,420 | 185,204 | **2,658,743** | *2,236,784* |
| Grants, awards and prizes (all from unrestricted funds) | - | 11,255 | - | **11,255** | *8,935* |
| Governance | - | 216,607 | - | **216,607** | *86,259* |
| Expenditure from restricted funds | - | 6,520 | - | **6,520** | *14,018* |
| **Total charitable expenditure** | 8,948,980 | 4,752,133 | 507,740 | **14,208,853** | *14,014,214* |
| **Total expenditure** | 8,953,014 | 4,719,806 | 507,740 | **14,180,560** | *14,228,031* |

### b) Governance included in support costs

King's Schools Taunton reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. Two trustees were reimbursed £837 during the year (2019: five were reimbursed a total of £2,427)

| | Total 2020 | *Total 2019* |
|---|---|---|
| | £ | *£* |
| Remuneration paid to auditor for audit services | **21,900** | *14,700* |
| Additional remuneration paid to auditors for prior year | **610** | *796* |
| Reimbursement of personal expenses to governors | **837** | *2,427* |
| | **23,347** | *17,127* |

## 8 FINANCING COSTS

| | Group and Company | |
|---|---|---|
| | 2020 | *2019* |
| | £ | *£* |
| Other interest paid | **762** | 292 |
| Bank charges | **9,182** | *10,014* |
| Provision for bad and doubtful debts | **(88,781)** | *10,849* |
| | **(78,837)** | *21,155* |

Provision for bad and doubful debts includes £123,902 recovered in the year relating to debts that had previously been provided for in full.

## 9 STAFF COSTS

The aggregate payroll costs for the year were:

| | Group 2020 £ | Group 2019 £ |
|---|---|---|
| Wages and salaries | **7,277,845** | *7,293,377* |
| Social security costs | **655,861** | *656,176* |
| Teachers' pension contributions | **901,318** | *632,215* |
| Other pension contributions | **113,924** | *96,875* |
| Private Medical Insurance | **4,066** | *4,914* |
| | **8,953,014** | *8,683,557* |

| | Charity 2020 £ | Charity 2019 £ |
|---|---|---|
| Wages and salaries | **7,273,811** | *7,248,157* |
| Social security costs | **655,861** | *655,298* |
| Teachers' pension contributions | **901,318** | *632,215* |
| Other pension contributions | **113,924** | *96,499* |
| Private Medical Insurance | **4,066** | *4,914* |
| | **8,948,980** | *8,637,083* |

None of the governors received remuneration or other benefits from King's Schools Taunton or from any connected body.

| | 2020 £ | 2019 £ |
|---|---|---|
| Aggregate employee benefits of key management personnel | **413,922** | *395,569* |

The Headmasters and the Director of Finance and Operations are classed by the School as being the Key Management Personnel.

The number of employees whose annual emoluments were £ 60,000 or more was:

| | 2020 (number) | 2019 (number) |
|---|---|---|
| £ 60,001 - £ 70,000 | **3** | *2* |
| £ 70,001 - £ 80,000 | **-** | *1* |
| £ 80,001 - £ 90,000 | **1** | *1* |
| £ 90,001 - £ 100,000 | **1** | *1* |
| £ 100,001 - £ 110,000 | **-** | *-* |
| £ 110,001 - £ 120,000 | **1** | *1* |

The average number of employees during the year calculated on a head count basis was:

| | 2020 (number) | 2019 (number) |
|---|---|---|
| Teaching staff | **130** | *130* |
| Others | **137** | *141* |
| | **267** | *271* |

Included in staff costs are redundancy or termination payments totalling £28,038 (2019: £52,699).
The amount outstanding at the year-end was nil (2019:nil).

## 10 DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Remissions of £11,467 were awarded to two children of one director attending the School (2019: nil).

## 11 TAXATION

The Company is a registered charity and therefore no liability to taxation arises on its charitable activities.

## 12 TANGIBLE FIXED ASSETS

| GROUP | Freehold Land & Buildings £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 September 2019 | 17,679,659 | 639,911 | 943,814 | 775,547 | 23,400 | **20,062,331** |
| Additions | 38,063 | 32,917 | | 50,406 | - | **121,386** |
| **At 31 August 2020** | **17,717,722** | **672,828** | **943,814** | **825,953** | **23,400** | **20,183,717** |
| **Depreciation** | | | | | | |
| At 1 September 2019 | 2,533,761 | 325,329 | 868,639 | 431,893 | 9,473 | **4,169,095** |
| Charge for the year | 273,744 | 66,114 | 14,130 | 147,902 | 5,850 | **507,740** |
| **At 31 August 2020** | **2,807,505** | **391,443** | **882,769** | **579,795** | **15,323** | **4,676,835** |
| **Net book value** | | | | | | |
| **At 31 August 2020** | **14,910,217** | **281,385** | **61,045** | **246,158** | **8,077** | **15,506,882** |
| Net book value at 31 August 2019 | 15,145,898 | 314,582 | 75,175 | 343,654 | 13,927 | 15,893,236 |

| COMPANY | Land & Buildings Freehold £ | Plant & Equipment £ | Furniture & Fittings £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 September 2019 | 17,679,659 | 639,911 | 943,814 | 775,547 | 23,400 | **20,062,331** |
| Additions | 38,063 | 32,917 | - | 50,406 | - | **121,386** |
| **At 31 August 2020** | **17,717,722** | **672,828** | **943,814** | **825,953** | **23,400** | **20,183,717** |
| **Depreciation** | | | | | | |
| At 1 September 2019 | 2,533,761 | 325,329 | 868,639 | 431,893 | 9,473 | **4,169,095** |
| Charge for the year | 273,744 | 66,114 | 14,130 | 147,902 | 5,850 | **507,740** |
| **At 31 August 2020** | **2,807,505** | **391,443** | **882,769** | **579,795** | **15,323** | **4,676,835** |
| **Net book value** | | | | | | |
| **At 31 August 2020** | **14,910,217** | **281,385** | **61,045** | **246,158** | **8,077** | **15,506,882** |
| Net book value at 31 August 2019 | 15,145,898 | 314,582 | 75,175 | 343,654 | 13,927 | 15,893,236 |

All assets are used for charitable purposes.

### 13 SECURITIES INVESTMENTS

| | 2020 | 2019 |
|---|---|---|
| **Group investments** | £ | £ |
| At 1 September 2019 | 2,457,180 | 2,405,483 |
| New money invested | 56,938 | 45,140 |
| Reinvested income | 36,165 | 43,119 |
| Amounts extracted | (58,468) | (54,860) |
| Management fees | (20,505) | (19,732) |
| Realised gains on investments | (28,468) | (13,776) |
| Unrealised gains on investments | 53,813 | 51,806 |
| **Group investments at 31 August 2020** | **2,496,655** | 2,457,180 |
| Less: Investments classified as cash | **(247,056)** | (163,278) |
| **Group investments at 31 August 2020** | **2,249,599** | 2,293,902 |
| Investments in subsidaries | **101** | 101 |
| **Company investments at 31 August 2020** | **2,249,700** | 2,294,003 |

| | | |
|---|---|---|
| **Investments comprise:** | | |
| **Listed investments** | | |
| Fixed interest | 631,907 | 671,477 |
| Equities | 1,159,403 | 1,141,905 |
| **Alternative investments** | | |
| Hedge funds | 100,168 | 236,467 |
| Commercial property funds | 52,032 | 83,462 |
| Commodities and other | 306,089 | 160,591 |
| **Group investments at 31 August 2020** | **2,249,599** | 2,293,902 |
| Investments in subsidiaries | **101** | 101 |
| **Company investments at 31 August 2020** | **2,249,700** | 2,294,003 |

Securities and Investments were managed for King's Schools Taunton Limited by Cazenove Capital.

At 31 August 2020, no one investment (2019: nil) had a carrying value equal to 5% or more of the value of the investment portfolio.

## 14 DEBTORS

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| School fees receivable | 171,813 | 181,794 | 171,813 | 181,794 |
| Trade debtors | 123,749 | 41,889 | - | - |
| Other debtors | 36,347 | 18,569 | 36,347 | 18,569 |
| Prepayments and accrued income | 346,834 | 344,440 | 346,834 | 344,440 |
| Amounts owed by group undertakings | - | - | 730,992 | 722,696 |
| Woodard Corporation | - | 7,970 | - | 7,970 |
| | 678,743 | 594,662 | 1,285,986 | 1,275,469 |

## 15 CREDITORS: Amounts falling due within one year

| | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Deposits from parents | 320,458 | 274,709 | 320,458 | 274,709 |
| Fees received in advance of term | 2,150,710 | 3,086,906 | 2,150,710 | 3,086,906 |
| Trade creditors | 884,181 | 585,023 | 884,181 | 575,161 |
| Taxes and Social Security costs | 208,443 | 225,606 | 188,487 | 182,174 |
| Pension Scheme Deficit Recovery Plan | 43,612 | 42,342 | 43,612 | 42,342 |
| Other creditors | 455,116 | 501,722 | 455,116 | 501,722 |
| Woodard Corporation | 62 | - | 62 | - |
| Accruals | 330,021 | 325,393 | 326,721 | 320,641 |
| | 4,392,603 | 5,041,701 | 4,369,347 | 4,983,655 |

### Summary of movement in deferred income

| | |
|---|---|
| Balance at 1 September 2019 | 3,086,906 |
| Amounts arising in the year | 2,150,710 |
| Amounts transferred to SOFA | (3,086,906) |
| Balance at 31 August 2020 | 2,150,710 |

Deferred income arises due to fee payments received in advance of the new financial year.

## 16 CREDITORS: Amounts falling due after one year

| | Group and Company | |
|---|---|---|
| | 2020 | 2019 |
| | £ | £ |
| Deposits from parents | 1,426,339 | 1,021,764 |
| Pension Scheme Deficit Recovery Plan | 156,603 | 196,290 |
| | 1,582,942 | 1,218,054 |

Parents pay to the school a deposit in advance. The deposits are refunded on the pupils' last terms school bill.

**17 COMMITMENTS UNDER OPERATING LEASES**

The future minimum commitments under non-cancellable operating leases are:

| | Group and Company | |
|---|---|---|
| | **2020** | *2019* |
| | **£** | *£* |
| within 1 year | **50,843** | *60,124* |
| within 1 to 5 years | **94,236** | *137,432* |
| after 5 years | **-** | *-* |
| | **145,079** | *197,556* |

**18 SHARE CAPITAL**

| | Group and Company | |
|---|---|---|
| | **2020** | *2019* |
| | **£** | *£* |
| **Authorised** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |
| **Allotted, called up and fully paid** | | |
| 100 Ordinary shares of £ 1 each | **100** | *100* |

**19 FINANCIAL INSTRUMENTS**

| | Group and Company | |
|---|---|---|
| | **2020** | *2019* |
| **FINANCIAL ASSETS:** | **£** | *£* |
| Investments held at FV through Profit and Loss | **2,249,599** | *2,293,902* |

## 20 PENSION SCHEME DEFICIT RECOVERY PLAN

The Company participates in The Pensions Trust's Growth Plan, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, therefore it accounts for the scheme as a defined contribution scheme.

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 scheme deficits following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficits on an annuity purchase basis on withdrawal from the scheme.

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

**Deficit contributions**

| | |
|---|---|
| From 1 April 2019 to 31 January 2025: | £11,243,000 per annum (payable monthly and increasing by 3% on each 1 April) |

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liaibilities of £969m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

| | |
|---|---|
| From 1 April 2016 to 30 September 2025: | £12,945,440 per annum (payable monthly and increasing by 3% on each 1 April) |
| From 1 April 2016 to 30 September 2028: | £54,560 per annum (payable monthly and increasing by 3% on each 1 April) |

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

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contibutions 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.

Where the scheme is in deficit and where the Company has agreed to a deficit funding arrangement the

| **Present Values of Provision** | **2020** | *2019* |
|---|---|---|
| | **£** | *£* |
| Present value of provision | **200,215** | *238,632* |

| | **Period ending 31 August** | |
|---|---|---|
| **Reconciliation of opening and closing provisions** | **2020** | *2019* |
| | **£** | *£* |
| Provision a start of period | **238,632** | *660,256* |
| Unwinding of the discount factor (interest expense) | **2,095** | *10,413* |
| Deficit contribution paid | **(42,342)** | *(81,175)* |
| Remeasurements - impact of any change in assumptions | **1,830** | *4,484* |
| Remeasurements - amendments to the contribution schedule | **-** | *(355,346)* |
| **Provision at end of period** | **200,215** | *238,632* |

**20 PENSION SCHEME DEFICIT RECOVERY PLAN** (continued)

| **Income and expenditure impact** | **2020** | *2019* |
|---|---|---|
| | **£** | *£* |
| Interest expense | **2,095** | *10,413* |
| Remeasurements - impact of any change in assumptions | **1,830** | *4,484* |
| Remeasurements - amendments to the contribution schedule | **-** | **(355,346)** |

| **Assumptions** | **2020** | *2019* |
|---|---|---|
| | **% per annum** | *% per annum* |
| Rate of discount | **0.55** | *0.97* |

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.

| **Deficit contributions schedule** | **2020** | *2019* |
|---|---|---|
| | **£** | *£* |
| Year 1 | **43,612** | *42,342* |
| Year 2 | **44,920** | *43,612* |
| Year 3 | **46,268** | *44,920* |
| Year 4 | **47,656** | *46,268* |
| Year 5 | **20,200** | *47,656* |
| Year 6 | **-** | *20,200* |
| Year 7 | **-** | - |
| Year 8 | **-** | - |
| Year 9 | **-** | - |
| Year 10 | **-** | - |
| | **202,656** | *244,998* |

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.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

### 21 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

| | At 1 Sep 2019 | Incoming resources | Resources expended | Transfers and gains | At 31 Aug 2020 |
|---|---|---|---|---|---|
| **GROUP AND CHARITY** | | | | | £ |
| **Restricted Funds** | | | | | |
| Michael J Baker travel fund | 32,256 | | (2,400) | | **29,856** |
| Library fund | 101 | | | | **101** |
| Joan Sewell bequest fund | 49,422 | 8,603 | (3,120) | | **54,905** |
| John Crabtree award | 9,078 | 10,000 | (1,000) | | **18,078** |
| Foundation for Sport and the Arts - grant | 17,500 | | | (875) | **16,625** |
| New Sixth Form Centre | 82,500 | 11,250 | | | **93,750** |
| | **190,857** | **29,853** | **(6,520)** | **(875)** | **213,315** |

The Michael Baker Travel Fund was set up in memory of Michael Baker who died in 1999. It is awarded to one or two leavers each year for travel outside of Europe for specific goals ie: helping local communities.

The Joan Sewell Bequest fund helps support various academic projects in the school, including essay prizes and educational trips.

The John Crabtree award is presented annually to the most gifted mathematician in the Lower Sixth Form.

The Foundation for Sport and the Arts Grant was a grant towards the construction of the sports hall. The figure is reduced annually as per the initial agreement.

Although KST had not committed to a timeline for the New Sixth Form Centre, fundraising has been taking place. This project will be for a Sixth Form Centre for the benefit of all at King's College. It wil be multi-functional to further re-inforce, in particular, the support to and development of the Sixth Form pupils. It will include classrooms, Careers and Enterprise Room, communal and study areas, and large function rooms.

| | | | | | |
|---|---|---|---|---|---|
| **GROUP** | | | | | |
| **Unrestricted Funds** | | | | | |
| General reserves | 15,758,580 | 13,981,927 | (14,087,899) | 875 | **15,653,483** |
| Designated - Bursary | 1,334,876 | 76,999 | (76,525) | 32,367 | **1,367,717** |
| Designated - Pension Deficit | 1,159,489 | 16,104 | (9,616) | (7,022) | **1,158,955** |
| | **18,252,945** | **14,075,030** | **(14,174,040)** | **26,220** | **18,180,155** |
| **CHARITY** | | | | | |
| **Unrestricted Funds** | | | | | |
| General reserves | 15,758,580 | 13,951,880 | (14,057,852) | 875 | **15,653,483** |
| Designated - Bursary | 1,334,876 | 76,999 | (76,525) | 32,367 | **1,367,717** |
| Designated - Pension Deficit | 1,159,489 | 16,104 | (9,616) | (7,022) | **1,158,955** |
| | **18,252,945** | **14,044,983** | **(14,143,993)** | **26,220** | **18,180,155** |

Bursary Fund - in 2015 £1m was allocated to this fund, the income from which will go to support KST's extensive bursary programme to support families who could otherwise not afford the full fees.

The Company has a contingent liability of some £495,631 in relation to a deficit on its Pension Trust Growth Plan scheme (see also note 19). In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund is now larger than the deficit. It is the Council's intention to buy-out the liability using the Pension Deficit fund. There is currently no timeline for this buy-out.

## 22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

The Company's net assets belong to the various funds as follows:

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 213,315 | - | **213,315** |
| Unrestricted funds | | | | | |
| General | 15,506,882 | 101 | 1,729,441 | (1,582,942) | **15,653,482** |
| Designated | - | 2,249,599 | 277,075 | - | **2,526,674** |
| **Company** | **15,506,882** | **2,249,700** | **2,219,931** | **(1,582,942)** | **18,393,571** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2020** | **15,506,882** | **2,249,599** | **2,220,032** | **(1,582,942)** | **18,393,571** |

| | Fixed assets | Investments | Net current assets | Long term liabilities | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Share capital | - | - | 100 | - | **100** |
| Restricted funds | - | - | 190,857 | - | **190,857** |
| Unrestricted funds | | | | | |
| General | 15,893,236 | 101 | 1,083,297 | (1,218,054) | **15,758,580** |
| Designated | - | 2,293,902 | 200,463 | - | **2,494,365** |
| **Company** | **15,893,236** | **2,294,003** | **1,474,717** | **(1,218,054)** | **18,443,902** |
| Trading subsidiary | - | (101) | 101 | - | - |
| **Group - 31 August 2019** | **15,893,236** | **2,293,902** | **1,474,818** | **(1,218,054)** | **18,443,902** |

## 23 PENSION SCHEMES

### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,276,880 (2019: £878,265) and at the year-end £106,053 (2019: £80,123) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

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

### Pensions Trust Growth Plan

See note 20.

| 24 Reconciliation of net incoming resources to net cash inflow from operations | 2020 | *2019* |
|---|---|---|
| | £ | *£* |
| **Net income for the year ended 31 August 2020** | **(50,332)** | *937,541* |
| **Adjustments for** | | |
| Depreciation charges | **507,740** | *519,222* |
| (Gains)Losses on investments | **54,246** | *18,025* |
| Financing costs | **(9,943)** | *(10,306)* |
| Purchase of tangible fixed assets | **(121,386)** | *(235,920)* |
| (Increase)/decrease in stocks | **(1,314)** | *(7,324)* |
| (Increase)/decrease in debtors | **(84,081)** | *100,205* |
| Increase/(decrease) in creditors | **(284,210)** | *(146,930)* |
| **Net Cash provided by (used in) operating activities** | **10,720** | *1,174,513* |

| 25 Analysis of cash and cash equivalents | 2020 | *2019* |
|---|---|---|
| | £ | *£* |
| Cash in hand and at a bank | **5,911,109** | *5,900,389* |

## 26 Consolidated Statement of Financial Activities - Comparative figures by fund type Year Ended 31 August 2019

| | Notes | Unrestricted Funds | Restricted Funds | 2019 |
|---|---|---|---|---|
| | | £ | £ | £ |
| **INCOME FROM:** | | | | |
| **Charitable Activities** | | | | |
| School fees receivable | | 13,664,824 | - | **13,664,824** |
| Ancillary trading income | 2 | 760,620 | - | **760,620** |
| **Other trading activities** | | | | |
| Non-ancillary trading income | 3 | 431,215 | - | **431,215** |
| Other activities | 3 | 10,447 | - | **10,447** |
| **Investments** | | | | |
| Investment Income | 4 | 43,119 | - | **43,119** |
| Bank and other interest | 5 | 11,450 | - | **11,450** |
| **Voluntary sources** | | | | |
| Appeal income and donations | 6 | 89,347 | 116,520 | **205,867** |
| **TOTAL INCOME** | | **15,011,022** | **116,520** | **15,127,542** |
| **EXPENDITURE ON:** | | | | |
| **Raising funds** | | | | |
| Non-ancillary trading | 7 | 172,931 | - | **172,931** |
| Financing costs | 7 | 21,155 | - | **21,155** |
| Investment management | 7 | 19,731 | - | **19,731** |
| | | **213,817** | - | **213,817** |
| **Charitable Activities** | | | | |
| Education and grant making | 7 | 14,000,196 | 14,018 | **14,014,214** |
| **TOTAL EXPENDITURE** | | **14,214,013** | **14,018** | **14,228,031** |
| **Net income and expenditure before transfers** | | **797,009** | **102,502** | **899,511** |
| Realised gains on investment assets | 13 | (13,776) | - | **(13,776)** |
| Unrealised gains on investment assets | 13 | 51,806 | - | **51,806** |
| **Net income** | | **835,039** | **102,502** | **937,541** |
| Transfers between funds | 21 | 875 | (875) | - |
| **NET MOVEMENT IN FUNDS FOR THE YEAR** | | **835,914** | **101,627** | **937,541** |
| Fund balances at 1 September 2018 | | 17,417,031 | 89,230 | 17,506,261 |
| **FUND BALANCES at 31 August 2019** | | **18,252,945** | **190,857** | **18,443,802** |

## 27 SUBSIDIARIES

The Company owns all of the share capital of WST Enterprises Limited, a company incorporated in England/Wales. This company carries out trading activity on behalf of the School including commercial letting of the School's buildings and sports facilities.

WST Enterprises Limited (company number: 05181894) had a turnover of £64,335 (2019: £287,043), profit on ordinary activities of £50,242 (2019: £138,908), and a profit before tax and gift aid of £50,242 in the year ended 31 August 2020 (2019: £138,908). At 31 August 2020 the Company had shareholder's funds of £100 (2019: £100).

The Company owns all of the share capital of King's College Schools International Limited (formerly KST International Ltd), a company incorporated in England/Wales. This company carries out international activities on behalf of the School.

King's College Schools International Limited (company number: 09749938) had turnover of £159,131 (2019: £138,672), £143,177 profit on ordinary activities (2019: £113,876), and a profit before tax and gift aid of £143,177 (2019: £113,876 ) in the year ended 31 August 2020. At 31 August 2020 the Company had shareholder's funds of £1 (2019: £1).

Gross assets for WST Enterprises amount to £456,861 (2019: 537,529), and gross liabilities of £456,761 (2019: £537,429). King's College Schools International Limited (formerly KST International Ltd) had gross assets of £297,488 (2019: £243,315) and gross liabilities of £297,489 (2019: £243,314)

All subsidiaries have a common registered office with the school.

## 28 CONTINGENT LIABILITIES

King's Schools Taunton Limited has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan, based on the Plan's financial position as at 30 September 2019. As of this date the estimated employer debt for King's Schools Taunton Limited was £495,631 (2019: £947,951) including Series 3 liabilities.

## 29 CAPITAL COMMITMENTS

As at 31 August 2020, the group had no contracted capital expenditure (2019: nil).

## 30 ULTIMATE CONTROLLING PARTY

The Woodard Corporation is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BW. The accounts of King's Schools Taunton Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

## 31 RELATED PARTIES

The Company is a wholly owned subsidiary of The Woodard Corporation, a registered charity number 1096270, which is incorporated in England and Wales. An amount of £71,263 (2019: £106,814) was paid in the period to the Corporation by way of a levy to meet Corporation running costs. At year end there was a balance of £62 owed to The Woodard Corporation.

The Company also controls two trading subsidiaries, WST Enterprises Limited and King's Schools College International Limited (formerly KST International Ltd). See note 25 above. WST Enterprises Limited makes use of the schools facilities for it's principal activity of lettings, the schools made recharges of £9,453 (2019: £135,220) to WST Enterprises Limited for costs incurred to support these lettings such as catering and staff cost, the debtor balance with WST Enterprises Limited at 31 August 2020 was £454,886 (2019: £497,297). King's College Schools International Limited's principal activity is the promotion of education overseas, the schools receive income from King's College Schools International Limited and provide support and advice to our overseas partner schools. The schools recharged £4,813 (2019: £252) for costs incurred and the debtor balance with King's College Schools International Ltd at 31 August 2020 was £276,107 (2019: £225,398).

## 32 ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

As explained at note 20, there is a deficit reduction plan in place in respect of King's Schools Taunton membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

*Pension scheme contingent liability*

As explained at note 28, there is a contingent liability in the event that King's Schools Taunton Ltd were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

*Provision for bad debts*

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

*Deposits*

Refundable deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that pupils leave the school on one term's notice and as such the deposit would be refunded to the parents at that point. However the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in the school for their full years of education and therefore the deposit will be refunded to them when they leave the school. Short term deposits reflect those pupils that will be leaving the school within one year, and the long term element reflects those pupils that will be leaving the school after 12 months from the balance sheet date.