

KING'S SCHOOL

England & Wales · Charity number 525934

Details

Status Registered

Legal form Other

Registered 1964-03-25

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

Contact

Address King's School
Wrexham Road
Chester
CH4 7QL

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Website www.kingschester.co.uk

Activities

Objects: THE PROVISION AND CONDUCT OF A DAY SCHOOL FOR BOYS AND GIRLS KNOWN AS THE KING'S SCHOOL IN OR NEAR CHESTER IN CONNECTION WITH THE CATHEDRAL CHURCH AT CHESTER; AND/OR THE ESTABLISHMENT, MAINTENANCE AND OPERATION OF ANY OTHER SCHOOL OF BOYS AND/OR GIRLS ANYWHERE IN ENGLAND AND WALES, IN EACH CASE DIRECTLY OR THROUGH ANY COMPANY, PARTNERSHIP OR CORPORATE STRUCTURE; AND/OR THE ADVANCEMENT OF EDUCATION FOR YOUNG PEOPLE BY THE PROVISION OF ANCILLARY OR INCIDENTAL ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY IN OR NEAR CHESTER (AND/OR ANYWHERE ELSE IN ENGLAND AND WALES).

Activities: The principal activity of the charity is that of an independent day school providing education for 4 to 18 year olds.

Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Education/training, Amateur Sport, Recreation
- **Who:** Children/young People

Geography

- Cheshire East
- Cheshire West & Chester

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£17,787,000	£16,613,000	£26,715,000	244
2024-08-31	£17,508,000	£16,088,000	£25,185,000	241
2023-08-31	£16,372,000	£14,722,000	£23,267,000	233
2022-08-31	£14,906,000	£13,827,000	£21,700,000	236
2021-08-31	£14,345,000	£13,100,000	£20,647,000	232
2020-08-31	£18,774,000	£17,760,000	£18,717,000	227

Trustees

Name	Role	Appointed
Sandra Verity	Chair	2018-09-28
Andrew Bartley		2020-06-26
Andrew Bentley		2020-11-27
Anton Sullivan		2026-03-24
Charlotte Joy Gillies		2020-11-27
Deborah Leonard		2021-06-25
Dr Sunanda Roy Mahapatra		2025-09-01
Jamie Ian Christon		2025-01-01
Janet Helen Myers		2025-09-01
John Ebo		2020-06-26
Katie Mason		2026-03-11
Madeleine Maria Troy		2022-09-28
Michael Sayer		2023-09-01
Nicola Dowling		2023-09-01
The Very Reverend Dr Timothy Richard Stratford		2019-06-28

Linked charities

- KING'S SCHOOL BURSARY TRUST FUND (525934-1)
- LEONARD SMITH PRIZE FOR CLASSICS (525934-2)
- T SARL-WILLIAMS PRIZE FOR ORCHESTRAL PLAYING (525934-3)
- BENE HEHARIM LIBRARY FUND (525934-4)
- HOWE MEMORIAL PRIZE FOR PROGRESS (525934-5)
- WARD JONES MEMORIAL PRIZE FOR MUSIC (525934-6)
- LESTER SMITH FUND (525934-7)

KING'S SCHOOL

England & Wales - Charity number 525934

Accounts

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

THE KING'S SCHOOL, CHESTER

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THE KING'S SCHOOL, CHESTER

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2025

Governors	S Verity D.Lit(hc) , Chair of Governors, Chair of Risk & Compliance Committee ^{3,5,6} A Bartley ⁷ A Bentley, Vice Chair, Chair of Finance & General Purposes Committee ^{1,5,6,7} N Dowling, EYFS Governor ^{2,4} J Ebo, Health & Safety Governor ³ C A Edwards , Chair of Safeguarding Committee, Safeguarding Governor, Staff Liaison Governor ⁴ C J Gillies ¹ D Leonard, Vice Chair, Chair of Education Committee ^{2,5,6} D K Rowlands ¹ M Sayer ² Very Revd Dr T Stratford ² M Troy ^{1,3} J Christon, Strategy Working Group (appointed 1 January 2025)
	1 Finance & General Purposes Committee 2 Education Committee 3 Risk & Compliance Committee 4 Safeguarding Committee 5 Governance Committee 6 Remuneration Committee 7 Bursaries and Partnerships Committee
Charity registered number	525934
Principal office	The King's School Wrexham Road Chester CH4 7QL
Independent auditors	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

THE KING'S SCHOOL, CHESTER

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Bankers	Handelsbanken 2 Albion House Albion St Chester CH1 1RQ
	United Trust One Ropemaker Street London EC2Y 9AW
	Cambridge & Counties Charnwood Court 5B New Walk Leicester LE1 6TE
Insurance	Hettle Andrews 2 Brunswick Square Birmingham B1 2LP
Lawyers	Weightmans 100 Old Hall Street Liverpool L3 9QJ
	WorkNest Woodhouse Aldford Chester CH3 6JD
	Knights 1759 The Brampton Newcastle-Under-Lyme Staffordshire ST5 0QW
Investment Advisers	Rathbones Group Plc The Plaza 100 Old Hall Street Liverpool L3 9AB
Architects	Scott Architecture Limited 2 Crowton View Frodsham WA6 8PX

THE KING'S SCHOOL, CHESTER

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Clerk	Hayley Jordan
Senior Management Team	George Hartley, Headmaster Hayley Jordan, Bursar
Patrons	Duke of Westminster, Hugh Richard Louis Grosvenor The Lord Bishop of Chester, The Rt Rev'd Mark Tanner

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2025

The Charity and Group present their annual report together with the audited financial statements of the Charity also referred to as "the School" and the "Group" for the year 1 September 2024 to 31 August 2025. The Governors confirm that the Annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The King's School, which is the oldest independent school in Chester, was founded by Henry VIII in 1541 and for over four hundred years the school occupied buildings adjacent to the Cathedral. The school moved to a new site on the Wrexham Road in 1960. The site has continually developed since then with a Junior and Infant School and in recent years a 10-year masterplan that has included a new sports hall, sixth form centre, pastoral and medical building, new sports facilities, and a complete programme of refurbishment of classrooms and science rooms. The school maintains strong links with Chester Cathedral.

The King's School is for pupils of high academic ability and comprises the Senior School (ages 11-18), the Junior School (ages 7-11) and the Infant School, Willow Lodge (ages 4-7). We seek to develop this ability in each pupil to his or her full potential with excellent teaching, supported by extensive sporting and extra-curricular activities. Further information about the school can be found on our website: www.kingschester.co.uk

The Charity also has permanent endowed and unendowed trust funds held for special purposes in connection with the development of the school's facilities and for bursaries, prizes and other educational purposes.

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Aim

The school's aim is to provide an outstanding independent education, through superb academic tuition and through giving the opportunities to develop wider sporting, artistic and social skills to all its pupils. The school nurtures spiritual growth and provides an environment where each pupil can develop and fulfil his or her potential, helping build self-confidence and a desire to serve the wider community.

Vision

To be one of the country's leading academic day schools that equips students with the skills, courage and character to flourish in a constantly changing world, carrying with them a lifelong love of learning, commitment to service and the enduring spirit of King's throughout their lives.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

Core Values

In caring about excellence and each other, and in promoting enjoyment and happiness through fulfilment, the members of the King's community believe in our three core values:

Aspire - We want all our students to aspire to be the very best versions of themselves. This relates to both their academic achievement, where we want them to attain their 'sustainable best' and just as importantly to their personal development as unique individuals. Excellent qualifications remain important, but the nurture of attributes such as resilience, adaptability, emotional intelligence and curiosity are arguably even more significant in today's world.

Respect - We want our students to have respect for themselves and others in the school community, particularly their fellow students. We believe that allowing young people to be comfortable in their own skin, as well as respectful of difference in others with regard to diversity, are both essential. We also want our students to respect their surroundings in terms of the school itself, where they live outside school and with due regard to the global environment.

Collaborate - We want our students to collaborate effectively so that they can achieve more than they would on their own and learn how to work effectively with others. We also want to collaborate positively as part of the broader school community and in doing so contribute to a higher purpose than simply advancing themselves. Human collaboration is only going to become more relevant in the years ahead.

Strategic Plan

The current strategic plan for the school has eight key objectives:

- Every pupil known, valued and cared for: developing pastoral care with the new house system with a renewed focus on student well-being
- Great place to work: for staff in all sections of the school, both teaching and support
- Great learning, future-orientated: optimising teaching and learning across the school and developing the curriculum
- Opportunities for all: ensuring the provision of extra-curricular activities for all students across the school
- A full co-educational school: maximising student numbers on the current site with a target of 40% girls
- At the heart of the community: developing closer and collaborative links with parents, Chester schools and other institutions in the area
- Widening access: ensuring the recruitment of the brightest students from our catchment area, including the increased provision of bursaries
- Revitalising the site: delivering the principles of the ten-year masterplan to redevelop the school

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

A new strategic plan 2025-2030, which the Governors have been working on throughout the reporting period, will now have six strategic objectives and reflects the changing landscape of education at The King's School:



Academic Excellence. We are fully committed to providing an engaging and enriching academic experience for all our students that will allow them to attain their sustainable best. This will be achieved by consistent excellence in teaching and learning, innovative use of digital technologies and the development of curriculum pathways to ensure all students can achieve positive value-added outcomes.

Character for the Future. We will ensure that all students are looked after and valued by outstanding pastoral care and involved in our extensive co-curricular programme. This, with their academic achievement and an outstanding futures programme, will develop them with the skills and knowledge required to flourish in a rapidly changing world: resilience, adaptability curiosity and collaboration.

Sustainability and Growth. We will manage resources prudently to maintain affordability and accessibility, whilst preserving educational excellence, thereby securing the school's long term financial health. We will wisely explore diversification opportunities to strengthen the school. Further site development will be approached judiciously and sustainably.

One Family, Four Schools. We will ensure continuity and coherence across the four sections of the school, each of which will retain age-appropriate distinctiveness, united by a whole school ethos and values. We will look to foster strong parental engagement, smooth transitions, and student excitement as they progress through each stage.

Staff Valued and Excelling. We are committed to attracting the highest quality staff and valuing them as individuals whilst promoting well-being and professional growth. Leadership at all levels, with the support of coaching and appropriate technology, will encourage a culture of continuous review and improvement for the benefit of all staff and students.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

Community Strength. We will look to develop our partnership links to broader communities at all scales, for the purpose of mutual benefit. Central to this will be our continued involvement with the development of Chester Schools Together, which alongside other areas of innovation will allow us to share best practice as a national beacon of excellence, nationally and internationally.

ACTIVITIES UNDERTAKEN TO ACHIEVE OBJECTIVES

Awards

Sunday Times Parent Power Guide. We are delighted to announce that The King's School Chester has been named the top performing co-educational school in the North West in this year's Sunday Times Parent Power Guide.

The guide, which was published on 5th December 2025, based the ranking on national A-level, GCSE and IB outcomes from summer 2025

Our incredible results last summer – 84% 9-7 grades at GCSE and 60% of A-level grades at A*-A – have propelled the school an impressive 50 places in the national rankings; now firmly within the top 100, we are proud to be recognised as the 79th best independent secondary school in the country.

Highlights from the guide include:

- A rise of 50 places nationally
- Top co-educational school in the North West and North East
- Ranked 79th nationally – one of only three North West schools to feature in the top 80
- Highest ratio of A*/A grades for A levels in Cheshire (60%)

ISI Inspection. The King's School Chester is celebrating an outstanding report from the Independent Schools Inspectorate (ISI), including the rare accolade of being given a 'significant strength' for the co-curricular life of the school.

The awarding of a 'significant strength' is a notable honour, bestowed on only 20% of independent schools nationally, with even fewer receiving it specifically for the quality and breadth of their co-curricular programme.

Mr Hartley said: "We understand the difference that an exceptional co-curricular programme can make in terms of nurturing intellectual curiosity, creativity, and a lifelong love of learning.

"Pupils at King's embrace opportunities that contribute so richly to their confidence, well-being, and character development, from our youngest learners in Willow Lodge right through to Sixth Form.

"So often, those crucial skills of collaboration, leadership, and resilience are developed both in and out of the classroom. I am proud that our commitment to the developing the whole child has been recognised by inspectors."

The school's co-curricular provision is exceptionally broad, including sports, drama, art, music, CCF, academic scholarship, subject-related clubs, and much more, ensuring that every pupil can explore their interests and talents.

King's met all the exacting standards of the new ISI framework, reflecting a commitment to the highest standards of educational excellence, pupil well-being and character-led education across the school.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

AGBIS School of the Year. The Association of Governing Bodies of Independent Schools (AGBIS) named The King's School Chester as their School of the Year.

The prestigious accolade was awarded by Chief Executive of AGBIS, Richard Harman, who praised the school's governing body for their commitment, strategic focus and positive working relationships.

Academic Achievements at GCSE and A-Level

The King's School Chester is celebrating a truly historic year of GCSE results, achieving the highest percentage of top grades since current records began.

A remarkable 85% of all grades were at grade 9–7 (A/A* equivalent) which represents the strongest performance in 16 years. Overall, the results set new benchmarks for academic excellence with 38% of all grades awarded at grade 9 and 66% of all grades at grade 9/8.

This followed a truly exceptional year of A Level results, with students achieving remarkable grades across a broad range of subjects. Delighted students achieved the best results in three years and the highest percentage of A* grades since pre-pandemic grading, marking a triumphant end to their time at King's.

Overall, 25% of all grades were A*, with 60% graded A/A* and an impressive 85% graded A*–B. These results will see them progress to some of the UK's most competitive courses and universities.

GCSEs:

- 38% – 9
- 66% – 9/8
- 84% – 9-7
- 96% – 9-6

A Levels:

- 25% – A*
- 60% – A*/A
- 85% – A*/B

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

Other Achievements

Students continued to excel in both academic and co-curricular outcomes. Recent highlights include:

- Sixth Form Mathematical Olympiad success
- Four regional titles for girls' hockey team
- North of England titles retained by boys' hockey teams
- King's named as one of UK's top cricketing schools by The Cricketer, the world's oldest and best-selling cricket magazine
- 150 pupils from Thirds, Fourths and Fifths took part in the UK Mathematical Trust (UKMT) Intermediate Maths Challenge. 12 pupils achieved a gold certificate, 26 achieved silver and 43 achieved bronze
- 14 budding engineers from Shells travelled to the North West regional finals of the F1 in Schools competition at the University of Bolton
- U11 hockey team who have been crowned the 2025 Hockey North West champions.
- A Fourth Year pupil took part in an international writing competition and was awarded third place in the Ink of Ages Fiction Prize organised by World History Encyclopedia
- The U16s boys' squad clinched the school's second national hockey title of the season
- A Sixth Form student was offered a full scholarship to study Tuba at the Guildhall School of Music and Drama in London
- Five Removes pupils travelled to London to take on 24 schools from around the country in the grand final of this year's National Reading Champions Quiz

In addition, the number of King's pupils representing regional, national and international teams has continued to be strong, in particular in the following sports:

- Hockey
- Rowing
- Football
- Netball
- Athletics
- Golf
- Karting
- Cricket
- Swimming
- Dressage

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

School Development

The school continued its programme of development for both staff and our pupils, both current and future, with the following projects:

- Continued Professional Development for all teaching staff across the three schools.
- Continued development and implementation of the 'Learning to Learn' programme to develop more effective and sustainable study skills throughout the school.
- Continued whole school curriculum review.
- Implementation and embedding of a new Senior School reporting system.
- New IT systems added for well-being of students, safeguarding and training, school visits and parental pay portals.
- The refurbishment of the Art Department.
- Upgrade works to the swimming pool including ventilation and decoration.
- Continued improvements to the Boathouse, including showers and gym.
- A continued redevelopment of classrooms throughout the Senior and Junior Schools.
- The continued car park improvement programme.
- A programme of maintenance including roofing and guttering across the site.

d. Public Benefit

The King's School educated an average of 1,134 pupils during the reporting period from the ages of 4-18 at no cost to the UK Treasury. Despite the additional pressures placed on the school's finances during the reporting period including increased National Insurance costs, the loss of Business Rates Relief, and allocating funds to subsidise the VAT burden added to the cost of school fees, the Governors limited the increase to fees to match inflation.

Bursaries

During the reporting period, the bursary programme educated a total of 63 means-tested pupils in the senior school, the majority of which were awarded bursaries of over 75%. The total cost to the school of these bursaries was £1,258,786 equating to 7.3% of gross fee income.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

Hiring of Facilities

The following organisations from the local area have regularly benefitted from using the school's grounds and facilities:

- Boughton Bells Netball Club
- British Rowing Limited
- Broughton United Football Club
- Bryanston School Rowing Club
- BSL - Deaf and Sensory Network
- Castle Square Cutters Cricket Club
- County Cricket Officers Club
- Chester Bach Singers
- Chester Boughton Hall Cricket Club
- Chester Gang Show
- Chester Hockey Club
- Chester Netball Club
- Chris Brett Football Group
- Christleton Cricket Club
- Deeside Ramblers Hockey Club
- House of Dance
- Innholders Cooks and Victuallers Company
- Jamie's Cricket Academy
- Karl Rosedale Football Group
- Kings Active Foundation
- Mad Science Northwest
- Marylebone Cricket Club
- Outlaws Cricket Club
- Pickle fit - pickle ball
- Pop Vox Choir
- Rex rowing Boat Club
- Saltney Town Football Club
- Sisters in Sport Netball Club
- SNW Karate
- Saint Werburgh Parish Choir
- St Edwards School Rowing
- The Swim School
- Tarvin AFC ladies' football
- Tarvin AFC under 16
- University College London Boat Club
- Upton Juniors football club boys
- Upton Juniors football club girls
- Upton YC FC seniors
- Vicars Cross Dynamos Football Club
- Welsh Rowing
- West Chesire Cricket Club

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

Chester Schools Together

We are very proud to be part of an award-winning Independent State School Partnership (ISSP) between The King's School and all the state secondary schools in the city called Chester Schools Together. (Chester Schools Together - Chester Schools Together).

Originally established in 2018 with two state schools, we have now grown to six state partnership schools. In 2021, we secured £444,216 of funding from The Westminster Foundation. This funding is used to pay a Chester Schools Together Staff Representative in each school and cover project costs, including transport and specialist resources. The King's School does not claim any money for a School Rep and donates £10,000 a year to partnership activities, as well as the Director of Marketing, Communications and Partnerships' time.

All projects are based on an identified 'mutual need' between all schools, including King's, which are agreed by a Headteacher Strategy Group, with student voice at the heart of all decisions.

These 'mutual needs' have included careers, climate change action, engagement in STEM and specialist university guidance.

Vision of Chester Schools Together:

Working in equal partnership to provide a range of educational and cultural opportunities for pupils across the Chester community and to facilitate the professional and personal development of staff
Partners in the Chester Schools Together work together to:

- Provide a diverse programme of opportunities for interested and committed young people, regardless of their social or economic background
- Widen the educational and cultural horizons of all participants
- Engender a spirit of commitment, collaboration and confidence amongst pupils
- Provide stimulating professional development for staff and promote mutual respect across the different schools
- Foster a sense of belonging and pride in the city of Chester
- Encourage links with other city institutions for the education and benefit of all

Events from Sept 2024-August 2025 included:

- Oxbridge Preparation Evening
- Mock Interview – Medics
- Saturday Masterclasses - Scalextric4Schools
- Vets, Medics, Dentist Uni Application Event
- Learn to Row Programme – weekly, ongoing sessions for all schools
- EDI Conference
- Carnegie Award Shadowing Group
- Lifeguards Qualification Course
- Drama showcase

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

Fundraising by Pupils:

We believe engagement with the local community should be part of every King's student's education and we are increasing the spread of activities through our enrichment programme. This includes:

- Sixth Form students volunteered at a local primary school throughout the academic year
- Litter-picking around Chester as part of Biodiversity
- Sixth Form students visited Grosvenor Manor Care Home

In 2025, the school raised a total of £12,919 for charitable causes.

FINANCIAL REPORT

The school recorded a operational surplus of £1,198k (Group: £1,174k) for the reporting period, compared with a operational surplus of £1,373k (Group: £1,420k) in the 2023/24 financial year. The lower surplus is primarily attributable to reduced pupil numbers following an increase in school fees arising from the introduction of VAT. In response, the school implemented a number of cost-saving initiatives to ensure it continued to achieve a minimum surplus of 5%, compared with an 8% surplus in the previous year.

Surplus projections for the next two years remain volatile and unpredictable. Pupil numbers for the 2025/26 academic year are at a record high of 1,170, with projected numbers for 2026/27 expected to be 1,140. The school has remained agile in responding to this volatility and has already implemented a successful voluntary redundancy programme in anticipation of the lower pupil numbers projected for 2026/27. Governors remain firmly committed to ensuring the school's ongoing financial stability, continued development, and attractiveness to parents, while doing everything possible to keep fees affordable.

Total pupil numbers starting the school in September 2025 were 1,170, representing a significant increase from 1,134 in September 2024. The school will continue to work proactively to improve future pupil numbers and, where necessary, adjust staffing levels to reflect changes in demand. Charitable activity expenditure during the year was well controlled and subject to regular scrutiny by the Governors.

King's Space Ltd has continued to trade in support of the school. This wholly owned subsidiary manages the hire of the school's premises outside of school hours, with any profits generated being Gift Aided back to the school.

Going Concern

After making appropriate enquiries, the Governors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

a. Reserves policy

The Governors recognise the need to hold minimum reserves, and this is currently set at an ambitious amount of £3M, equivalent level to one term's worth of costs.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

b. Investments policy

The Governors' investment powers are determined by the Scheme of Government dated 13th June 1988 (updated in 2022), which permits investment in trust for 'The School' of sums not needed for immediate working purposes, modified in the case of The King's School Bursary Trust Fund (KSBTF) to permit, amongst other things, investment in any stock, funds or securities authorised by law for the investment of trust funds.

The Governors' policy is to maximise the overall return on investments having regard to the need for a flow of income to meet the school's requirements for funding a number of bursary awards. In order to achieve this performance, the Governors and the trustees of the KSBTF have appointed an Investment Manager.

The performance of the Investment Manager is monitored under the terms of a Statement of Investment Principles to which the Manager is required to adhere. The investment objectives are to preserve the long-term value of the funds in real terms and to maintain an appropriate level of income in real terms. The achievements of the Manager are measured against appropriate benchmarks in respect of equities, gilts and total return. The Governors and trustees meet with the Investment Manager at least once each year and receive quarterly reports.

Investments in a range of company stocks, gilt-edged securities and unitised funds, are held in the name of the Investment Manager's nominee company.

Investment Performance

The trustees of The King's School Bursary Trust Fund adopted a discretionary management route with the school's investment advisers in September 2005. The trustees of The Lester Smith Bursary Fund and The King's School Prize Fund adopted the same route in August 2008.

The investment figures for three trust funds have all increased over the period, but at a lower rate than the previous year. The King's School Bursary Trust Fund returns have risen by 13.55%, The Prize Fund by 11.78% and following two years of negative returns The Lester Smith Fund returns have risen by 12.84%. The five-year returns have also increased.

Total Return – measured against a bespoke benchmark in the period to date are as follows:

Fund	1 Year % Return	5 Year % Return
The Kings School Bursary Trust Fund	5.87	32.40
The Kings School Lester Smith Fund	7.40	33.47
The Kings School Prize Fund	7.79	33.25
FTSE All Share	13.64	80.50
FT Government All Stocks Index	-1.87	-25.19
Bespoke Benchmark	9.23	46.60
Net Peer Group Index	5.56	32.97

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Short-term Fee in Advance Scheme

The school has established a short-term investment fund to manage the increased uptake of the Fees in Advance Scheme. The fund was established in 2024 and will operate for a maximum period of five years. Funds are drawn down on a termly basis as school fees become payable.

The fund was created to ensure the secure management of larger cash balances that exceed the UK Government's £85,000 deposit protection limit for financial institutions. To minimise risk, the funds are invested solely in UK Government Bonds and Treasury Bills.

Any investment returns generated are used to offset the impact of the partial VAT exemption applied by HMRC to fees paid in advance, as well as to mitigate the shortfall between the VAT the school can reclaim and the 5% VAT discount passed on to parents through the scheme.

Consolidated Accounts

The consolidated accounts, which includes King's Space and investments, show that at the end of the period the Charity held unrestricted funds of £21,991k (2024 £20,527k). Free reserves (after accounting for long term bank borrowings and pension assets) at the end of the year were £443k (2024 -£39k). After two consecutive years of the free reserve being a negative figure due to the amount of investment in capital projects, the figure has now become a positive result once more as the long-term bank loan comes to an end.

In the coming years, it is a key objective to increase the funds maintained, in particular, by The King's School Bursary Trust Fund in order to support more families who need assistance with fees. The school is generating additional reserves on an ongoing basis to fund new developments at the school which will further improve the offer for our pupils and the wider community.

In respect of the Charity's defined benefit scheme for support staff, the valuation at this year-end continues to show a surplus. The Governors believe that this notional funding calculation has no material effect on the Charity's short-term cash flow and that in the longer term its effects are sustainable out of future income. For this reason, it is considered that it should be disregarded for Reserves Policy purposes.

Fundraising for the Bursary Trust Fund

The school has an in-house Development team responsible for all fundraising activities. No member of this team has been subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of the school.

In order to protect vulnerable people and other members of the public from unreasonably intrusive or persistent fundraising, the school's fundraising activities are overseen by the King's Leadership team and board of Governors. No complaints have been received by the school regarding fundraising activities.

c. Principal risks and uncertainties

The Governors, together with the King's Leadership Team, are responsible for managing the risks faced by the Charity. They identify potential risks, assess their impact, and put in place appropriate controls to minimise the effect of significant risks. A formal review of risks is conducted on an ongoing basis and at least once a year, with a comprehensive Risk Register maintained by both the school and the Board of Governors.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

d. Financial risk management objectives and policies

The Governors have assessed the major risks to which the Group and the Charity are exposed, in particular those related to the operations and finances of the Group and the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The key controls used by the school include:

- Formal agendas for all Committee and Board activity,
- Detailed terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and lines of reporting,
- Formal written policies,
- Clear authorisation and approval levels,
- Safeguarding procedures as required by law for the protection of children,
- Engagement of external, expert audits of finance and health and safety.

The school has continued to keep fee increases as low as possible to maintain affordability for parents. The Governors continually review the ten-year financial plan to ensure that the school continues to develop, despite the additional pressures on the school's finances.

e. Principal funding

The principal funding for the school is through the charge of school fees which are reviewed each year by the Board of Governors and carefully considered to be balanced against continuing to achieve academic excellence, sporting and extracurricular activities and continued development and to be affordable to the maximum amount of parents.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Structure, governance and management

a. Constitution

The King's School, Chester is a registered charity, number 525934, and is constituted under a Trust deed.

b. Methods of appointment or election of Governors

The management of the Group and the Charity is the responsibility of the Governors who are elected and co opted under the terms of the Trust deed.

The Board having adopted fixed terms of Office for Governors and the Chair of the Board, seeks via the Governance Committee, to refresh itself on an ongoing basis with new Governors being nominated to the Board following a set induction process. This involves an interview process with members of the Governance Committee, the Chair of the Board, the Headmaster and the Director of Finance and Operations prior to the nomination being approved by the full Board at a subsequent meeting, notice of which is given in advance to all Governors.

Nominations can be received from any source but mainly come from existing Governors and those organisations having nomination rights to the Board. Appointments are made based on eligibility, personal competence and specialist skills that will complement the skills of the existing Governors.

The Board undertakes regular audits of its skills in order to ensure that its members possess the skills considered necessary for the successful running of the school in the current era. The Board will also undergo an external audit by the Association of Governing Bodies of Independent Schools (AGBIS) every three years.

All new Governors receive an Induction Pack, including the school's up-to-date Constitution; a list of current Governors and school staff; the most recent accounts of the School; the most recent inspection report; the school's strategic and business plans; the school's budget for the relevant financial period; the school's Governance Manual and a full list of all the school's policies (on website); the Charity Commission publication CC3 'the Essential Trustee'; the school's key risk assessment documentation; the minutes of the last three meetings of the Governors and related papers. These new Governors are then personally briefed by the Clerk to the Governors. New Governors are invited to join the most appropriate committees according to their specialist skills. All Governors are trained in Child Protection and Safeguarding and attend training seminars as and when required.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Governors, as the trustees, are legally responsible for the overall management and control of the school and meet four times a year, with one meeting being solely dedicated to The Protection and Safeguarding of Children. Further meetings take place a minimum of once per term as the following committees:

- Finance and General Purpose Committee
- The Education Committee
- The Risk and Compliance Committee
- The Governance Committee
- The Partnerships and Bursaries Committee

The Board appoints a head who is responsible for the overall leadership, management and day to day running of the school and is supported by the King's Leadership Teams and Senior Leadership Team and middle leaders.

The Headmaster and the Bursar/Clerk to the Governing Board attend meetings of all the Governors' sub committees and working groups. The Headmaster also attends meetings of the Senior Leadership Team and heads of academic departments, which deal with relevant and necessary operational matters.

d. Pay policy for key management personnel

Salaries for key management personnel are reviewed and set on an annual basis by the Remuneration Committee. In undertaking this review the committee utilise independent benchmark data from a variety of sources (AGBIS, HMC, Baines and Cutler, Turning Point) in addition to performance assessments of the key management personnel.

e. Relationships within the sector

The school actively supports the highest standards of education through networking with other schools and maintaining excellent relationships within the educational sector. The Headmaster is an elected member of the Headmasters and Headmistresses Conference (HMC) and its Membership Committee. The school is a member of the national HMC network Leading Academic Day Schools, the Bursar is a member of the Independent School Bursars Association, a Fellow of the Institute of Leadership and Management and a Member of the City and Guilds Institute. The Head of Willow Lodge and the Junior School is a member of the regional networking group AJIS (the Association of Junior Independent Schools). Close links are maintained with the Cathedral at Chester.

f. Governors' indemnities

The Governors are protected by a 'Management Liability Protection for the Education Sector' insurance policy that is underwritten by AXA Insurance.

Plans for future periods

With the current economic conditions, the school will need to continue with its cost-saving measures to ensure that future fee increases are kept to a minimum to support parents who have been significantly impacted by VAT being added to their school fees. The school has put a hold on future major projects for the foreseeable future, but will continue with smaller-scale improvements to the school site.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Disclosure of information to auditors

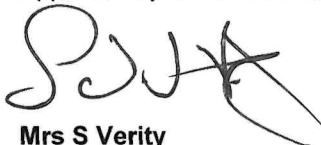
Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:



Mrs S Verity
Chair of Governors

Date: 20/3/26



Mr A Bentley
Chair of the Finance and General Purpose
Committee

THE KING'S SCHOOL, CHESTER

**STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2025**

The Governors are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Governors to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Governors who were in office on the date of approval of these financial statements have confirmed as far as they are aware that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that he/she has taken all of the steps that he/she ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

THE KING'S SCHOOL, CHESTER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER

Opinion

We have audited the financial statements of The King's School, Chester (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2025 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity'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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 the parent charity'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 Governors with respect to going concern are described in the relevant sections of this report.

THE KING'S SCHOOL, CHESTER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Group's and the parent charity'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 Governors either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

THE KING'S SCHOOL, CHESTER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- We reviewed the susceptibility of the charity's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the charity's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Charity and its environment and identify any instances of non-compliance.
- We also assessed the charity's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and charity awareness to carry out our work to the required standard.

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

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

THE KING'S SCHOOL, CHESTER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER
(CONTINUED)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners

WR Partners

Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: 23 March 2026

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE KING'S SCHOOL, CHESTER

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	Endowment funds 2025 £000	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Income and endowments from:						
Donations and legacies	4	-	20	213	233	324
Charitable activities	5	-	-	16,975	16,975	16,683
Other trading activities	7	-	-	139	139	147
Investments	8	-	126	115	241	282
Other income	9	-	-	199	199	72
Total income and endowments		-	146	17,641	17,787	17,508
Expenditure on:						
Raising funds	10,11	-	27	103	131	114
Charitable activities		-	215	16,268	16,483	15,974
Total expenditure		-	242	16,371	16,613	16,088
Net (expenditure)/income before net gains on investments						
		-	(96)	1,270	1,174	1,420
Net gains on investments		-	163	-	163	412
Net movement in funds before other recognised gains/(losses)		-	67	1,270	1,337	1,832
Actuarial gains on defined benefit pension schemes	29	-	-	194	194	84
Net movement in funds		-	67	1,464	1,531	1,916

THE KING'S SCHOOL, CHESTER

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

	Endowment funds 2025 £000	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000	<i>Total funds 2024 £000</i>
Note					
Reconciliation of funds:					
Total funds brought forward	238	4,420	20,527	25,185	23,267
Net movement in funds	-	67	1,464	1,531	1,916
Total funds carried forward	238	4,487	21,991	26,716	25,183

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 32 to 60 form part of these financial statements.

THE KING'S SCHOOL, CHESTER

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2025

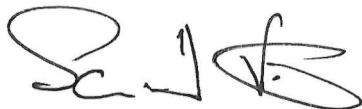
	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	16	20,023	19,857
Investments	17	4,443	4,169
		<u>24,466</u>	<u>24,026</u>
Current assets			
Stocks	18	10	16
Debtors	19	5,432	3,020
Investments	20	7,341	11,915
Cash at bank and in hand		4,710	4,267
		<u>17,493</u>	<u>19,218</u>
Current liabilities			
Creditors: amounts falling due within one year	21	(12,131)	(11,767)
Net current assets		<u>5,362</u>	<u>7,451</u>
Total assets less current liabilities			
		<u>29,828</u>	<u>31,477</u>
Creditors: amounts falling due after more than one year	22	(4,725)	(7,652)
Net assets excluding pension asset		<u>25,103</u>	<u>23,825</u>
Defined benefit pension scheme asset	29	1,612	1,360
Total net assets		<u><u>26,715</u></u>	<u><u>25,185</u></u>

THE KING'S SCHOOL, CHESTER

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2025

	Note	2025 £000	2024 £000
Charity funds			
Endowment funds	23	238	238
Restricted funds	23	4,486	4,420
Unrestricted funds			
Unrestricted funds excluding pension asset	23	20,379	19,167
Pension reserve	23	1,612	1,360
Total unrestricted funds	23	21,991	20,527
Total funds		26,715	25,185

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



S Verity
Governor



A Bentley
Governor

Date: 20/3/26

The notes on pages 32 to 60 form part of these financial statements.

THE KING'S SCHOOL, CHESTER

CHARITY BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	2025 £000	2024 £000
Fixed assets			
Tangible assets	16	20,023	19,857
Investments	17	4,493	4,219
		24,516	24,076
Current assets			
Stocks	18	10	16
Debtors	19	5,410	2,990
Investments	20	7,341	11,915
Cash at bank and in hand		4,521	4,084
		17,282	19,005
Current liabilities			
Creditors: amounts falling due within one year	21	(12,037)	(11,694)
Net current assets		5,245	7,311
Total assets less current liabilities		29,761	31,387
Creditors: amounts falling due after more than one year	22	(4,725)	(7,652)
Net assets excluding pension asset		25,036	23,735
Defined benefit pension scheme asset	29	1,612	1,360
Total net assets		26,648	25,095

THE KING'S SCHOOL, CHESTER

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2025

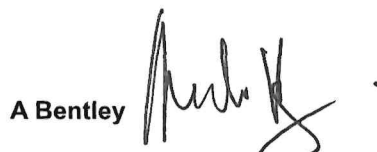
	Note	2025 £000	2024 £000
Charity funds			
Endowment funds	23	238	221
Restricted funds	23	4,486	4,425
Unrestricted funds			
Unrestricted funds excluding pension asset	23	20,302	19,089
Pension reserve	23	1,612	1,360
Total unrestricted funds	23	21,924	20,449
Total funds		26,648	25,095

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



S Verity

Date: 20/3/26



A Bentley

The notes on pages 32 to 60 form part of these financial statements.

THE KING'S SCHOOL, CHESTER

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025**

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Net cash used in operating activities	25	(2,640)	14,345
Cash flows from investing activities			
Dividends, interests and rents from investments		-	282
Purchase of tangible fixed assets		(1,411)	(1,454)
Proceeds from sale of investments		469	297
Purchase of investments		(547)	(422)
Net cash used in investing activities		(1,489)	(1,297)
Cash flows from financing activities			
Repayments of borrowing		(313)	(463)
Net cash used in financing activities		(313)	(463)
Change in cash and cash equivalents in the year		(4,442)	12,585
Cash and cash equivalents at the beginning of the year		16,182	3,597
Cash and cash equivalents at the end of the year	26	11,740	16,182

The notes on pages 32 to 60 form part of these financial statements

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. General information

The King's School, Chester is an unincorporated charitable trust (charity no. 525934), registered in England. The School is a public benefit entity. The School's address is The King's School, Wrexham Road, Chester, CH4 7QL. The object of the charity is the provision and conduct, in or near Chester, of a school for boys and girls, in connection with the cathedral at Chester. The principal activity of the School is the provision of an Infant, Junior and Senior School and Sixth Form.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The King's School, Chester meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2.2 Going concern

After making enquiries, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School therefore continues to adopt the going concern basis in preparing its financial statements.

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from donations, gifts and legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Income received for the general purposes of the School is included as unrestricted funds. Income for activities restricted by the wishes of the donor is taken to restricted funds where these wishes are legally binding on the Governors. Income required to be retained as capital in accordance with the donor's wishes is accounted for as endowments.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The School offers a number of bursaries each year to its pupils. All families in receipt of a bursary are means tested with the level of bursary awarded dependent on the family income and assets. All bursaries are subject to annual review. In addition, the School offers a small number of scholarships to pupils each year for performance in the senior school entrance exam. The individual scholarship awards are for no more than £500 and are a one off amount.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

A proportion of the expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2.5%
Long-term leasehold property	- 2 - 4 %
Fixtures and fittings	- 6.66 - 33.3%

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.12 Financial instruments

The Group 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.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.15 Pensions

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs are charged in the Statement of Financial Activities and are determined as follows:

a) Teachers' Pension Scheme - the School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the scheme actuary and advised to the Board of the scheme administrator and are charged in the period in which the salaries to which they relate are payable. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

b) The School Support Staff Pension - the School also contributes to a defined benefit scheme for a number of support staff at rates advised by the scheme actuary. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the Balance Sheet date. Scheme liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate relevant to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the Balance Sheet.

c) The School Personal Pension Scheme - the School operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefits scheme. This is a money purchase scheme under which the School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum.

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 2 December 2018.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds which have been given for a specific purpose and the capital has to be maintained.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension scheme valuation assumptions

Assumptions have been made by the actuary in calculating the valuation of the defined benefit pension scheme at the year end. Details of the assumptions made are included within the pensions note.

Critical areas of judgment:

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the parents.

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

4. Income from donations and legacies

	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000	<i>Total funds 2024 £000</i>
Donations	20	213	233	324
Total 2025	<u>20</u>	<u>213</u>	<u>233</u>	<u>324</u>
<i>Total 2024</i>	<u>87</u>	<u>237</u>	<u>324</u>	

5. Income from charitable activities

	Unrestricted funds 2025 £000	Total funds 2025 £000	<i>Total funds 2024 £000</i>
School fees	16,786	16,786	16,520
Other educational income	108	108	104
Other ancillary income	81	81	59
Total 2025	<u>16,975</u>	<u>16,975</u>	<u>16,683</u>
<i>Total 2024</i>	<u>16,683</u>	<u>16,683</u>	

6. School fees

	2025 £000	2024 £000
Gross fees receivable	18,087	17,746
Less: scholarships, bursaries and other discounts	(1,301)	(1,226)
	<u>16,786</u>	<u>16,520</u>

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

7. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
King's Space income	139	139	147
Total 2025	<u>139</u>	<u>139</u>	<u>147</u>
<i>Total 2024</i>	<u>147</u>	<u>147</u>	

8. Investment income

	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Dividends	3	-	3	3
Bank interest	123	115	238	279
Total 2025	<u>126</u>	<u>115</u>	<u>241</u>	<u>282</u>
<i>Total 2024</i>	<u>105</u>	<u>177</u>	<u>282</u>	

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

9. Other incoming resources

	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Capital income	153	153	-
Other income	46	46	72
Total 2025	<u>199</u>	<u>199</u>	<u>72</u>
<i>Total 2024</i>	<u>72</u>	<u>72</u>	

10. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Fundraising for voluntary resources - Staff costs	37	37	30
Costs of raising voluntary income - NI	3	3	2
Costs of raising voluntary income - pension costs	2	2	2
Total 2025	<u>42</u>	<u>42</u>	<u>34</u>
<i>Total 2024</i>	<u>34</u>	<u>34</u>	

THE KING'S SCHOOL, CHESTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

10. Expenditure on raising funds (continued)

Fundraising trading expenses

	Unrestricted funds 2025 £000	Total funds 2025 £000	<i>Total funds 2024 £000</i>
King's Space Limited expenditure	61	61	57
Total 2025	61	61	57
<i>Total 2024</i>	57	57	

11. Investment management costs

	Restricted funds 2025 £000	Total funds 2025 £000	<i>Total funds 2024 £000</i>
Investment management fees	27	27	23
Total 2025	27	27	23
<i>Total 2024</i>	23	23	

THE KING'S SCHOOL, CHESTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

12. Analysis of expenditure by activities

	Activities undertaken directly 2025 £000	Total funds 2025 £000	<i>Total funds 2024 £000</i>
Teaching	9,484	9,484	8,829
Teaching Support	1,201	1,201	1,149
Welfare	68	68	83
Premises	2,616	2,616	2,746
Support	3,114	3,114	3,167
Total 2025	<u>16,483</u>	<u>16,483</u>	<u>15,974</u>
<i>Total 2024</i>	<u>15,974</u>	<u>15,974</u>	

Analysis of direct costs

	Teaching 2025 £000	Teaching Support 2025 £000	Welfare 2025 £000	Premises 2025 £000
Staff costs	8,573	1,071	65	668
Depreciation	51	-	-	1,017
Other Staff Costs	160	-	-	-
Teaching Aids	303	-	-	-
Other Educational Expenditure	397	129	-	-
Catering	-	-	-	-
Utilities	-	-	-	369
Premises Maintenance	-	-	-	562
IT & Communications	-	-	-	-
Welfare	-	-	3	-
Banking & Finance	-	-	-	-
Professional Expenditure	-	-	-	-
Total 2025	<u>9,484</u>	<u>1,200</u>	<u>68</u>	<u>2,616</u>
<i>Total 2024</i>	<u>8,829</u>	<u>1,149</u>	<u>83</u>	<u>2,746</u>

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

12. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Support 2025 £000	Total funds 2025 £000	Total funds 2024 £000
Staff costs	1,101	11,478	10,733
Depreciation	176	1,244	1,232
Other Staff Costs	-	160	120
Teaching Aids	-	303	327
Other Educational Expenditure	-	526	550
Catering	1,082	1,082	1,062
Utilities	-	369	265
Premises Maintenance	-	562	865
IT & Communications	246	246	264
Welfare	-	3	5
Banking & Finance	48	48	88
Professional Expenditure	461	461	463
Total 2025	<u>3,114</u>	<u>16,482</u>	<u>15,974</u>
<i>Total 2024</i>	<u>3,166</u>	<u>15,974</u>	

13. Auditors' remuneration

	2025 £000	2024 £000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>19</u>	<u>17</u>

THE KING'S SCHOOL, CHESTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

14. Staff costs

	Group 2025 £000	<i>Group 2024 £000</i>	Charity 2025 £000	<i>Charity 2024 £000</i>
Wages and salaries	8,758	8,407	8,758	8,407
Social security costs	1,029	879	1,029	879
Contribution to defined contribution pension schemes	1,761	1,503	1,761	1,503
	<u>11,548</u>	<u>10,789</u>	<u>11,548</u>	<u>10,789</u>

During the year there were redundancy or termination payments totalling £nil (2024: £60k) paid to nil members of staff (2024: 2 member of staff).

During the year there were agency costs totalling £41k (2024: £nil) relating to members of staff.

The average number of persons employed by the Charity during the year was as follows:

	Group 2025 No.	<i>Group 2024 No.</i>
Employees	<u>244</u>	<u>241</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	<i>Group 2024 No.</i>
In the band £60,001 - £70,000	28	20
In the band £70,001 - £80,000	6	2
In the band £80,001 - £90,000	4	4
In the band £100,001 - £110,000	-	2
In the band £110,001 - £120,000	2	-
In the band £180,001 - £190,000	-	1
In the band £200,001 - £210,000	1	-

The key management personnel of the School are listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Charity was £426k (2024: £399k).

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

15. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 August 2025, no expenses were reimbursed or paid directly to Governors.

During the year ended 31 August 2024, no expenses were reimbursed or paid directly to Governors.

16. Tangible fixed assets

Group and Charity

	Freehold property £000	Long-term leasehold property £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 September 2024	18	21,389	8,096	29,503
Additions	-	-	1,411	1,411
Disposals	-	-	(985)	(985)
At 31 August 2025	18	21,389	8,522	29,929
Depreciation				
At 1 September 2024	12	6,045	3,588	9,645
Charge for the year	2	472	772	1,246
On disposals	-	-	(985)	(985)
At 31 August 2025	14	6,517	3,375	9,906
Net book value				
At 31 August 2025	4	14,872	5,147	20,023
At 31 August 2024	6	15,344	4,508	19,858

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

16. Tangible fixed assets (continued)

Group and Charity (continued)

Leasehold Property

The School occupies 33 acres of land by Wrexham Road, adjacent to the Chester business park. The site was acquired under a 999 year lease granted, without premium, to The King's School in 1956 by the Grosvenor Estate. The lease provides for a yearly rent of £300, restricting the use of the property to educational purposes.

No value is attributed in the financial statements to the land under the residue of the lease. The School is responsible for all repairs, maintenance and insurance of the buildings erected on the leased premises. All of the assets are held for the School's own use on direct charitable activities.

17. Fixed asset investments

Group	Listed investments £000
Cost or valuation	
At 1 September 2024	4,169
Additions	547
Disposals	(469)
Revaluations	196
At 31 August 2025	<u>4,443</u>
Net book value	
At 31 August 2025	<u>4,443</u>
At 31 August 2024	<u>4,169</u>

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

17. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £000	Listed investments £000	Total £000
Cost or valuation			
At 1 September 2024	50	4,169	4,219
Additions	-	547	547
Disposals	-	(469)	(469)
Revaluations	-	196	196
At 31 August 2025	<u>50</u>	<u>4,443</u>	<u>4,493</u>
Net book value			
At 31 August 2025	<u>50</u>	<u>4,443</u>	<u>4,493</u>
At 31 August 2024	<u>50</u>	<u>4,169</u>	<u>4,219</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Holding	Included in consolidation
King's Space Limited	11067044	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit/ (Loss) for the year £000	Net assets £000
King's Space Limited	139	(61)	78	128

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

18. Stocks

	Group 2025 £000	<i>Group 2024 £000</i>	Charity 2025 £000	<i>Charity 2024 £000</i>
Catering stock	10	16	10	16

19. Debtors

	Group 2025 £000	<i>Group 2024 £000</i>	Charity 2025 £000	<i>Charity 2024 £000</i>
Due within one year				
Trade debtors	4,870	2,444	4,869	2,431
Other debtors	57	155	57	155
Prepayments and accrued income	505	421	484	404
	5,432	3,020	5,410	2,990

20. Current asset investments

	Group 2025 £000	<i>Group 2024 £000</i>	Charity 2025 £000	<i>Charity 2024 £000</i>
Unlisted investments	7,341	11,915	7,341	11,915

THE KING'S SCHOOL, CHESTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

21. Creditors: Amounts falling due within one year

	Group 2025 £000	<i>Group 2024 £000</i>	Charity 2025 £000	<i>Charity 2024 £000</i>
Bank loans	124	462	124	462
Deposits received in advance	592	586	592	586
Trade creditors	814	592	814	592
Other taxation and social security	1,052	199	1,043	195
Obligations under finance lease and hire purchase contracts	59	52	59	52
Other creditors	485	261	473	263
Accruals and deferred income	9,005	9,615	8,932	9,544
	<u>12,131</u>	<u>11,767</u>	<u>12,037</u>	<u>11,694</u>
			Group 2025 £000	<i>Group 2024 £000</i>
Deferred income at 1 September 2024			16,654	6,623
Resources deferred during the year			-	16,654
Amounts released from previous periods			(1,031)	(6,623)
			<u>15,623</u>	<u>16,654</u>

Deferred income relates to income received under the School's advanced fee scheme contracts for education not yet utilised to settle school fees and cash received in advance for the forthcoming period.

22. Creditors: Amounts falling due after more than one year

	Group 2025 £000	<i>Group 2024 £000</i>	Charity 2025 £000	<i>Charity 2024 £000</i>
Bank loans	-	124	-	124
Net obligations under finance lease and hire purchase contracts	305	14	305	14
Accruals and deferred income	4,420	7,514	4,420	7,514
	<u>4,725</u>	<u>7,652</u>	<u>4,725</u>	<u>7,652</u>

In October 2020 three loans held by the School with Royal Bank of Scotland were consolidated into one single loan of £2,365k with Handelsbanken. The loan is over a 5 year term and the interest rates are at 7.93% at year end. Both repayments and interest are paid quarterly. The loan is secured by a first legal charge over The King's School, Chester, CH4 7QL and its associated assets.

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2024 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2025 £000
Unrestricted funds						
Unrestricted Funds	19,078	17,502	(16,368)	90	-	20,302
King's Space	89	139	(61)	(90)	-	77
Pension reserve	1,360	-	58	-	194	1,612
	20,527	17,641	(16,371)	-	194	21,991
Endowment funds						
Prize and Exhibition Capital Fund	130	-	-	-	-	130
Lester Smith Capital Fund	108	-	-	-	-	108
	238	-	-	-	-	238

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

23. Statement of funds (continued)

	Balance at 1 September 2024 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2025 £000
Restricted funds						
Prize and Exhibition Income Fund	1	-	-	-	-	1
Donations Fund	398	6	(74)	-	-	330
The King's School Bursary Trust Fund	3,821	134	(152)	-	149	3,952
Lester Smith Income Fund	200	6	(17)	-	14	203
	<u>4,420</u>	<u>146</u>	<u>(243)</u>	<u>-</u>	<u>163</u>	<u>4,486</u>
Total of funds	<u><u>25,185</u></u>	<u><u>17,787</u></u>	<u><u>(16,614)</u></u>	<u><u>-</u></u>	<u><u>357</u></u>	<u><u>26,715</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

23. Statement of funds (continued)

Lester Smith Fund (linked charity)

This fund was established under the Will of an Old King's Scholar, The Governors of The School for the time being comprise the trustees. The funds are held for the benefit of pupils at The School and contributions out of income are made to support worthy pupils whose families would not otherwise be able to pay the fees.

Income consists of investment income of £6k (2024: £7k). Expenditure consists of costs on raising funds of £17k (2024: £2k). The Trust also had gains on investments of £14k (2024: £20k).

The King's School Bursary Trust Fund (linked charity)

This fund was established by a trust deed dated 8th May 1969. The trustees shall be not more than ten in number including the Chairman of the Governors and the Headmaster. So far as possible, there should be representation on the trustees body from the Chester Association of Old King's Scholars, The King's School Parents' Association and the Staff of The School.

The trustees hold the funds and the income therefrom essentially to make contributions towards the payment of fees of any scholar whom the trustees in their absolute discretion consider worthy of assistance. The trustees have wide powers to further the advancement of education.

Income consists of investment income of £116k (2024: £95k) and donations of £17k (2024: £87k). Expenditure consists of costs on raising funds of £26k (2024: £21k) and expenditure on charitable activities of £127k (2024: £117k). The Trust also had gains on investments of £149k (2024: £393k).

Prize & Exhibition Income Fund

This fund was established to generate additional income for The School.

Donations Fund

Restricted income received from donors. Funds are restricted when they have been given or raised for a specific purpose. Includes income received for specific activities such as Special Educational Needs (SEN), CCF training for pupils and optional language classes.

THE KING'S SCHOOL, CHESTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

23. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2023 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2024 £000</i>
Unrestricted funds						
Unrestricted Funds	17,689	17,169	(15,860)	80	-	19,078
King's Space	92	147	(58)	(92)	-	89
Pension reserve	1,224	-	52	-	84	1,360
	<u>19,005</u>	<u>17,316</u>	<u>(15,866)</u>	<u>(12)</u>	<u>84</u>	<u>20,527</u>
Endowment funds						
Prize and Exhibition Capital Fund	113	-	-	17	-	130
Lester Smith Capital Fund	108	-	-	-	-	108
	<u>221</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>238</u>
Restricted funds						
Prize and Exhibition Income Fund	6	-	-	(5)	-	1
Donations Fund	475	4	(81)	-	-	398
The King's School Bursary Trust Fund	3,385	182	(138)	-	392	3,821
Lester Smith Income Fund	175	7	(2)	-	20	200
	<u>4,041</u>	<u>193</u>	<u>(221)</u>	<u>(5)</u>	<u>412</u>	<u>4,420</u>
Total of funds	<u>23,267</u>	<u>17,509</u>	<u>(16,087)</u>	<u>-</u>	<u>496</u>	<u>25,185</u>

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2025 £000	Restricted funds 2025 £000	Unrestricted funds 2025 £000	Total funds 2025
Tangible fixed assets	-	-	20,023	20,023
Fixed asset investments	239	4,205		4,443
Current assets	-	281	18,674	18,956
Creditors due within one year	-	-	(13,592)	(13,593)
Creditors due in more than one year	-	-	(4,725)	(4,725)
Provisions for liabilities and charges	-	-	1,612	1,612
Total	<u>239</u>	<u>4,486</u>	<u>21,992</u>	<u>26,715</u>

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £000	Group 2024 £000
Net income for the year (as per Statement of Financial Activities)	<u>1,337</u>	<u>1,832</u>
Adjustments for:		
Depreciation charges	1,246	1,232
loss on investments	(196)	(420)
Dividends, interests and rents from investments	-	(282)
Loss on the sale of fixed assets	-	4
Decrease/(increase) in stocks	6	(2)
Decrease/(increase) in debtors	(2,412)	2,382
Increase/(decrease) in creditors	(2,563)	9,651
Defined benefit pension scheme adjustment	(58)	(52)
Net cash provided by/(used in) operating activities	<u>(2,640)</u>	<u>14,345</u>

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

26. Analysis of cash and cash equivalents

	Group 2025 £000	<i>Group 2024 £000</i>
Cash in hand	11,740	16,182
Total cash and cash equivalents	11,740	<i>16,182</i>

27. Analysis of changes in net debt

	At 1 September 2024 £000	Cash flows £000	At 31 August 2025 £000
Cash at bank and in hand	4,267	443	4,710
Debt due within 1 year	(462)	338	(124)
Debt due after 1 year	(124)	124	-
Finance leases	(66)	(298)	(364)
Liquid investments	11,915	(4,574)	7,341
	15,530	(3,967)	11,563

28. Capital commitments

	Group 2025 £000	<i>Group 2024 £000</i>
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	31	84

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

29. Pension commitments

The School's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching staff; the Local Government Pension Scheme (LGPS) managed by Cheshire Pension Fund for some support staff and a Group Personal Pension Scheme (GPP) managed by Scottish Widows for the remaining support staff.

Both the TPS and LGPS are defined benefit schemes and the GPP is a money purchase scheme.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £138k (2024: £129k) were payable to the schemes at 31st August and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension 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 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies 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. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPR rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the year amounted to £1,666k (2024: £1,416k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

THE KING'S SCHOOL, CHESTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

29. Pension commitments (continued)

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

Local Government Pension Scheme - Cheshire Pension Fund

The School also contributes to the Cheshire Pension Fund for its support staff.

The pension costs are assessed in accordance with the advice of a firm of independent qualified actuaries, Hymans Robertson using the projected unit method. A full valuation was prepared as at 31 March 2022.

The scheme was closed to new entrants of the School on 31 March 2005.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2025 was £2k (2024 - £4k), of which employer's contributions totalled £Nil (2024 - £Nil) and employees' contributions totalled £2k (2024 - £4k). The agreed contribution rates for future years are 0% for employers and 6.5% for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2025	<i>At 31 August 2024</i>
	%	%
Discount rate	5.95	4.95
Future salary increases	3.40	3.35
Future pension increases	2.70	2.65

	At 31 August 2024	<i>At 31 August 2024</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	21.1	20.9
- at 65 for a male aged 45 now	21.6	21.4
- for a female aged 65 now	24.5	24.5
- at 65 for a female aged 45 now	26.2	26.1

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

29. Pension commitments (continued)

The School's share of the assets in the scheme was:

	At 31 August 2025 £000	<i>At 31 August 2024 £000</i>
Equities	1,562	1,593
Bonds	1,562	1,484
Property	472	471
Cash and other liquid assets	36	72
Total fair value of assets	3,632	3,620

The actual return on scheme assets was £149,000 (2024 - £322,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2025 £000	<i>2024 £000</i>
Current service cost	9	12
Net interest costs	(67)	(64)
Total amount recognised in the Consolidated Statement of Financial Activities	(58)	(52)

Movements in the present value of the defined benefit obligation were as follows:

	2025 £000	<i>2024 £000</i>
Opening defined benefit obligation	2,260	2,222
Actuarial losses	(224)	41
Current service costs	9	12
Interest cost	109	114
Contributions by members	2	4
Benefits paid	(136)	(133)
Closing defined benefit obligation	2,020	2,260

THE KING'S SCHOOL, CHESTER

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

29. Pension commitments (continued)

Movements in the fair value of the School's share of scheme assets were as follows:

	2025	<i>2024</i>
	£000	<i>£000</i>
Opening fair value of scheme assets	3,620	3,446
Actuarial (losses)/gains	(30)	125
Contributions by members	2	4
Interest cost	176	178
Benefits paid	(136)	<i>(133)</i>
Closing fair value of scheme assets	3,632	<i>3,620</i>

Support Staff personal pension scheme

The School also operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefit scheme. This is a money purchase scheme under which the School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum. Employer contributions totaling £138k (2024: £130k) were paid in respect of this pension scheme for the period. As at year end £11k (2024: £11k) was payable into the scheme and is included within creditors.

The School also operates a private pension scheme with Virgin. Employer contributions totaling £15k (2024: £14k) were paid in respect of this pension scheme for the period. As at year end £1k (2024: £1k) was payable into the scheme and is included within creditors.

30. Operating lease commitments

At 31 August 2025 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>
	2025	<i>2024</i>
	£000	<i>£000</i>
Not later than 1 year	41	28
Later than 1 year and not later than 5 years	23	56
	64	<i>84</i>

THE KING'S SCHOOL, CHESTER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

31. Related party transactions

Fees paid by a Governor in respect of their children amounted to £35k during the year (2024: £142k). A balance of £107k was held at the year end as fees received in advance.

The School owns all the issued share capital of King's Space Limited, the results for the year are shown in note 17.

During the year the School made purchases of £15k (2024: £8k) from Chester Cathedral, an organisation of which one Governor has significant influence. No amounts were outstanding at year end.

KING'S SCHOOL

England & Wales - Charity number 525934

Accounts

THE KING'S SCHOOL, CHESTER

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**



THE KING'S SCHOOL, CHESTER

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THE KING'S SCHOOL, CHESTER

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2024

Governors	S Verity D.Lit(hc) BSc, Chair of Governors, Chair of Risk & Compliance Committee ^{3,5,6} A Bartley ⁷ A Bentley, Vice Chair, Chair of Finance & General Purposes Committee ^{1,5,6,7} N Dowling, EYFS Governor (appointed 1 September 2023) ^{2,4} J Ebo, Health & Safety Governor ³ C A Edwards MA, Chair of Safeguarding Committee, Safeguarding Governor, Staff Liaison Governor ⁴ C J Gillies ¹ D Leonard, Chair of Education Committee ^{2,5,6} D K Rowlands Hon MSc ¹ M Sayer (appointed 1 September 2023) ² Very Revd Dr T Stratford ² M Troy ^{1,3} J Walsh, Vice Chair, Chair of Finance & General Purposes Committee (resigned 5 October 2023) ^{1,5,6} 1 Finance & General Purposes Committee 2 Education Committee 3 Risk & Compliance Committee 4 Safeguarding Committee 5 Governance Committee 6 Remuneration Committee 7 Bursaries and Partnerships Committee
Charity registered number	525934
Principal office	The King's School Wrexham Road Chester CH4 7QL
Independent auditors	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

THE KING'S SCHOOL, CHESTER

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Bankers	Handelsbanken 2 Albion House Albion St Chester CH1 1RQ
	United Trust One Ropemaker Street London EC2Y 9AW
	Cambridge & Counties Charnwood Court 5B New Walk Leicester LE1 6TE
Insurance	Hettle Andrews 2 Brunswick Square Birmingham B1 2LP
Lawyers	Weightmans 100 Old Hall Street Liverpool L3 9QJ
	WorkNest Woodhouse Aldford Chester CH3 6JD
	Knights 1759 The Brampton Newcastle-Under-Lyme Staffordshire ST5 0QW
Investment Advisers	Rathbones Group Plc The Plaza 100 Old Hall Street Liverpool L3 9AB
Architects	Scott Architecture Limited 2 Crowton View Frodsham WA6 8PX

THE KING'S SCHOOL, CHESTER

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Clerk	Hayley Jordan
Senior Management Team	George Hartley, Headmaster Hayley Jordan, Bursar
Patrons	Duke of Westminster, Hugh Richard Louis Grosvenor The Lord Bishop of Chester, The Rt Rev'd Mark Tanner

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2024

The Governors present their annual report together with the audited financial statements of the Charity for the year 1 September 2023 to 31 August 2024. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The King's School, which is the oldest independent school in Chester, was founded by Henry VIII in 1541 and for over four hundred years the school occupied buildings adjacent to the Cathedral. The school moved to a new site on the Wrexham Road in 1960. The site has continually developed since then with a Junior and Infant School and in recent years a 10-year masterplan that has included a new sports hall, sixth form centre, pastoral and medical building, new sports facilities, and a complete programme of refurbishment of classrooms and science rooms. The school maintains strong links with Chester Cathedral.

The King's School is for pupils of high academic ability and comprises the Senior School (ages 11-18), the Junior School (ages 7-11) and the Infant School, Willow Lodge (ages 4-7). We seek to develop this ability in each pupil to his or her full potential with excellent teaching, supported by an extensive sporting and extra-curricular activities. Further information about the school can be found on our website: www.kingschester.co.uk

The Charity also has permanent endowed and unendowed trust funds held for special purposes in connection with the development of the school's facilities and for bursaries, prizes and other educational purposes.

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

Aim

The school's aim is to provide an outstanding independent education, through superb academic tuition and through giving the opportunities to develop wider sporting, artistic and social skills to all its pupils. The school nurtures spiritual growth and provides an environment where each pupil can develop and fulfil his or her potential, helping build self-confidence and a desire to serve the wider community.

Vision

Our vision in a rapidly changing world is to inspire every individual to be passionate and collaborative learners who reach their full all-round potential, thereby allowing them to contribute positively and actively to an inclusive 21st century society.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

Core Values

In caring about excellence and each other, and in promoting enjoyment and happiness through fulfilment, the members of the King's community believe in our three core values:

Aspire - We want all our students to aspire to be the very best versions of themselves. This relates to both their academic achievement, where we want them to attain their 'sustainable best' and just as importantly to their personal development as unique individuals. Excellent qualifications remain important, but the nurture of attributes such as resilience, adaptability, emotional intelligence and curiosity are arguably even more significant in today's world.

Respect - We want our students to have respect for themselves and others in the school community, particularly their fellow students. We believe that allowing young people to be comfortable in their own skin, as well as respectful of difference in others with regard to diversity, are both essential. We also want our students to respect their surroundings in terms of the school itself, where they live outside school and with due regard to the global environment.

Collaborate - We want our students to collaborate effectively so that they can achieve more than they would on their own and learn how to work effectively with others. We also want to collaborate positively as part of the broader school community and in doing so contribute to a higher purpose than simply advancing themselves. Human collaboration is only going to become more relevant in the years ahead.

Strategic Plan

The strategic plan for the school has eight key objectives:

- Every pupil known, valued and cared for: developing pastoral care with the new house system with a renewed focus on student well-being.
- Great place to work: for staff in all sections of the school, both teaching and support
- Great learning, future-orientated: optimising teaching and learning across the school and developing the curriculum
- Opportunities for all: ensuring the provision of extra-curricular activities for all students across the school
- A full co-educational school: maximising student numbers on the current site with a target of 40% girls
- At the heart of the community: developing closer and collaborative links with parents, Chester schools and other institutions in the area
- Widening access: ensuring the recruitment of the brightest students from our catchment area, including the increased provision of bursaries
- Revitalising the site: delivering the principles of the ten-year masterplan to redevelop the school.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

Awards

We are thrilled to announce that King's was named as The North West Independent School of the Year in The Sunday Times Parent Power Guide.

The Sunday Times commented: "In a crowded field of highly successful independent schools in the northwest, the coeducational King's School in Chester has leapfrogged Manchester's single-sex superstars, including Withington Girls' School and Manchester High School for Girls to win the title of Northwest Independent School of the Year 2024. Boosting its rank by 17 places, King's has broken into the top 100 UK independent schools at number 95 and is second in the region. George Hartley, the Headmaster, attributes the school's success — at GCSE and A-level, with 86 per cent of students securing a place at their first-choice university — to a "growth mindset".

We are also delighted to announce that The King's School has achieved Gold standard in the School Mental Health Award. Delivered by the Carnegie Centre of Excellence for Mental Health in Schools, the award recognises our outstanding mental health and wellbeing provision and judged the school to be excelling in each of the areas of assessment.

Our Sixth Form Centre (completed in summer 2023) was named as the winner in the 2024 Local Authority Building Control (LABC) Building Excellence Awards as the best public or community building in the North West.

The LABC Building Excellence Awards were set up to celebrate and reward building projects, as well as the people behind them. The awards recognise excellent buildings, and outstanding companies, partnerships and individuals. Importantly, all entries for the award have to be endorsed by a local authority building surveyor.

Finally, we were honoured to be invited to the parliamentary launch of the Independent School Council's 2024 Celebrating Partnerships report at The House of Lord's in November. The report featured our award-winning partnership programme Chester Schools Together.

Academic Achievements at GCSE and A-Level

The King's School and its students continued to achieve academic excellence with 86% of our leavers securing a place at their first-choice university with the following A-Level results:

- Almost 80% of all grades achieved were A*/B
- Almost 50% at A*/A

Hard work and dedication paid off for a year group whose early Senior School years were affected by the Coronavirus pandemic:

- Almost 70% of all grades achieved were 9-7 with 45% at the top 9-8 grades. Eleven subjects celebrated more than 70% of their grades at 9-7, with English enjoying particular success.
- In English Language, 50% of pupils achieved a 9 and in English Literature, 59% of entries were graded at 9-8.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

Other Achievements

Students continued to excel outside of academic outcomes. Recent highlights include:

- The King's School Chester was named as one of the country's top cricketing schools for the second year in a row. The Schools Guide, published by The Cricketer, the world's oldest and best-selling cricket magazine, is the result of an exhaustive annual search for the UK's best cricketing schools. King's is proud to be recognised in the prestigious guide's tenth anniversary edition
- Our U12 and U14 boys successfully defended their North of England indoor hockey titles
- The U16 girls squad were named indoor North West champions 2024 and the U18 boys have reached the national indoor finals
- A total of 45 students Sixth Form students took part in the UKMT Senior Mathematical Challenge and we were delighted to achieve an impressive total of 35 certificates; eight Bronze, 17 Silver and ten Gold
- Fifth year student Jacob achieved his first England U16 cap in a friendly in Rome
- Seven members of the 2023-24 boys' and girls' first Vllls rowing squad gained international vests and joined four recent alumni at the Home International Rowing Regatta held at Strathclyde Park in Scotland
- Cricketer Sixth Former Romano made his debut for Wales and became the second youngest North Wales player to represent the full Wales men's team
- Lower Sixth pupil Kimmy's essay was Highly Commended in the OxBright Essay Competition 2024
- Third year pupil Skye is set to take her motorsport to the next level after being selected for an elite driver development programme. The More than Equal programme is an independent global motorsport initiative with a mission to find and develop the first female F1 world champion
- Fifth year pupil Magdalena was invited to Oxford to receive a £500 prize for her entry in a UK-wide poetry competition organised by one of the university's colleges. With a total prize fund of more than £14,000, The Christopher Tower Poetry Competition is the most valuable prize available to young poets in the UK.

In addition, the number of King's pupils representing regional, national and international teams has continued to be strong, in particular in the following sports:

- Hockey
- Rowing
- Football
- Netball
- Athletics
- Golf
- Karting
- Cricket
- Swimming
- Dressage

THE KING'S SCHOOL, CHESTER

**GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024**

Objectives and activities (continued)

School Development

The school continued its programme of both development for staff and our pupils, both current and future, with the following projects:

- Continued Professional Development for all teaching staff across the three schools.
- Continued development and implementation of the 'Learning to Learn' programme to develop more effective and sustainable study skills throughout the school.
- Continued whole school curriculum review.
- Implementation and embedding of a new Senior School reporting system.
- New IT systems added for well-being of students, safeguarding and training, school visits and parental pay portals.
- The development of a new library, which included a careers provision.
- The creation of an indoor/outdoor teaching provision for our infant pupils.
- The development of a wellness garden for students.
- A continued redevelopment of classrooms throughout the Senior and Junior Schools, including science laboratories in the Senior School.
- A car park improvement and pathway safety fencing programme.
- A toilet upgrade project.
- A significant reduction in school waste with a revisit waste management and recycling plan, including turning waste food into fuel.

d. Public Benefit

The King's School educated an average of 1150 pupils during the reporting period from the ages of 4-18 years of age at no cost to the UK Treasury. Despite the additional pressures placed on the school's finances during the reporting period of significant increases to the Teachers' Pension Scheme, and preparing for the upcoming loss of Business Rates Relief and increases to National Insurance and National Minimum wage, the Governors continue set the fees as low as possible to remain affordable for our parents, especially with the increased burden of VAT being added to school fees.

Bursaries

During the reporting period, the bursary programme educated a total of 63 means-tested pupils in the senior school, the majority of which were awarded bursaries of over 75%. The total cost to the school of these bursaries was £1,211,540 equating to 7.26% of gross fee income.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

Hiring of Facilities

The following organisations from the local area have regularly benefitted from using the school's grounds and facilities:

- Boughton Belles Netball Club
- British Rowing Limited
- Broughton United Football Club
- Bryanston School Rowing Club
- BSL - Deaf and Sensory Network
- Castle Square Cutters Cricket Club
- County Cricket Officers Club
- Chester Bach singers
- Chester Boughton Hall Cricket Club
- Chester Gang Show
- Chester Hockey Club
- Chester Netball Club
- Chris Brett Football Group
- Christleton Cricket Club
- Deeside Ramblers Hockey Club
- House of Dance
- Innholders, Cooks and Victuallers Company
- Jamie's Cricket Academy
- Karl Rosedale Football Group
- Kings Active Foundation
- Mad Science Northwest
- Marylebone Cricket Club
- Outlaws Cricket Club
- Pickle Fit - pickle ball
- Pop Vox Choir
- Rex Rowing Boat Club
- Saltney Town Football Club
- Sisters in Sport Netball Club
- SNW Karate
- Saint Werburgh Parish Choir
- St Edwards School Rowing
- The Swim School
- Tarvin AFC Ladies' Football
- Tarvin AFC Under 16
- University College London Boat Club
- Upton Juniors Football Club boys
- Upton Juniors Football Club girls
- Upton YC FC Seniors
- Vicars cross Dynamos Football Club
- Welsh Rowing
- West Cheshire Cricket Club

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

Chester Schools Together

We are very proud to be part of an award-winning Independent State School Partnership (ISSP) between The King's School, Bishops' Blue Coat School and Blacon High School, Catholic High School Chester and Upton High School called Chester Schools Together. (Chester Schools Together - Chester Schools Together)

Originally established in 2018 with two state schools, we have now grown to four state partnership schools and have pledged to grow with the addition of a school each academic year, until all secondary schools in the city are involved. The partnership now has a combined student population of more than 5,500.

In December 2021, we were extremely fortunate in securing £444,216 of funding over five years from The Westminster Foundation. This funding is used to pay a Chester Schools Together Staff Representative in each school and cover project costs, including transport and specialist resources. The King's School does not claim any money for a School Rep and donates £10,000 a year to partnership activities, as well as the Director of Marketing, Communications and Partnerships' time.

All projects are based on an identified 'mutual need' between all schools, including King's, which are agreed by a the Headteacher Strategy Group, with student voice at the heart of all decisions.

These 'mutual needs' have included careers, climate change action, engagement in STEM and specialist university guidance.

Since January 2022, more than 3,500 students from the partnership schools have taken part in events inspired by these shared priorities.

Vision of Chester Schools Together

Working in equal partnership to provide a range of educational and cultural opportunities for pupils across the Chester community and to facilitate the professional and personal development of staff

Partners in the Chester Schools Together work together to:

- Provide a diverse programme of opportunities for interested and committed young people, regardless of their social or economic background
- Widen the educational and cultural horizons of all participants
- Engender a spirit of commitment, collaboration and confidence amongst pupils
- Provide stimulating professional development for staff and promote mutual respect across the different schools
- Foster a sense of belonging and pride in the city of Chester
- Encourage links with other city institutions for the education and benefit of all

Events from August 2023-August 2024 included:

- Oxbridge Preparation Evening
- Mock Interview – Medics – in partnership with NHS Merseyside
- Saturday Masterclasses - Scalextric4Schools
- Vets, Medics, Dentist Uni Application Event
- Learn to Row Programme – weekly, on-going sessions
- EDI Conference with guest speakers Laura Bates and Clarke Carlisle in partnership with The University of Chester

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

Fundraising by Pupils:

We believe engagement with the local community should be part of every King's student's education and we are increasing the spread of activities through our enrichment programme. This includes:

- Sixth Form students volunteered at a local primary school throughout the academic year
- Litter-picking around Chester as part of Biodiversity
- Sixth Form students visited Grosvenor Manor Care Home

In 2024, the school raised a total of £10,706 for charitable causes.

FINANCIAL REPORT

The school's surplus for this reporting period is £1,836,000 showing an improvement of the previous financial year 2022/23 of £1,475,000.

The projected surplus for the next two years will be significantly impacted by rising costs and is projected to be around 50% lower than recent years due to the loss of business rates, the increase in employers' national insurance costs and the introduction of VAT and the school's decision to absorb some of that cost. Despite these financial pressures, the Governors are determined that the school will remain in a robust financial position whilst balancing continued development of the school against maintaining affordable school fees for parents.

Total pupil numbers starting the school in September 2023 were 1152 against 1130 for September 2024. The school will continue working hard to improve the future pupil numbers or adjust staffing to reflect lower pupil numbers.

The charitable activity expenditure for the year was well controlled and regularly scrutinised by the Governors.

King's Space Ltd has continued trading in support of the school. This subsidiary exists to manage the hiring of the school's premises outside of school hours, and any profits made by this subsidiary are gift aided back to the School.

Going Concern

After making appropriate enquiries, the Governors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

a. Reserves policy

The Governors recognise the need to hold minimum reserves, and this is currently set at an ambitious amount of £3M, equivalent level to one term's worth of costs.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

b. Investments policy

The Governors' investment powers are determined by the Scheme of Government dated 13th June 1988 (updated in 2022), which permits investment in trust for 'The School' of sums not needed for immediate working purposes, modified in the case of The King's School Bursary Trust Fund (KSBTF) to permit, amongst other things, investment in any stock, funds or securities authorised by law for the investment of trust funds.

The Governors' policy is to maximise the overall return on investments having regard to the need for a flow of income to meet the school's requirements for funding a number of bursary awards. In order to achieve this performance, the Governors and the trustees of the KSBTF have appointed an Investment Manager.

The performance of the Investment Manager is monitored under the terms of a Statement of Investment Principles to which the Manager is required to adhere. The investment objectives are to preserve the long-term value of the funds in real terms and to maintain an appropriate level of income in real terms. The achievements of the Manager are measured against appropriate benchmarks in respect of equities, gilts and total return. The Governors and trustees meet with the Investment Manager at least once each year and receive quarterly reports.

Investments in a range of company stocks, gilt-edged securities and unitised funds, are held in the name of the Investment Manager's nominee company.

Investment Performance

The trustees of The King's School Bursary Trust Fund adopted a discretionary management route with the school's investment advisers in September 2005. The trustees of The Lester Smith Bursary Fund and The King's School Prize Fund adopted the same route in August 2008.

The investment figures for three trust funds have all sharply increased over the period. The King's School Bursary Trust Fund returns have risen by 13.55%, The Prize Fund by 11.78% and following two years of negative returns The Lester Smith Fund returns have risen by 12.84%. The five-year returns have also increased.

Total Return – measured against a bespoke benchmark in the period to date are as follows:

	1 Year	5 Year
The Kings School Bursary Trust Fund	13.98%	27.78%
The Kings School Lester Smith Fund	12.31%	25.37%
The Kings School Prize Fund	12.22%	22.39%
FTSE All Share	16.98%	38.37%
FT Government All Stocks Index	6.81%	-22.23%
Bespoke Benchmark	14.72%	30.01%

Consolidated Accounts

The consolidated accounts, which includes King's Space and investments, show that at the end of the period the Charity held unrestricted funds of £20,527k (2023 £19,005k). Free reserves (after accounting for long term bank borrowings and pension asset) at the end of the year were -£39k (-£810k). The free reserve is again a negative figure due to significant investment in capital projects, effectively turning free reserves into fixed assets, it has however improved on previous year. The aim is to return free reserves to a positive balance in 2025.

In the coming years, it is a key objective to increase the funds maintained, in particular, by The King's School Bursary Trust Fund in order to support more families who need assistance with fees. The school is generating additional reserves on an ongoing basis in order to repay the fixed term bank loans and also to fund new developments at the school which will further improve the offer for our pupils and the wider community.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

In respect of the Charity's defined benefit scheme for support staff, the valuation at this year-end continues to show a surplus. The Governors believe that this notional funding calculation has no material effect on the Charity's short-term cash flow and that in the longer term its effects are sustainable out of future income. For this reason, it is considered that it should be disregarded for Reserves Policy purposes.

Fundraising for the Bursary Trust Fund

The school has an in-house Development team responsible for all fundraising activities. No member of this team has been subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising, in respect of activities on behalf of the school.

In order to protect vulnerable people and other members of the public from unreasonably intrusive or persistent fund-raising, the school's fundraising activities are overseen by the King's Leadership team and board of Governors. No complaints have been received by the school regarding fundraising activities.

c. Principal risks and uncertainties

The Governors and King's Leadership team are responsible for the management of the risks faced by the charitable company. They identify risks and assess the impact and establish controls to minimise the effect of major risks. A formal process of review of the risks is undertaken on an on-going and no less than annual basis, with a full Risk Register maintained by the school and the Board of Governors

d. Financial risk management objectives and policies

The Governors have assessed the major risks to which the Group and the Charity are exposed, in particular those related to the operations and finances of the Group and the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The key controls used by the school include:

- Formal agendas for all Committee and Board activity,
- Detailed terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and lines of reporting,
- Formal written policies,
- Clear authorisation and approval levels,
- Safeguarding procedures as required by law for the protection of children,
- Engagement of external, expert audits of finance and health and safety.

The school has continued to keep fee increases as low as possible to maintain affordability for parents. The Governors continually review the ten-year financial plan to ensure that the school continues to develop, despite the additional pressures on the school's finances.

e. Principal funding

The principle funding for the school is through the charge of school fees which are reviewed each year by the Board of Governors and carefully considered to be balanced against continuing to achieve academic excellence, sporting and extracurricular activities and continued development and to be affordable to the maximum amount of parents.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management

a. Constitution

The King's School, Chester is a registered charity, number 525934, and is constituted under a Trust deed.

b. Methods of appointment or election of Governors

The management of the Group and the Charity is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

The Board having adopted fixed terms of Office for Governors and the Chair of the Board, seeks via the Governance Committee, to refresh itself on an on-going basis with new Governors being nominated to the Board following a set induction process. This involves an interview process with members of the Governance Committee, the Chair of the Board, the Headmaster and the Bursar/Director of Finance and Operations prior to the nomination being approved by the full Board at a subsequent meeting, notice of which is given in advance to all Governors.

Nominations can be received from any source but mainly come from existing Governors and those organisations having nomination rights to the Board. Appointments are made based on eligibility, personal competence and specialist skills that will complement the skills of the existing Governors.

The Board undertakes regular audits of its skills in order to ensure that its members possess the skills considered necessary for the successful running of the school in the current era. The Board will also undergo an external audit by the Association of Governing Bodies of Independent Schools (AGBIS) every five years.

All new Governors receive an Induction Pack, including the school's up-to-date Constitution; a list of current Governors and school staff; the most recent accounts of the School; the most recent inspection report; the school's strategic and business plans; the school's budget for the relevant financial period; the school's Governance Manual and a full list of all the school's policies (on website); the Charity Commission publication CC3 'the Essential Trustee'; the school's key risk assessment documentation; the minutes of the last three meetings of the Governors and related papers. These new Governors are then personally briefed by the Clerk to the Governors. New Governors are invited to join the most appropriate committees according to their specialist skills. All Governors are trained in Child Protection and Safeguarding and attend training seminars as and when required.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Governors, as the trustees, are legally responsible for the overall management and control of the school and meet four times a year, with one meeting being solely dedicated to The Protection and Safeguarding of Children. Further meetings take place a minimum of once per term as the following committees:

- Finance and General Purpose Committee
- The Education Committee
- The Risk and Compliance Committee
- The Governance Committee
- The Partnerships and Bursaries Committee

The Board appoints a head who is responsible for the overall leadership, management and day to day running of the school and is supported by the King's Leadership Teams and Senior Leadership Team and middle leaders.

The Headmaster and the Bursar/Clerk to the Governing Board attend meetings of all the Governors' sub committees and working groups. The Headmaster also attends meetings of the Senior Leadership Team and heads of academic departments, which deal with relevant and necessary operational matters.

d. Pay policy for key management personnel

Salaries for key management personnel are reviewed and set on an annual basis by the Remuneration Committee. In undertaking this review the committee utilize independent benchmark data from a variety of sources (AGBIS, HMC, Baines and Cutler) in addition to performance assessments of the key management personnel.

e. Relationships within the sector

The school actively supports the highest standards of education through networking with other schools and maintaining excellent relationships within the educational sector. The Headmaster is an elected member of the Headmasters and Headmistresses Conference (HMC) and its Membership Committee. The school is a member of the national HMC network Leading Academic Day Schools, the Bursar is a member of the Independent School Bursars Association, a Fellow of the Institute of Leadership and Management and a Member of the City and Guilds Institute. The Head of Willow Lodge and the Junior School is a member of the regional networking group AJIS (the Association of Junior Independent Schools). Close links are maintained with the Cathedral at Chester.

f. Governors' indemnities

The Governors are protected by a 'Management Liability Protection for the Education Sector' insurance policy that is underwritten by AXA Insurance.

Plans for future periods

With the current economic conditions, the school will need to continue with its cost-saving measures to ensure that that future fee increases are kept to a minimum to support parents who have been significantly impacted by VAT being added to their school fees. The school has put a hold on future major projects for the foreseeable future, but will continue with smaller-scale improvements to the school site.

THE KING'S SCHOOL, CHESTER

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information

Auditors

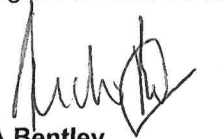
The auditors, WR Partners, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:



Mrs S Verity
Chair of Governors

Date: 28/1/25



Mr A Bentley
Chair of the Finance and General Purpose
Committee

THE KING'S SCHOOL, CHESTER

**STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2024**

The Governors are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Governors to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Governors who were in office on the date of approval of these financial statements have confirmed as far as they are aware that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that he/she has taken all of the steps that he/she ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

THE KING'S SCHOOL, CHESTER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER

Opinion

We have audited the financial statements of The King's School, Chester (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2024 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity'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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 the parent charity'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 Governors with respect to going concern are described in the relevant sections of this report.

THE KING'S SCHOOL, CHESTER

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER
(CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Group's and the parent charity'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 Governors either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

THE KING'S SCHOOL, CHESTER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- We reviewed the susceptibility of the charity's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the charity's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the charitable company and its environment and identify any instances of non-compliance.
- We also assessed the charity's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and charity awareness to carry out our work to the required standard.

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

THE KING'S SCHOOL, CHESTER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER
(CONTINUED)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners

WR Partners

Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: *31st March 2025*

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE KING'S SCHOOL, CHESTER

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Endowment funds 2024 £000	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income and endowments from:						
Donations and legacies	4	-	87	237	324	497
Charitable activities	5	-	-	16,683	16,683	15,321
Other trading activities	7	-	-	147	147	149
Investments	8	-	105	177	282	192
Other income	9	-	-	72	72	213
Total income and endowments		-	192	17,316	17,508	16,372
Expenditure on:						
Raising funds	10,11	-	23	91	114	108
Charitable activities		-	199	15,775	15,974	14,614
Total expenditure		-	222	15,866	16,088	14,722
Net (expenditure)/income before net gains/(losses) on investments						
		-	(30)	1,450	1,420	1,650
Net gains/(losses) on investments		-	412	-	412	(52)
Net income		-	382	1,450	1,832	1,598
Transfers between funds	23	17	(5)	(12)	-	-
Net movement in funds before other recognised gains/(losses)		17	377	1,438	1,832	1,598
Actuarial gains on defined benefit pension schemes	29	-	-	84	84	(31)
Net movement in funds		17	377	1,522	1,916	1,567

THE KING'S SCHOOL, CHESTER

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

	Endowment funds 2024 £000	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Note					
Reconciliation of funds:					
Total funds brought forward	221	4,041	19,005	23,267	21,700
Net movement in funds	17	377	1,522	1,916	1,567
Total funds carried forward	238	4,418	20,527	25,183	23,267

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 57 form part of these financial statements.

THE KING'S SCHOOL, CHESTER

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2024**

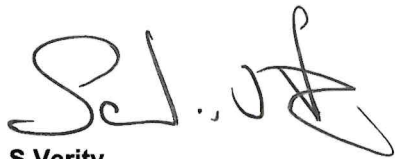
	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	16	19,857	19,640
Investments	17	4,169	3,624
		<u>24,026</u>	<u>23,264</u>
Current assets			
Stocks	18	16	14
Debtors	19	3,020	5,400
Investments	20	11,915	-
Cash at bank and in hand	26	4,267	3,597
		<u>19,218</u>	<u>9,011</u>
Creditors: amounts falling due within one year	21	(11,767)	(9,645)
Net current assets / liabilities		<u>7,451</u>	<u>(634)</u>
Total assets less current liabilities		<u>31,477</u>	<u>22,630</u>
Creditors: amounts falling due after more than one year	22	(7,652)	(587)
Net assets excluding pension asset		<u>23,825</u>	<u>22,043</u>
Defined benefit pension scheme asset	29	1,360	1,224
Total net assets		<u><u>25,185</u></u>	<u><u>23,267</u></u>

THE KING'S SCHOOL, CHESTER

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

	Note	2024 £000	2023 £000
Charity funds			
Endowment funds	23	238	221
Restricted funds	23	4,420	4,041
Unrestricted funds			
General funds	23	19,167	17,781
Unrestricted funds excluding pension liability	23	19,167	17,781
Pension reserve	23	1,360	1,224
Total unrestricted funds	23	20,527	19,005
Total funds		25,185	23,267

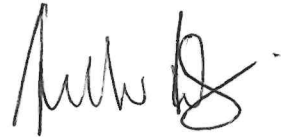
The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



S Verity
Governor

Date: 28/10/25

A Bentley
Governor



The notes on pages 29 to 57 form part of these financial statements.

THE KING'S SCHOOL, CHESTER

CHARITY BALANCE SHEET
AS AT 31 AUGUST 2024


	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	16	19,857	19,640
Investments	17	4,219	3,674
		24,076	23,314
Current assets			
Stocks	18	16	14
Debtors	19	2,990	5,377
Investments	20	11,915	-
Cash at bank and in hand		4,084	3,407
		19,005	8,798
Creditors: amounts falling due within one year	21	(11,694)	(9,573)
		7,311	(775)
Total assets less current liabilities		31,387	22,539
Creditors: amounts falling due after more than one year	22	(7,652)	(587)
Net assets excluding pension asset		23,735	21,952
Defined benefit pension scheme asset	29	1,360	1,224
Total net assets		25,095	23,176


THE KING'S SCHOOL, CHESTER

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

	Note	2024 £000	2023 £000
Charity funds			
Endowment funds	23	221	221
Restricted funds	23	4,425	4,041
Unrestricted funds			
Unrestricted funds excluding pension asset / liability	23	19,089	17,689
Pension reserve	23	1,360	1,224
Total unrestricted funds	23	<u>20,449</u>	<u>18,914</u>
Total funds		<u><u>25,095</u></u>	<u><u>23,176</u></u>

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:


S Verity
Governor
Date:

A Bentley
Governor 

The notes on pages 29 to 57 form part of these financial statements.

THE KING'S SCHOOL, CHESTER

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Net cash used in operating activities	25	14,345	2,851
Cash flows from investing activities			
Dividends, interests and rents from investments		282	193
Purchase of tangible fixed assets		(1,454)	(4,136)
Proceeds from sale of investments		297	445
Purchase of investments		(422)	(715)
Net cash used in investing activities		(1,297)	(4,213)
Cash flows from financing activities			
Repayments of borrowing		(463)	(463)
Net cash used in financing activities		(463)	(463)
Change in cash and cash equivalents in the year		12,585	(1,825)
Cash and cash equivalents at the beginning of the year		3,597	5,422
Cash and cash equivalents at the end of the year	26	16,182	3,597

The notes on pages 29 to 57 form part of these financial statements

THE KING'S SCHOOL, CHESTER

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

1. General information

The King's School, Chester is an unincorporated charitable trust (charity no. 525934), registered in England. The School is a public benefit entity. The School's address is The King's School, Wrexham Road, Chester, CH4 7QL. The object of the charity is the provision and conduct, in or near Chester, of a school for boys and girls, in connection with the cathedral at Chester. The principal activity of the School is the provision of an Infant, Junior and Senior School and Sixth Form.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The King's School, Chester meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2.2 Going concern

After making enquiries, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School therefore continues to adopt the going concern basis in preparing its financial statements.

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

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from donations, gifts and legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Income received for the general purposes of the School is included as unrestricted funds. Income for activities restricted by the wishes of the donor is taken to restricted funds where these wishes are legally binding on the Governors. Income required to be retained as capital in accordance with the donor's wishes is accounted for as endowments.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The School offers a number of bursaries each year to its pupils. All families in receipt of a bursary are means tested with the level of bursary awarded dependent on the family income and assets. All bursaries are subject to annual review. In addition, the School offers a small number of scholarships to pupils each year for performance in the senior school entrance exam. The individual scholarship awards are for no more than £500 and are a one off amount.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2.5%
Long-term leasehold property	- 2 - 4 %
Fixtures and fittings	- 6.66 - 33.3%

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

2. Accounting policies (continued)

2.10 Cash at bank and in hand

Cash at bank and 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.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.12 Financial instruments

The Group 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.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

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

2. Accounting policies (continued)

2.15 Pensions

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs are charged in the Statement of Financial Activities and are determined as follows:

a) Teachers' Pension Scheme - the School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the scheme actuary and advised to the Board of the scheme administrator and are charged in the period in which the salaries to which they relate are payable. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

b) The School Support Staff Pension - the School also contributes to a defined benefit scheme for a number of support staff at rates advised by the scheme actuary. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the Balance Sheet date. Scheme liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate relevant to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the Balance Sheet.

c) The School Personal Pension Scheme - the School operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefits scheme. This is a money purchase scheme under which the School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum.

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 2 December 2018.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds which have been given for a specific purpose and the capital has to be maintained.

Investment income, gains and losses are allocated to the appropriate fund.

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension scheme valuation assumptions

Assumptions have been made by the actuary in calculating the valuation of the defined benefit pension scheme at the year end. Details of the assumptions made are included within the pensions note.

Critical areas of judgment:

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the parents.

THE KING'S SCHOOL, CHESTER

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

4. Income from donations and legacies

	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Donations	87	237	324	497
Total 2024	87	237	324	497
<i>Total 2023</i>	<i>264</i>	<i>233</i>	<i>497</i>	

5. Income from charitable activities

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
School fees	16,520	16,520	15,166
Other educational income	104	104	128
Other ancillary income	59	59	27
Total 2024	16,683	16,683	15,321
<i>Total 2023</i>	<i>15,321</i>	<i>15,321</i>	

6. School fees

	2024 £000	2023 £000
Gross fees receivable	17,746	16,259
Less: scholarships, bursaries and other discounts	(1,226)	(1,093)
	16,520	15,166

THE KING'S SCHOOL, CHESTER

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

7. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
King's Space income	147	147	149
Total 2024	<u>147</u>	<u>147</u>	<u>149</u>
<i>Total 2023</i>	<u>149</u>	<u>149</u>	

8. Investment income

	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Dividends	3	-	3	3
Bank interest	102	177	279	189
Total 2024	<u>105</u>	<u>177</u>	<u>282</u>	<u>192</u>
<i>Total 2023</i>	<u>90</u>	<u>102</u>	<u>192</u>	

THE KING'S SCHOOL, CHESTER

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

9. Other incoming resources

	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Capital income	-	-	-	234
Other income	-	72	72	(21)
Total 2024	<u>-</u>	<u>72</u>	<u>72</u>	<u>213</u>
<i>Total 2023</i>	<u>234</u>	<u>(21)</u>	<u>213</u>	

10. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Fundraising for voluntary resources - Staff costs	30	30	26
Costs of raising voluntary income - NI	2	2	2
Costs of raising voluntary income - pension costs	2	2	2
Total 2024	<u>34</u>	<u>34</u>	<u>30</u>
<i>Total 2023</i>	<u>30</u>	<u>30</u>	

THE KING'S SCHOOL, CHESTER

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

10. Expenditure on raising funds (continued)

Fundraising trading expenses

	Unrestricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
King's Space Limited expenditure	58	58	58
Total 2024	58	58	58
<i>Total 2023</i>	58	58	

11. Investment management costs

	Restricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Investment management fees	23	23	21
Total 2024	23	23	21
<i>Total 2023</i>	21	21	

THE KING'S SCHOOL, CHESTER

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

12. Analysis of expenditure by activities

	Activities undertaken directly 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Teaching	8,829	8,829	8,222
Teaching Support	1,149	1,149	1,011
Welfare	83	83	77
Premises	2,746	2,746	2,409
Support	3,167	3,167	2,895
Total 2024	<u>15,974</u>	<u>15,974</u>	<u>14,614</u>
<i>Total 2023</i>	<u>14,614</u>	<u>14,614</u>	

Analysis of direct costs

	Teaching 2024 £000	Teaching Support 2024 £000	Welfare 2024 £000	Premises 2024 £000
Staff costs	7,903	1,029	78	627
Depreciation	49	-	-	989
Other Staff Costs	120	-	-	-
Teaching Aids	327	-	-	-
Other Educational Expenditure	430	120	-	-
Catering	-	-	-	-
Utilities	-	-	-	265
Premises Maintenance	-	-	-	865
IT & Communications	-	-	-	-
Welfare	-	-	5	-
Banking & Finance	-	-	-	-
Professional Expenditure	-	-	-	-
Total 2024	<u>8,829</u>	<u>1,149</u>	<u>83</u>	<u>2,746</u>
<i>Total 2023</i>	<u>8,222</u>	<u>1,011</u>	<u>77</u>	<u>2,409</u>

THE KING'S SCHOOL, CHESTER

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

12. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Support 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Staff costs	1,096	10,733	9,846
Depreciation	194	1,232	1,034
Other Staff Costs	-	120	143
Teaching Aids	-	327	325
Other Educational Expenditure	-	550	503
Catering	1,062	1,062	944
Utilities	-	265	262
Premises Maintenance	-	865	764
IT & Communications	264	264	266
Welfare	-	5	5
Banking & Finance	88	88	101
Professional Expenditure	462	462	421
Total 2024	<u>3,166</u>	<u>15,973</u>	<u>14,614</u>
<i>Total 2023</i>	<u>2,894</u>	<u>14,614</u>	

13. Auditors' remuneration

	2024 £000	<i>2023 £000</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>22</u>	<u>21</u>

THE KING'S SCHOOL, CHESTER

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

14. Staff costs

	Group 2024 £000	<i>Group 2023 £000</i>	Charity 2024 £000	<i>Charity 2023 £000</i>
Wages and salaries	8,407	7,810	8,407	7,810
Social security costs	879	796	879	796
Contribution to defined contribution pension schemes	1,503	1,293	1,503	1,293
	<u>10,789</u>	<u>9,899</u>	<u>10,789</u>	<u>9,899</u>

During the year there were redundancy or termination payments totalling £60k (2023: £16k) paid to 2 members of staff (2023: 1 member of staff).

The average number of persons employed by the School during the year was as follows:

	Group 2024 No.	<i>Group 2023 No.</i>
Employees	<u>241</u>	<u>233</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	<i>Group 2023 No.</i>
In the band £60,001 - £70,000	20	15
In the band £70,001 - £80,000	2	4
In the band £80,001 - £90,000	4	1
In the band £100,001 - £110,000	2	1
In the band £160,001 - £170,000	-	1
In the band £180,001 - £190,000	1	-

The key management personnel of the School are listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Charity was £399k (2023: £365k).

THE KING'S SCHOOL, CHESTER

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

15. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, no expenses were reimbursed or paid directly to Governors.

During the year ended 31 August 2023, expenses totalling £63 were reimbursed to 1 Governor for mileage and costs totalling £634 were paid by the charity for 2 Governors to attend a course.

16. Tangible fixed assets

Group and Charity

	Freehold property £000	Long-term leasehold property £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 September 2023	18	21,346	6,694	28,058
Additions	-	43	1,411	1,454
Disposals	-	-	(9)	(9)
At 31 August 2024	<u>18</u>	<u>21,389</u>	<u>8,096</u>	<u>29,503</u>
Depreciation				
At 1 September 2023	10	5,589	2,819	8,418
Charge for the year	2	456	774	1,232
On disposals	-	-	(5)	(5)
At 31 August 2024	<u>12</u>	<u>6,045</u>	<u>3,588</u>	<u>9,645</u>
Net book value				
At 31 August 2024	<u>6</u>	<u>15,344</u>	<u>4,508</u>	<u>19,858</u>
At 31 August 2023	<u>8</u>	<u>15,757</u>	<u>3,875</u>	<u>19,640</u>

THE KING'S SCHOOL, CHESTER

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

16. Tangible fixed assets (continued)

Group and Charity (continued)

Leasehold Property

The School occupies 33 acres of land by Wrexham Road, adjacent to the Chester business park. The site was acquired under a 999 year lease granted, without premium, to The King's School in 1956 by the Grosvenor Estate. The lease provides for a yearly rent of £300, restricting the use of the property to educational purposes.

No value is attributed in the financial statements to the land under the residue of the lease. The School is responsible for all repairs, maintenance and insurance of the buildings erected on the leased premises. All of the assets are held for the School's own use on direct charitable activities.

17. Fixed asset investments

Group	Listed investments £000
Cost or valuation	
At 1 September 2023	3,624
Additions	422
Disposals	(297)
Revaluations	420
At 31 August 2024	<u>4,169</u>
Net book value	
At 31 August 2024	<u>4,169</u>
At 31 August 2023	<u>3,624</u>

THE KING'S SCHOOL, CHESTER

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

17. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £000	Listed investments £000	Total £000
Cost or valuation			
At 1 September 2023	50	3,624	3,674
Additions	-	422	422
Disposals	-	(297)	(297)
Revaluations	-	420	420
At 31 August 2024	<u>50</u>	<u>4,169</u>	<u>4,219</u>
Net book value			
At 31 August 2024	<u>50</u>	<u>4,169</u>	<u>4,219</u>
At 31 August 2023	<u>50</u>	<u>3,624</u>	<u>3,674</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Holding	Included in consolidation
King's Space Limited	11067044	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit/ (Loss) for the year £000	Net assets £000
King's Space Limited	147	(57)	90	140

THE KING'S SCHOOL, CHESTER

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

18. Stocks

	Group 2024 £000	<i>Group 2023 £000</i>	Charity 2024 £000	<i>Charity 2023 £000</i>
Catering stock	<u>16</u>	<u>14</u>	<u>16</u>	<u>14</u>

19. Debtors

	Group 2024 £000	<i>Group 2023 £000</i>	Charity 2024 £000	<i>Charity 2023 £000</i>
Due within one year				
Trade debtors	2,444	4,664	2,431	4,662
Other debtors	155	327	155	326
Prepayments and accrued income	421	409	404	389
	<u>3,020</u>	<u>5,400</u>	<u>2,990</u>	<u>5,377</u>

20. Current asset investments

	Group 2024 £000	<i>Group 2023 £000</i>	Charity 2024 £000	<i>Charity 2023 £000</i>
Unlisted investments	<u>11,915</u>	<u>-</u>	<u>11,915</u>	<u>-</u>

THE KING'S SCHOOL, CHESTER

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

21. Creditors: Amounts falling due within one year

	Group 2024 £000	<i>Group 2023 £000</i>	Charity 2024 £000	<i>Charity 2023 £000</i>
Bank loans	462	462	462	462
Deposits received in advance	586	583	586	583
Trade creditors	592	770	592	770
Other taxation and social security	199	202	195	197
Obligations under finance lease and hire purchase contracts	52	-	52	-
Other creditors	261	429	263	427
Accruals and deferred income	9,615	7,199	9,544	7,134
	<u>11,767</u>	<u>9,645</u>	<u>11,694</u>	<u>9,573</u>
			Group 2024 £000	<i>Group 2023 £000</i>
Deferred income at 1 September 2023			6,623	6,205
Resources deferred during the year			16,654	6,623
Amounts released from previous periods			(6,623)	(6,205)
			<u>16,654</u>	<u>6,623</u>

Deferred income relates to income received under the School's advanced fee scheme contracts for education not yet utilised to settle school fees and cash received in advance for the forthcoming period.

22. Creditors: Amounts falling due after more than one year

	Group 2024 £000	<i>Group 2023 £000</i>	Charity 2024 £000	<i>Charity 2023 £000</i>
Bank loans	124	587	124	587
Net obligations under finance lease and hire purchase contracts	14	-	14	-
Accruals and deferred income	7,514	-	7,514	-
	<u>7,652</u>	<u>587</u>	<u>7,652</u>	<u>587</u>

In October 2020 three loans held by the School with Royal Bank of Scotland were consolidated into one single loan of £2,365k with Handelsbanken. The loan is over a 5 year term and the interest rates are at 7.93% at year end. Both repayments and interest are paid quarterly. The loan is secured by a first legal charge over The King's School, Chester, CH4 7QL and its associated assets.

THE KING'S SCHOOL, CHESTER

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

23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2024 £000
Unrestricted funds						
Unrestricted Funds	17,689	17,169	(15,860)	80	-	19,078
King's Space	92	147	(58)	(92)	-	89
Pension reserve	1,224	-	52	-	84	1,360
	<u>19,005</u>	<u>17,316</u>	<u>(15,866)</u>	<u>(12)</u>	<u>84</u>	<u>20,527</u>
Endowment funds						
Prize and Exhibition Capital Fund	113	-	-	17	-	130
Lester Smith Capital Fund	108	-	-	-	-	108
	<u>221</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>238</u>

THE KING'S SCHOOL, CHESTER

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

23. Statement of funds (continued)

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2024 £000
Restricted funds						
Prize and Exhibition Income Fund	6	-	-	(5)	-	1
Donations Fund	475	4	(81)	-	-	398
The King's School Bursary Trust Fund	3,385	182	(138)	-	392	3,821
Lester Smith Income Fund	175	7	(2)	-	20	200
	<u>4,041</u>	<u>193</u>	<u>(221)</u>	<u>(5)</u>	<u>412</u>	<u>4,420</u>
Total of funds	<u>23,267</u>	<u>17,509</u>	<u>(16,087)</u>	<u>-</u>	<u>496</u>	<u>25,185</u>

THE KING'S SCHOOL, CHESTER

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

23. Statement of funds (continued)

Lester Smith Fund (linked charity)

This fund was established under the Will of an Old King's Scholar, The Governors of The School for the time being comprise the trustees. The funds are held for the benefit of pupils at The School and contributions out of income are made to support worthy pupils whose families would not otherwise be able to pay the fees.

Income consists of investment income of £7k (2023: £7k). Expenditure consists of costs on raising funds of £2k (2023: £1k) and expenditure on charitable activities of £nil (2023: £nil). The Trust also had gains (2023: losses) on investments of £20k (2023: £4k).

The King's School Bursary Trust Fund (linked charity)

This fund was established by a trust deed dated 8th May 1969. The trustees shall be not more than ten in number including the Chairman of the Governors and the Headmaster. So far as possible, there should be representation on the trustees body from the Chester Association of Old King's Scholars, The King's School Parents' Association and the Staff of The School.

The trustees hold the funds and the income therefrom essentially to make contributions towards the payment of fees of any scholar whom the trustees in their absolute discretion consider worthy of assistance. The trustees have wide powers to further the advancement of education.

Income consists of investment income of £95k (2023: £79k) and donations of £87k (2023: £217k). Expenditure consists of costs on raising funds of £21k (2023: £20k) and expenditure on charitable activities of £117k (2023: £109k). The Trust also had gains (2023: losses) on investments of £393k (2023: £48k).

Prize & Exhibition Income Fund

This fund was established to generate additional income for The School.

Donations Fund

Restricted income received from donors. Funds are restricted when they have been given or raised for a specific purpose. Includes income received for specific activities such as Special Educational Needs (SEN), CCF training for pupils and optional language classes.

THE KING'S SCHOOL, CHESTER

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

23. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2022 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2023 £000</i>
Unrestricted funds						
Unrestricted Funds	16,485	15,635	(14,511)	80	-	17,689
King's Space	80	150	(58)	(80)	-	92
Pension reserve	1,207	-	48	-	(31)	1,224
	<u>17,772</u>	<u>15,785</u>	<u>(14,521)</u>	<u>-</u>	<u>(31)</u>	<u>19,005</u>
Endowment funds						
Prize and Exhibition Capital Fund	113	-	-	-	-	113
Lester Smith Capital Fund	108	-	-	-	-	108
	<u>221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221</u>
Restricted funds						
Prize and Exhibition Income Fund	12	-	(7)	-	1	6
Donations Fund	255	284	(64)	-	-	475
The King's School Bursary Trust Fund	3,266	296	(129)	-	(48)	3,385
Lester Smith Income Fund	174	7	(1)	-	(5)	175
	<u>3,707</u>	<u>587</u>	<u>(201)</u>	<u>-</u>	<u>(52)</u>	<u>4,041</u>
Total of funds	<u><u>21,700</u></u>	<u><u>16,372</u></u>	<u><u>(14,722)</u></u>	<u><u>-</u></u>	<u><u>(83)</u></u>	<u><u>23,267</u></u>

THE KING'S SCHOOL, CHESTER

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

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Endowment funds 2024 £000	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	-	-	19,857	19,857
Fixed asset investments	238	3,931	-	4,169
Current assets	-	489	18,728	19,217
Creditors due within one year	-	-	(11,767)	(11,767)
Creditors due in more than one year	-	-	(7,652)	(7,652)
Provisions for liabilities and charges	-	-	1,360	1,360
Total	<u>238</u>	<u>4,420</u>	<u>20,527</u>	<u>25,185</u>

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £000	Group 2023 £000
Net income for the period (as per Statement of Financial Activities)	<u>1,832</u>	<u>1,598</u>
Adjustments for:		
Depreciation charges	1,232	1,034
Gains/(losses) on investments	(420)	48
Dividends, interests and rents from investments	(282)	(193)
Loss on the sale of fixed assets	4	-
Increase in stocks	(2)	(4)
Decrease/(increase) in debtors	2,382	(675)
Increase in creditors	9,651	1,091
Defined benefit pension scheme adjustment	(52)	(48)
Net cash provided by operating activities	<u>14,345</u>	<u>2,851</u>

THE KING'S SCHOOL, CHESTER

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

26. Analysis of cash and cash equivalents

	Group 2024 £000	<i>Group 2023 £000</i>
Cash in hand	16,182	3,597
Total cash and cash equivalents	16,182	3,597

27. Analysis of changes in net debt

	At 1 September 2023 £000	Cash flows £000	New finance leases £000	At 31 August 2024 £000
Cash at bank and in hand	3,597	670	-	4,267
Debt due within 1 year	(462)	-	-	(462)
Debt due after 1 year	(587)	463	-	(124)
Finance leases	-	-	(66)	(66)
Liquid investments	-	11,915	-	11,915
	2,548	13,048	(66)	15,530

28. Capital commitments

	Group 2024 £000	<i>Group 2023 £000</i>
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	84	45

THE KING'S SCHOOL, CHESTER

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

29. Pension commitments

The School's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching staff; the Local Government Pension Scheme (LGPS) managed by Cheshire Pension Fund for some support staff and a Group Personal Pension Scheme (GPP) managed by Scottish Widows for the remaining support staff.

Both the TPS and LGPS are defined benefit schemes and the GPP is a money purchase scheme.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £129k (2023: £106k) were payable to the schemes at 31st August and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension 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 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies 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. The valuation report was published by the Department for Education on 27 October 2023. with the SCAPR rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the year amounted to £1,416k (2023: £1,248k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

THE KING'S SCHOOL, CHESTER

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

29. Pension commitments (continued)

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

Local Government Pension Scheme - Cheshire Pension Fund

The School also contributes to the Cheshire Pension Fund for its support staff.

The pension costs are assessed in accordance with the advice of a firm of independent qualified actuaries, Hymans Robertson using the projected unit method. A full valuation was prepared as at 31 March 2022.

The scheme was closed to new entrants of the School on 31 March 2005.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £4k (2023 - £22k), of which employer's contributions totaled £Nil (2023 - £16k) and employees' contributions totalled £4k (2023 - £6k). The agreed contribution rates for future years are 0% for employers and 6.5% for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2024	<i>At 31 August 2023</i>
	%	<i>%</i>
Discount rate	4.95	<i>5.25</i>
Future salary increases	3.35	<i>3.75</i>
Future pension increases	2.65	<i>3.05</i>
	<hr/> <hr/>	<hr/> <hr/>
	At 31 August 2024	<i>At 31 August 2023</i>
	Years	<i>Years</i>
Mortality rates (in years)		
- for a male aged 65 now	20.9	<i>20.9</i>
- at 65 for a male aged 45 now	21.4	<i>21.5</i>
- for a female aged 65 now	24.5	<i>24.5</i>
- at 65 for a female aged 45 now	26.1	<i>26.2</i>
	<hr/> <hr/>	<hr/> <hr/>

THE KING'S SCHOOL, CHESTER

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

29. Pension commitments (continued)

The School's share of the assets in the scheme was:

	At 31 August 2024 £000	<i>At 31 August 2023 £000</i>
Equities	1,593	1,447
Bonds	1,484	1,413
Property	471	551
Cash and other liquid assets	72	35
Total fair value of assets	3,620	3,446

The actual return on scheme assets was £322,000 (2023 - £-121,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2024 £000	<i>2023 £000</i>
Current service cost	12	19
Net interest costs	(64)	(51)
Total amount recognised in the Consolidated Statement of Financial Activities	(52)	(32)

Movements in the present value of the defined benefit obligation were as follows:

	2024 £000	<i>2023 £000</i>
Opening defined benefit obligation	2,222	2,404
Actuarial losses	41	(184)
Current service costs	12	19
Interest cost	114	100
Contributions by members	4	7
Benefits paid	(133)	(124)
Closing defined benefit obligation	2,260	2,222

THE KING'S SCHOOL, CHESTER

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

29. Pension commitments (continued)

Movements in the fair value of the School's share of scheme assets were as follows:

	2024	<i>2023</i>
	£000	<i>£000</i>
Opening fair value of scheme assets	3,446	3,611
Actuarial gains/(losses)	125	(215)
Contributions by employer	-	16
Contributions by members	4	7
Interest cost	178	151
Benefits paid	(133)	(124)
Closing fair value of scheme assets	3,620	<i>3,446</i>

Support Staff personal pension scheme

The School also operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefit scheme. This is a money purchase scheme under which the School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum. Employer contributions totaling £130k (2023: £101k) were paid in respect of this pension scheme for the period. As at year end £11k was payable into the scheme and is included within creditors.

The School also operates a private pension scheme with Virgin. Employer contributions totaling £14k (2023: £13k) were paid in respect of this pension scheme for the period. As at year end £1k was payable into the scheme and is included within creditors.

30. Operating lease commitments

At 31 August 2024 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>
	2024	<i>2023</i>
	£000	<i>£000</i>
Not later than 1 year	28	27
Later than 1 year and not later than 5 years	56	62
	84	<i>89</i>

THE KING'S SCHOOL, CHESTER

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

31. Related party transactions

One Governor with sons and/or daughters at the School pay full fees (2023: Four) totalling £193k (2023: £99k), this includes £142k for fees paid in advance.

The School owns all the issued share capital of King's Space Limited, the results for the year are shown in note 17.

During the year the School made purchases of £8k (2023: £Nil) from Chester Cathedral, an organisation of which one Governor has significant influence. No amounts were outstanding at year end.

During the year the School made purchases of £Nil (2023: £1k) from the Storyhouse, a charity of which one Governor is a Trustee. No amounts were outstanding at year end.

During the year the School paid rent of £Nil (2023: £4k) to a company of which C Gillies is an employee. No amounts were owed at year end.

Prepared by GT 06/12/2024	Reviewed by EQC Review	Final Review
RI Review		

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss) Amount Chg	Recurrence	Misstatement
		Net Income (Loss) Before Adjustments					1,872,331		
A1	31/08/2024	Current service cost (P/L)	9100 0		12,000				
A1	31/08/2024	Finance income P/L	9103 0			178,000			
A1	31/08/2024	Finance income P/L	9103 0		114,000				
A1	31/08/2024	Pension asset	9105 0		125,000				
A1	31/08/2024	Pension asset	9105 0			41,000			
A1	31/08/2024	Los on liability	9107 0		41,000				
A1	31/08/2024	Pension liability	9109 0			12,000			
A1	31/08/2024	Pension Asset	9110 0		178,000				
A1	31/08/2024	Pension liability	9112 0			114,000			
A1	31/08/2024	Gain on assets	9113 0			125,000			
		Being pension posting JJF 8/11/24			470,000	470,000	1,924,331	52,000	Factual
A2	31/08/2024	Deferred Income Release	B970 0	H9	88,248				
A2	31/08/2024	Deferred Income General	86756 0	H9		88,248			
		Being proposed adjustment to remove Westminster grant out of income GT 11/12/24			88,248	88,248	1,836,083	-88,248	Factual
					558,248	558,248	1,836,083	-36,248	

The King's School, Chester
 Year End: 31 August 2024
 Proposed/unrecorded journal entries
 Date: 01/09/2023 To 31/08/2024

N3.2

Number	Date	Name	Account No	Reference	Debit	Credit	Proposed Net Income (Loss)	Proposed Amount Chg	Recurrence	Misstatement
Net Income (Loss)										
							1,835,683			
PF1	31/08/2024	Fees Ledger Control	84100 0	H12	92,792					
PF1	31/08/2024	Purchase Ledger	86700 0	H12		92,792				
		Being credit balances on the debtors ledger. JRW 11/11/2024			92,792	92,792	1,835,683	0		
PF2	31/08/2024	Miscellaneous Income	B999 0	J18		265,850				
PF2	31/08/2024	Creditors	CRED 0	J18	265,850					
		Being KSBT creditor balance for Investec balance GT 13/3/25			265,850	265,850	2,101,533	265,850		
					358,642	358,642	2,101,533	265,850		

KING'S SCHOOL

England & Wales - Charity number 525934

Accounts



THE KING'S SCHOOL
CHESTER

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 12 Month Period
from 1st September 2022 to 31st August 2023

Charity no. 525934



Willow
Lodge

Discovering the world



KING'S
JUNIORS

Igniting *curiosity*



KING'S
SENIORS

Seizing *opportunity*



KING'S
SIXTH FORM

Becoming *exceptional*

EVERY OPPORTUNITY. ENDLESS POSSIBILITIES.

Annual Report and Financial Statements
For the 12 Month Period
from 1st September 2022 to 31st August 2023



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**Annual Report and Financial Statements
For the 12 Month Period
from 1st September 2022 to 31st August 2023**



GOVERNORS' REPORT

GOVERNORS, OFFICERS AND ADVISERS

The Governors of The School, as trustees, who have held office during this year were:

R Arnold BSc C, CP (resigned 13.10.22)
A Bartley C CP
A Bentley C CP *
J M Carr BA FCA C * % (resigned 31.8.22)
S Docking BA C ^ (resigned 26.6.23)
J Ebo N5 % Health and Safety Governor
C A Edwards MA N2 ~ Chair of the Safeguarding Committee
F Fahmy C CP ~ (resigned 26.5.23)
C Gillies C ^
D Leonard C ^ Chair of the Education Committee
D K Rowlands Hon MSc N2 Chair of Governors
Very Revd Dr T Stratford N1 ^
M Troy C % (From 25 June 2022)
J Walsh C CP * Chair of the Finance and General-Purpose Committee
S Verity BSc C % Chair of the Risk and Compliance Committee and Chair of the Governance Committee
1 vacancy for Liverpool University
1 vacancy for Manchester University

Members of the Safeguarding Committee ~

Members of the Risk & Compliance Committee %

*Members of the Finance & General Purposes Committee **

Members of the Governance Committee \$

Members of the Education Committee ^

Trustees of the King's School Bursary Trust Fund #

All Governors are Trustees of The Lester Smith Bursary Fund and The Prize Fund

Annual Report and Financial Statements
For the 12 Month Period
from 1st September 2022 to 31st August 2023



The Scheme of the Charity Commissioners (Administrative Provisions) permit:

Patron (s)

His Grace the Duke of Westminster

Such other persons as the Charity Board may from time to time elect

Vice Patron (s)

Lord Bishop of Chester

Dean of Chester

Lord Mayor of the City of Chester

Such other persons as the Charity Board may from time to time elect

Governors

7 Nominative Governors (N)

N1 Two by the Dean and Chapter of Chester Cathedral

N2 Two by Trustees of the Educational Foundation of Dr Robert Oldfield

N3 One by Liverpool University

N4 One by Manchester University

N5 One by the Trustees of the Charity of Owen Jones (Chester Municipal Charities)

16 Co-optative Governors (C)

The number of seats on the Charity Board held by current parents shall be reviewed from time to time **(CP)**

Tenure

All Governors are appointed to hold office for 4 years and for re-appointment for a further 4 years subject to the approval of the Board of Governors. Chairs of the Committees may extend by a further 4 years subject to the approval of the Board.

Officers of the School who have held office during this year are:

Headmaster: G J Hartley MA

Clerk: H A Jordan FInstLM, MCGI

Director of Finance and Operations: H A Jordan FInstLM, MCGI

Address: The King's School, Wrexham Road, Chester CH4 7QL

Website: www.kingschester.co.uk

Annual Report and Financial Statements
For the 12 Month Period
from 1st September 2022 to 31st August 2023



Advisers:

Bankers Handelsbanken
2 Albion House, Albion Street
Chester CH1 1RQ

Insurance Hettle Andrews
2 Brunswick Square
Birmingham
B1 2LP

Lawyers Weightmans
100 Old Hall Street
Liverpool, L3 9QJ

Ellis Whittam
Woodhouse
Aldford
Chester
CH3 6JD

Knights 1759
The Brampton
Newcastle-Under-Lyme
Staffordshire
ST5 0QW

Investment Advisers Investec Wealth & Investment
100 Old Hall Street
Liverpool L3 9AB

Auditors W R Partners
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Architects Scott Architecture
68 High Street
Tarporley
Cheshire
CW6 0AT

Annual Report and Financial Statements
For the 12 Month Period
from 1st September 2022 to 31st August 2023



The Governors present their annual report for the 12-month period from 1st September 2022 to 31st August 2023 under the Charities Act 2011, together with the audited accounts for the period and confirm that the latter comply with the requirements of the Act, the Scheme of Government and the Charities SORP (FRS 102) 2019 applicable to charities preparing their accounts in accordance with the financial reporting standard in the UK (FRS102).

HISTORY AND OBJECTIVES OF THE SCHOOL

The King's School was founded by Henry VIII in 1541 and for over four hundred years the school occupied buildings adjacent to the Cathedral. The school moved to a new site on the Wrexham Road in 1960 since when there has been an impressive programme of additional building development. These include the Wickson Library, a new Music School, the Vanbrugh Theatre and extensions to the Sixth Form Centre. In September 2014, the Junior School was extended to provide a new Junior School Library and Learning Centre and in September 2015 our purpose-built Infant School was opened by the Duke of Westminster. Most recent developments have included an extended sixth form and drama provision, an All-Weather Pitch, new Multi Use Games Area and the extensive refurbishment of classrooms and science laboratories has continued throughout the Junior and Senior School. The School retains strong links with the cathedral and with the city. It is Chester's oldest independent school and is proud to serve the city as well as the surrounding areas.

The King's School comprises the Senior School (ages 11-18), the Junior School (ages 7-11) and the Infant School, Willow Lodge (ages 4-7).

Annual Report and Financial Statements
For the 12 Month Period
from 1st September 2022 to 31st August 2023

King's is a school for pupils of high academic ability. We seek to develop this ability in each pupil to his or her full potential and at the same time to develop the pupil's character and other talents in a friendly and stimulating atmosphere. Further information about the school can be found on our website: www.kingschester.co.uk

The charitable objects of the School are the provision and conduct in or near Chester of a school for boys and girls, in connection with the Cathedral Church in Chester. The conduct of the School is in accordance with the articles made by the Governors which has recently been updated and submitted to the Charity Commission. The Charity also has permanent endowed and unendowed trust funds held for special purposes in connection with the development of the School's facilities and for bursaries, prizes and other educational purposes.

The School's aim is to provide an outstanding independent education, through superb academic tuition and through giving the opportunities to develop wider sporting, artistic and social skills to all its pupils. The School nurtures spiritual growth and provides an environment where each pupil can develop and fulfil his or her potential, helping build self-confidence and a desire to serve the wider community.

VISION, AIMS AND VALUES

Our vision in a rapidly changing world is to inspire every individual to be passionate and collaborative learners who reach their full all-round potential, thereby allowing them to contribute positively and actively to an inclusive 21st century society.

Our aim is to provide a first-class independent education, both through outstanding academic tuition and through giving all our pupils the opportunities to develop wider sporting, artistic and social skills. We nurture spiritual growth and provide a diverse and inclusive environment where each pupil can develop and fulfil their potential, which will allow them to flourish in their future lives.



Annual Report and Financial Statements
For the 12 Month Period
from 1st September 2022 to 31st August 2023

In caring about excellence and each other, and in promoting enjoyment and happiness through fulfilment, the members of the King's community believe in our three core values:

ASPIRE

We want all our students to aspire to be the very best versions of themselves. This relates to both their academic achievement, where we want them to attain their 'sustainable best' and just as importantly to their personal development as unique individuals. Excellent qualifications remain important, but the nurture of attributes such as resilience, adaptability, emotional intelligence and curiosity are arguably even more significant in today's world.

RESPECT

We want our students to have respect for themselves and others in the school community, particularly their fellow students. We believe that allowing young people to be comfortable in their own skin, as well as respectful of difference in others with regard to diversity, are both essential. We also want our students to respect their surroundings in terms of the school itself, where they live outside school and with due regard to the global environment.



COLLABORATE

We want our students to collaborate effectively so that they can achieve more than they would on their own and learn how to work effectively with others. We also want to collaborate positively as part of the broader school community and in doing so contribute to a higher purpose than simply advancing themselves. Human collaboration is only going to become more relevant in the years ahead.

Annual Report and Financial Statements
For the 12 Month Period
from 1st September 2022 to 31st August 2023



STRUCTURE, GOVERNANCE AND MANAGEMENT

The King's School, Chester was founded in 1541 as a fully independent day school and is registered with the Charity Commission under Charity number 525934.

Governing Documents

The School is administered in conformity with a Scheme of Government dated 13 June 1988, modified by subsequent Orders of The Charity Commission, by a body of trustees constituted as Governors. The associated Trusts, which are linked charities are administered in conformity with their Trust Deeds or Will Trusts.

Governing Bodies

Details of the Governing Board are explained at the beginning of this report together with information on how members are appointed. All Governors are trustees of The Lester Smith Bursary Fund and The Prize Fund. The trustees of The King's School Bursary Trust Fund are appointed under the terms of its Trust Deed and include two of the Governors of the School.

Recruitment and Training of Governors

The Board having adopted fixed terms of Office for Governors and the Chair of the Board, seeks via the Governance Committee, to refresh itself on an on-going basis with new Governors being nominated to the Board following a set induction process. This involves an interview process with members of the Governance Committee, the Chair of the Board, the Headmaster and the Bursar/Director of Finance and Operations prior to the nomination being approved by the full Board at a subsequent meeting, notice of which is given in advance to all Governors.

Nominations can be received from any source but mainly come from existing Governors and those organisations having nomination rights to the Board. Appointments are made on the basis of eligibility, personal competence and specialist skills that will complement the skills of the existing Governors.

The Board undertakes regular audits of its skills in order to ensure that its members possess the skills considered necessary for the successful running of the school in the current era. The Board will also undergo an external audit by the Association of Governing Bodies of Independent Schools (AGBIS) every five years.

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All new Governors receive an Induction Pack, including the School's up-to-date Constitution; a list of current Governors and School Staff; the most recent accounts of the School; the most recent inspection report; the School's strategic and business plans; the School's budget for the relevant financial period; the School's Governance Manual and a full list of all the School's policies (on website); the Charity Commission publication CC3 'the Essential Trustee'; the School's key risk assessment documentation; the minutes of the last three meetings of the Governors and related papers. These new Governors are then personally briefed by the Clerk to the Governors. New Governors are invited to join the most appropriate committees according to their specialist skills. All Governors are trained in Child Protection and Safeguarding and attend training seminars as and when required.

Key Management Personnel

Salaries for key management personnel are reviewed and set on an annual basis by the Remuneration Committee. In undertaking this review the committee utilize independent benchmark data from a variety of sources (AGBIS, HMC, Baines and Cutler) in addition to performance assessments of the key management personnel.

SCHOOL STRUCTURE AND MANAGEMENT

The Governors, as the trustees, are legally responsible for the overall management and control of the School and meet four times a year, with one meeting being solely dedicated to The Protection and Safeguarding of Children. The work of implementing most of their policies is carried out by the members of the Finance and General Purposes Committee (F&GP), the Risk and Compliance Committee (including Health and Safety), the Education Committee, the Safeguarding Committee and the Governance Committee who meet several weeks before each meeting of the full Governing Board. The Chair of each committee is shown in the front pages of this report.

The day to day running of The School is delegated to the Headmaster supported by the King's Leadership Team. The Headmaster and the Bursar/Clerk to the Governing Board attend meetings of all the Governors' sub committees and working groups. The Headmaster also attends meetings of Heads of academic departments, which deal with relevant and necessary operational matters.

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RELATIONSHIPS WITHIN THE SECTOR

The School actively supports the highest standards of education through networking with other Schools and maintaining excellent relationships within the educational sector. The Headmaster is an elected member of the Headmasters and Headmistresses Conference (HMC) and its Membership Committee. The School is a member of the national HMC network Leading Academic Day Schools, the Bursar is a member of the Independent School Bursars Association, a Fellow of the Institute of Leadership and Management and a Member of the City and Guilds Institute. The Head of Willow Lodge and the Junior School is a member of the regional networking group AJS (the Association of Junior Independent Schools). Close links are maintained with the Cathedral at Chester.

RISK MANAGEMENT

In addition to the School's risk management controls, including the Risk and Compliance Committee meeting each term, and the full Governing Board conducting an annual review of the School's Strategic Risk Register.

The health and safety of the staff and pupils continued to be the focus, and the main agenda item at each meeting of the Risk and Compliance Committee.

The key controls used by the School include:

- Formal agendas for all Committee and Board activity,
- Detailed terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and lines of reporting,
- Formal written policies,
- Clear authorisation and approval levels,
- Safeguarding procedures as required by law for the protection of children,
- Engagement of external, expert audits of finance and health and safety.

The School has continued to keep fee increases as low as possible and the fee increase for the reporting period was 1.8%. The Governors continually review the ten-year financial plan to

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ensure that the School continues to develop, whilst ensuring recent pressures on the budget such as the cost of living crises, increasing energy costs, high inflation, increases to the minimum wage and the Employers National Insurance are considered, alongside the potential future threats to the budget of a further increase to the employers contribution to the Teachers' Pension Scheme, continued impacts of Brexit, VAT being added to fees, and the loss of Business Rates Relief.



CHARITABLE OBJECTS

Within its Charitable objects, the School has permanent endowed and unendowed trust funds held for special purposes in connection with the development of the School's facilities and for bursaries, prizes and other educational purposes.

STRATEGIC REPORT

The strategic plan for the School has eight key objectives:

- *Every pupil known, valued and cared for:* developing pastoral care with the new house system with a renewed focus on student well-being
- *Great place to work:* for staff in all sections of the school, both teaching and support
- *Great learning, future-orientated:* optimising teaching and learning across the school and developing the curriculum

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- *Opportunities for all*: ensuring the provision of extra-curricular activities for all students across the school
- *A full co-educational school*: maximising student numbers on the current site with a target of 40% girls
- *At the heart of the community*: developing closer and collaborative links with parents, Chester schools and other institutions in the area
- *Widening access*: ensuring the recruitment of the brightest students from our catchment area, including the increased provision of bursaries
- *Revitalising the site*: delivering the principles of the ten-year masterplan to redevelop the School.

ACHIEVEMENTS AND OVERALL PERFORMANCE

The following academic objectives were achieved throughout the 12-month reporting period, in addition to the success of pupils at both GCSE and A Level:

- Outside of the reporting period, but the school has been awarded the Times Parent Power Independent Senior School of the Year in the North West; a Highly Commended award at the Independent School of the Year Awards for Outstanding Educational Partnerships and a Gold award from the Carnegie Centre of Excellence for Mental Health in Schools.
- Continued development of Chester Schools Together (CST) and the partnerships programme, including beginning the process of introducing two more Chester schools to the programme.
- The continued success of the King's 100 Challenge (bursaries campaign) with fundraising in line with targets.
- Launched a two-year programme of Continued Professional Development for all teaching staff across the three schools, specifically working on the use of retrieval practice and improving questioning techniques.
- Put in place a new intervention policy to ensure that students are effectively supported by teachers and pastoral leaders when they need help.
- Designed a new student planner to support our work in teaching students how to plan effectively so that they schedule their academic work alongside their co-curricular commitments.
- Undertook a full review of SEND provision across the three schools, leading to a restructuring and increased resourcing for the department so that we can better support our SEND pupils.
- The additional of a new sixth form and drama studio.

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- The development of a wellness garden for students.
- A continued redevelopment of classrooms throughout the Senior and Junior Schools, including science laboratories in the Senior School.
- A car park improvement and pathway safety fencing programme.
- A toilet upgrade project, including gender-neutral provision.
- The refurbishment of the staff room and garden for staff wellbeing.
- Continued development and implementation of the 'Learning to Learn' programme to develop more effective and sustainable study skills throughout the School.
- Continued whole school curriculum review.
- Implementation and embedding of a new Senior School reporting system (Learning Scores)
- The standardisation of Senior School department tracking and intervention programme.
- Introduction of a new pastoral monitoring system to pro-actively identify possible concerns.
- New IT systems added for well-being of students, safeguarding and training, school visits and parental pay portals.
- A significant reduction in school waste with a revisit waste management and recycling plan, including turning waste food into fuel.

PUBLIC BENEFIT THROUGH BURSARIES AND GRANT MAKING

The Governors have given regard to the Charity Commission's guidance on public benefit. The objects of the School are for 'public benefit' as that term is used in the Charities Act 2011, being part of a public group and providing public benefit.

The group of potential beneficiaries described in the objects of the school represents a sizable number of individuals. The School's catchment area stretches across North and Mid Wales and East Cheshire; the objects of the School are open and inclusionary and the School aims to be open to able pupils from all backgrounds.

To that end, the School offers means-tested bursaries funded by donations, The King's School Bursary Trust fund and from its own resources. To enable more pupils to benefit from bursary support, the School is actively seeking further benefactions and support for its Bursary Trust

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fund, with the aim to help with 100 children on bursaries by 2041 when the School will celebrate its 500th year anniversary.

During the reporting period, the total cost to the school of Bursaries, grants and allowances was £1,076,943 equating to 7.04% of gross fee income. The total number of students on means tested bursaries were 64 for the period. A high proportion of our current bursaries are 100%, as we move forward, we will continue to offer 100% bursaries to those families most in need.



PUBLIC BENEFIT THROUGH EDUCATIONAL EXCELLENCE

The School provided public benefit through its high-quality education delivered to more than 1120 pupils.

2023 A Level data:

In 2023, 86% of students secured their first-place university place and an impressive 25 students achieved straight A*/A grades.

- 51% of grades were A*/A
- 83% of grades were A*/B

2023 GCSE data:

As grade boundaries for GCSEs returned to pre-pandemic levels, 2023 results reflected the hard work and dedication of a year group who had faced significant challenges due to the pandemic during their Senior School careers.

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27% of results were grade 9 and 51% at grades 9-8, with 19 students celebrating ten or more grade 9/8s.

Year	%9	%9-8	%9-7	%9-6	%9-4
2023	27.1	51.1	70.8	83.9	96.9

We are delighted to announce that we have retained our title of top independent co-ed school in the North West in The Times Parent Power 2023 Guide, published in December 2022.



Students continued to excel outside of academic outcomes.

Recent highlights include:

- One of our Sixth Formers celebrated the publication of an article in the prestigious Oxford Scientist Magazine.
- As part of their Enrichment programme, a number of Sixth Formers recently spent time in one of our neighbouring schools, offering English language support to some of its newer pupils. Overleigh St Mary's CE Primary School recently welcomed 90 refugees from Afghanistan and Ukraine. The children, aged 4-11 years old, are keen to learn English and our Sixth Formers spent an afternoon helping them with their speaking and reading.
- Our U14 boys' and girls' hockey teams were both crowned county champions.
- Our U19 girls' indoor hockey team were crowned regional champions in November.

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- Our U11, U12, U13 and U14 boys' hockey team were all named North West champions in an unprecedented four separate age groups.
- Our Year 6 football team were crowned AJIC U11 Plate Champions and ISA U11 Regional Champions in the space of one week.
- 75 students in Removes and Shells sat their LAMDA exams with a 100% pass rate and 98% received distinctions.



In addition, the number of King's pupils representing regional, national and international teams has continued to be strong, in particular in the following sports:

- Hockey
- Rowing
- Football
- Netball
- Athletics
- Golf
- Karting
- Cricket
- Swimming
- Dressage

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PUBLIC BENEFIT THROUGH PARTNERSHIP

We are very proud to be part of an award-winning Independent State School Partnership (ISSP) between The King's School, Bishops' Blue Coat School and Blacon High School, Catholic High School Chester and Upton High School called [**Chester Schools Together**](#). ([**Chester Schools Together - Chester Schools Together**](#)).

Originally established in 2018 with two state schools, we have now grown to four state partnership schools and have pledged to grow with the addition of a school each academic year, until all secondary schools in the city are involved. The partnership now has a combined student population of more than 5,500.

In December 2021, we were extremely fortunate in securing £444,216 of funding over five years from The Westminster Foundation. This funding is used to pay a Chester Schools Together Staff Representative in each school and cover project costs, including transport and specialist resources. The King's School does not claim any money for a School Rep and donates £10,000 a year to partnership activities, as well as the Director of Marketing, Communications and Partnerships' time.

All projects are based on an identified 'mutual need' between all schools, including King's, which are agreed by a Headteacher Strategy Group, with student voice at the heart of all decisions.

These 'mutual needs' have included careers, climate change action, engagement in STEM and specialist university guidance.

Since January 2022, more than 2,500 students from the partnership schools have taken part in events inspired by these shared priorities.

Vision of Chester Schools Together

Working in equal partnership to provide a range of educational opportunities for pupils across the Chester community and to facilitate the professional and personal development of staff.

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Partners in the Chester Schools Together work together to:

- Provide a diverse programme of opportunities for interested and committed young people, regardless of their social or economic background
- Widen the educational and cultural horizons of all participants
- Engender a spirit of commitment, collaboration and confidence amongst pupils
- Provide stimulating professional development for staff and promote mutual respect across the different schools
- Foster a sense of belonging and pride in the city of Chester
- Encourage links with other city institutions for the education and benefit of all.

Projects from August 2022-2023 include:

Event Description	Number of beneficiaries
Oxbridge Presentation Evening – Nov 2022	208
Mock Interview – Oxbridge, Medic & Vet – Dec 2022	41
Vets, Medics, Dentist Uni Application Event	102
Saturday Masterclasses – Scalextric4Schools – March 2023	20
Composition Workshop – March and April 2023	25
International Women’s’ Day Celebration – March 2023	20
Online A Level Psychology Weekly A Level Sessions – from Feb 2023	25
Online A Level Revision Day – Economics A Level – April 2023	25
Chester Zoo Climate Change Symposium – May 2023	160
Carnegie Shadowing Group – May and June 2023	25
ADHD Parent and Staff Conference – June 2023	115
Stretch and Challenge Conference – June 2023	102



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The School has continued to develop connections with the wider community.

These include:

- King's Camps Holiday Clubs
- Mad Science Holidays Clubs
- The House of Dance Holiday Clubs
- The Swim School and Adam's Aquatics – swimming lessons for three-year-olds +
- Facilities used by local cricket, football and hockey teams
- Annual Gang Show for Chester and District Scouts
- Chester Competitive Festival of Performing Arts (CCFPA) is a registered charitable company and hold two annual events at King's
- Chester Bach Singers regularly rehearse in our Recital Hall
- Regular football training for local teams
- Karate lessons
- Jamie's Cricket Academy
- Cheshire Board Cricket
- Taekwondo Lessons

We believe engagement with the local community should be part of every King's student's education and we are increasing the spread of activities through our enrichment programme.

This includes:

- Sixth Form students volunteered at another local primary school throughout the academic year
- Litter-picking around Chester as part of Biodiversity
- Sixth Form students visited Grosvenor Manor Care Home

In 2023, the school raised a total of £7,598 for charitable causes.

FINANCIAL REPORT

The School's surplus for this reporting period is £1,292,813 showing an improvement of the previous financial year 2021/22 of £1,010,095. The projected surplus for the next two years remains strong, and the cashflow will remain above reserve limits despite an ambitious programme of development continuing under the 10-year masterplan.

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Total pupil numbers starting the School in September 2022 were 1150 and charitable activity expenditure for the year was well controlled and regularly scrutinised by the Governors.

King's Space Ltd has continued trading in support of the School. This subsidiary exists to manage the hiring of the School's premises outside of school hours, and any profits made by this subsidiary are gift aided back to the School.

RESERVES

The Governors recognise the need to hold minimum reserves, and this is currently set at an ambitious amount of £3M, equivalent level to one term's worth of costs.

CONSOLIDATED ACCOUNTS

The consolidated accounts, which includes King's Space and investments, show that at the end of the period the Charity held unrestricted funds of £19,005k (2022 £17,772k). Free reserves (after accounting for long term bank borrowings and pension asset) at the end of the year were £810k (2022: £1,559k). This negative free reserve is due to large amount of capital projects that have taken place during the reporting period, effectively turning free reserves into fixed assets. It is planned to improve the free reserves over the next reporting period.

In the coming years, it is a key objective to increase the funds maintained, in particular, by The King's School Bursary Trust Fund in order to support more families who need assistance with fees. The school is generating additional reserves on an ongoing basis in order to repay the fixed term bank loans and also to fund new developments at the school which have been determined in the masterplan and which will further improve the offer for our pupils and the wider community.

In respect of the Charity's defined benefit scheme for support staff, the valuation at this year-end continues to show a surplus. The Governors believe that this notional funding calculation has no material effect on the Charity's short-term cash flow and that in the longer term its effects are sustainable out of future income. For this reason, it is considered that it should be disregarded for Reserves Policy purposes.

INVESTMENT PERFORMANCE AGAINST OBJECTIVES

The trustees of The King's School Bursary Trust Fund adopted a discretionary management route with the School's investment advisers in September 2005. The trustees of The Lester Smith Bursary Fund and The King's School Prize Fund adopted the same route in August 2008.

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The investment figures for the King's School Bursary Trust Fund and the Prize Fund have improved from a negative return last year to a positive return this year, an improvement of 8.72% and 7.1% respectively. The Lester Smith Fund continues to be a negative return but has improved by 5%. All 5-year returns are lower due to the low returns over the past two years.

Total Return - measured against a Bespoke Benchmark in the period to date are as follows:

	1 year	5-year YTD
The King's School Bursary Trust Fund Performance	0.43%	15.85%
The Lester Smith Bursary Fund Performance	5.53%	10.93%
The King's School Prize Fund Performance	0.44%	9.63%
FTSE All Share Index	5.23%	18.39%
FT Government All Stocks Index	-9.46%	-18.76%
Bespoke Benchmark	1.73%	18.04%

INVESTMENT POLICY AND OBJECTIVES

The Governors' investment powers are determined by the Scheme of Government dated 13th June 1988, which permits investment in trust for The School of sums not needed for immediate working purposes, modified in the case of The King's School Bursary Trust Fund (KSBTF) to permit, amongst other things, investment in any stock, funds or securities authorised by law for the investment of trust funds.

The Governors' policy is to maximise the overall return on investments having regard to the need for a flow of income to meet the school's requirements for funding a number of bursary awards. In order to achieve this performance, the Governors and the trustees of the KSBTF have appointed an Investment Manager.

The performance of the Investment Manager is monitored under the terms of a Statement of Investment Principles to which the Manager is required to adhere. The investment objectives are to preserve the long-term value of the funds in real terms and to maintain an appropriate level of income in real terms. The achievements of the Manager are measured against appropriate benchmarks in respect of equities, gilts and total return. The Governors and trustees meet with the Investment Manager at least once each year and receive quarterly reports.

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Investments in a range of company stocks, gilt-edged securities and unitised funds, are held in the name of the Investment Manager's nominee company.

FUNDRAISING

The School has an in-house Development team responsible for all fundraising activities. No member of this team has been subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising, in respect of activities on behalf of the School.

In order to protect vulnerable people and other members of the public from unreasonably intrusive or persistent fund-raising, the School's fundraising activities are overseen by the King's Leadership team and board of Governors. No complaints have been received by the School regarding fundraising activities.

AUDITORS

The School continues to use WR Partners.



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STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Governors are required to:

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

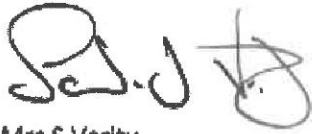
The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

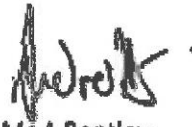
The Governors who were in office on the date of approval of these financial statements have confirmed as far as they are aware that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that he/she has taken all of the steps that he/she ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

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Approved by the Board of Governors & signed on its behalf by:



Mrs S Verity
Chair of Governors



Mr A Bentley
Governor

Date: 21/3/24



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER

Opinion

We have audited the financial statements of The King's School, Chester (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity'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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 the parent charity'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 Governors with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Group's and the parent charity'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 Governors either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- We reviewed the susceptibility of the charity's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the charity's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the charitable company and its environment and identify any instances of non-compliance.
- We also assessed the charity's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and charity awareness to carry out our work to the required standard.

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER
(CONTINUED)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners *WR Partners*
Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire SY2 6LG

Date:

24th April 2024

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Annual Report and Financial Statements
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Endowment funds 2023 £000	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income and endowments from:						
Donations and legacies	4	-	264	233	497	337
Charitable activities	5	-	-	15,321	15,321	14,170
Other trading activities	7	-	-	149	149	135
Investments	8	-	90	102	192	175
Other income	9	-	234	(21)	213	89
Total income and endowments		-	588	15,784	16,372	14,906
Expenditure on:						
Raising funds	10,11	-	22	87	108	128
Charitable activities	12	-	180	14,433	14,613	13,699
Total expenditure		-	202	14,520	14,722	13,827
Net income before net losses on investments		-	386	1,264	1,650	1,079
Net losses on investments		-	(52)	-	(52)	(352)
Net movement in funds before other recognised gains/(losses)		-	334	1,264	1,598	727
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	28	-	-	(31)	(31)	326
Net movement in funds		-	334	1,233	1,567	1,053

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Endowment funds	Restricted funds	Unrestricted funds	Total funds	<i>Total funds</i>
	2023	2023	2023	2023	2022
Note	£000	£000	£000	£000	£000
Reconciliation of funds:					
Total funds brought forward	22	221	3,707	17,772	21,700
Net movement in funds		-	334	1,233	1,053
Total funds carried forward		221	4,041	19,005	23,267
		221	4,041	19,005	21,700

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 37 to 66 form part of these financial statements.

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CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	16	19,640	16,538
Investments	17	3,624	3,403
		23,264	19,941
Current assets			
Stocks	18	14	10
Debtors	19	5,400	4,724
Cash at bank and in hand	25	3,597	5,422
		9,011	10,156
Creditors: amounts falling due within one year	20	(9,645)	(8,590)
Net current liabilities / assets		(634)	1,566
Total assets less current liabilities		22,630	21,507
Creditors: amounts falling due after more than one year	21	(587)	(1,014)
Net assets excluding pension asset		22,043	20,493
Defined benefit pension scheme asset	28	1,224	1,207
Total net assets		23,267	21,700

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CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Charity funds			
Endowment funds	22	221	221
Restricted funds	22	4,041	3,707
Unrestricted funds			
Unrestricted funds excluding pension liability	22	17,781	16,565
Pension reserve	22	1,224	1,207
Total unrestricted funds	22	19,005	17,772
Total funds		23,267	21,700

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

Mrs S Verity
Chair of Governors

Mr A Bentley
Governor

Date: 21/3/24

The notes on pages 3 / to 66 form part of these financial statements.

Annual Report and Financial Statements
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CHARITY BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	16	19,640	16,538
Investments	17	3,674	3,453
		23,314	19,991
Current assets			
Stocks	18	14	10
Debtors	19	5,377	4,741
Cash at bank and in hand		3,407	5,240
		8,798	9,991
Creditors: amounts falling due within one year	20	(9,574)	(8,554)
Net current liabilities / assets		(776)	1,437
Total assets less current liabilities		22,538	21,428
Creditors: amounts falling due after more than one year	21	(587)	(1,014)
Net assets excluding pension asset		21,951	20,414
Defined benefit pension scheme asset	28	1,224	1,207
Total net assets		23,175	21,621

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CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Charity funds			
Endowment funds	22	221	221
Restricted funds	22	4,041	3,707
Unrestricted funds			
Unrestricted funds excluding pension liability	22	17,689	16,485
Pension reserve	22	1,224	1,207
Total unrestricted funds	22	18,913	17,693
Total funds		23,175	21,621

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

Mrs S Verity
Chair of Governors

Mr A Bentley
Governor

Date: 21/3/24

The notes on pages 37 to 66 form part of these financial statements.

Annual Report and Financial Statements
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash used in operating activities	24	2,851	2,143
Cash flows from investing activities			
Dividends, interests and rents from investments		193	174
Purchase of tangible fixed assets		(4,136)	(1,199)
Proceeds from sale of investments		445	357
Purchase of investments		(715)	(410)
Net cash used in investing activities		(4,213)	(1,078)
Cash flows from financing activities			
Repayments of borrowing		(463)	(480)
Repayments of finance leases		-	(11)
Net cash used in financing activities		(463)	(491)
Change in cash and cash equivalents in the year		(1,825)	574
Cash and cash equivalents at the beginning of the year		5,422	4,848
Cash and cash equivalents at the end of the year	25	3,597	5,422

The notes on pages 37 to 66 form part of these financial statements.

Annual Report and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

The King's School, Chester is an unincorporated charitable trust (charity no. 525934), registered in England. The School is a public benefit entity. The School's address is The King's School, Wrexham Road, Chester, CH4 7QL. The object of the charity is the provision and conduct, in or near Chester, of a school for boys and girls, in connection with the cathedral at Chester. The principal activity of the School is the provision of an Infant, Junior and Senior School and Sixth Form.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The King's School, Chester meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2.2 Going concern

After making enquiries, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School therefore continues to adopt the going concern basis in preparing its financial statements.

Annual Report and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from donations, gifts and legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Income received for the general purposes of the School is included as unrestricted funds. Income for activities restricted by the wishes of the donor is taken to restricted funds where these wishes are legally binding on the Governors. Income required to be retained as capital in accordance with the donor's wishes is accounted for as endowments.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The School offers a number of bursaries each year to its pupils. All families in receipt of a bursary are means tested with the level of bursary awarded dependent on the family income and assets. All bursaries are subject to annual review. In addition, the School offers a small number of scholarships to pupils each year for performance in the senior school entrance exam. The individual scholarship awards are for no more than £500 and are a one off amount.

Annual Report and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following bases:

Freehold property	- Not depreciated
Long-term leasehold property	- 2 - 4 %
Fixtures and fittings	- 6.66 - 33.3%

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

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and 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.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.12 Financial instruments

The Group 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.

Annual Report and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.13 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.14 Pensions

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs are charged in the Statement of Financial Activities and are determined as follows:

a) Teachers' Pension Scheme - the School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the scheme actuary and advised to the Board of the scheme administrator and are charged in the period in which the salaries to which they relate are payable. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

b) The School Support Staff Pension - the School also contributes to a defined benefit scheme for a number of support staff at rates advised by the scheme actuary. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the Balance Sheet date. Scheme liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate relevant to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the Balance Sheet.

c) The School Personal Pension Scheme - the School operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefits scheme. This is a money purchase scheme under which the School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum.

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 2 December 2018.

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

2. Accounting policies (continued)

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds which have been given for a specific purpose and the capital has to be maintained.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension scheme valuation assumptions

Assumptions have been made by the actuary in calculating the valuation of the defined benefit pension scheme at the year end. Details of the assumptions made are included within the pensions note.

Critical areas of judgment:

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the parents.

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

4. Income from donations and legacies

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations	264	233	497	338
Total 2023	264	233	497	338
<i>Total 2022</i>	<i>106</i>	<i>232</i>	<i>338</i>	

5. Income from charitable activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
School fees	15,166	15,166	14,049
Other educational income	128	128	82
Other ancillary income	27	27	39
Total 2023	15,321	15,321	14,170
<i>Total 2022</i>	<i>14,170</i>	<i>14,170</i>	

6. School fees

	2023 £000	2022 £000
Gross fees receivable	16,259	15,151
Less: scholarships, bursaries and other discounts	(1,093)	(1,102)
	15,166	14,049

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

7. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
King's Space income	149	149	135
Total 2023	149	149	135
<i>Total 2022</i>	<i>135</i>	<i>135</i>	

8. Investment income

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Dividends	3	-	3	3
Bank interest	87	102	189	171
Total 2023	90	102	192	174
<i>Total 2022</i>	<i>76</i>	<i>98</i>	<i>174</i>	

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NOTES TO THE FINANCIAL STATEMENTS
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9. Other incoming resources

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Capital income	234	-	234	-
Other income	-	(21)	(21)	89
Total 2023	234	(21)	213	89
<i>Total 2022</i>	<i>-</i>	<i>89</i>	<i>89</i>	

10. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Fundraising for voluntary resources - Staff costs	26	26	57
Costs of raising voluntary income - NI	2	2	6
Costs of raising voluntary income - pension costs	2	2	4
Total 2023	30	30	67
<i>Total 2022</i>	<i>67</i>	<i>67</i>	

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

10. Expenditure on raising funds (continued)

Fundraising trading expenses

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
King's Space Limited expenditure	58	58	55
Total 2023	58	58	55
<i>Total 2022</i>	<i>55</i>	<i>55</i>	

11. Investment management costs

	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Investment management fees	21	21	6
Total 2023	21	21	6
<i>Total 2022</i>	<i>6</i>	<i>6</i>	

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

12. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Teaching	8,222	8,222	7,706
Teaching Support	1,011	1,011	948
Welfare	77	77	75
Premises	2,409	2,409	2,305
Support	2,894	2,894	2,665
Total 2023	<u>14,613</u>	<u>14,613</u>	<u>13,699</u>
<i>Total 2022</i>	<u>13,699</u>	<u>13,699</u>	

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

12. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Teaching 2023 £000	Teaching Support 2023 £000	Welfare 2023 £000	Premises 2023 £000
Staff costs	7,316	899	72	564
Depreciation	48	-	-	819
Other Staff Costs	143	-	-	-
Teaching Aids	325	-	-	-
Other Educational Expenditure	390	112	-	-
Catering	-	-	-	-
Utilities	-	-	-	262
Premises Maintenance	-	-	-	764
IT & Communications	-	-	-	-
Welfare	-	-	5	-
Banking & Finance	-	-	-	-
Professional Expenditure	-	-	-	-
Total 2023	<u>8,222</u>	<u>1,011</u>	<u>77</u>	<u>2,409</u>
<i>Total 2022</i>	<u>7,707</u>	<u>948</u>	<u>75</u>	<u>2,305</u>

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

12. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Support 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Staff costs	995	9,846	9,322
Depreciation	167	1,034	931
Other Staff Costs	-	143	98
Teaching Aids	-	325	290
Other Educational Expenditure	-	502	428
Catering	944	944	871
Utilities	-	262	262
Premises Maintenance	-	764	778
IT & Communications	266	266	242
Welfare	-	5	5
Banking & Finance	101	101	74
Professional Expenditure	421	421	398
Total 2023	<u>2,894</u>	<u>14,613</u>	<u>13,699</u>
<i>Total 2022</i>	<u>2,665</u>	<u>13,699</u>	

13. Auditors' remuneration

	2023 £000	2022 £000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>21</u>	<u>19</u>

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

14. Staff costs

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Wages and salaries	7,810	7,344	7,810	7,344
Social security costs	796	763	796	763
Contribution to defined contribution pension schemes	1,293	1,288	1,293	1,288
	<u>9,899</u>	<u>9,395</u>	<u>9,899</u>	<u>9,395</u>

During the year there were redundancy payments totalling £16k (2022: £24k) paid to 1 member of staff.

The average number of persons employed by the School during the year was as follows:

	Group 2023 No.	<i>Group 2022 No.</i>
Employees	<u>233</u>	<u>236</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	15	3
In the band £70,001 - £80,000	4	4
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
In the band £160,001 - £170,000	1	1

The key management personnel of the School are listed on page 4. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Charity was £365k (2022: £335k).

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

15. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2022 - £NIL-).

During the year ended 31 August 2023, expenses totalling £63 were reimbursed to 1 Governor (2022 - £Nil) for mileage.

During the year ended 31 August 2023, costs totalling £634 were paid by the charity for 2 Governors to attend a course.

16. Tangible fixed assets

Group and Charity

	Freehold property £000	Long-term leasehold property £000	Assets under construction £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 September 2022	18	18,931	600	8,709	28,258
Additions	-	1,823	-	2,312	4,135
Disposals	-	(8)	-	(4,327)	(4,335)
Transfers between classes	-	600	(600)	-	-
At 31 August 2023	18	21,346	-	6,694	28,058
Depreciation					
At 1 September 2022	8	5,139	-	6,572	11,719
Charge for the year	2	458	-	574	1,034
On disposals	-	(8)	-	(4,327)	(4,335)
At 31 August 2023	10	5,589	-	2,819	8,418
Net book value					
At 31 August 2023	8	15,757	-	3,875	19,640
At 31 August 2022	10	13,791	600	2,137	16,538

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NOTES TO THE FINANCIAL STATEMENTS
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16. Tangible fixed assets (continued)

Group and Charity (continued)

Leasehold Property

The School occupies 33 acres of land by Wrexham Road, adjacent to the Chester business park. The site was acquired under a 999 year lease granted, without premium, to The King's School in 1956 by the Grosvenor Estate. The lease provides for a yearly rent of £300, restricting the use of the property to educational purposes.

No value is attributed in the financial statements to the land under the residue of the lease. The School is responsible for all repairs, maintenance and insurance of the buildings erected on the leased premises. All of the assets are held for the School's own use on direct charitable activities.

17. Fixed asset investments

Group	Listed investments £000
Cost or valuation	
At 1 September 2022	3,404
Additions	715
Disposals	(445)
Revaluations	(49)
At 31 August 2023	3,624
Net book value	
At 31 August 2023	3,624
At 31 August 2022	3,404

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NOTES TO THE FINANCIAL STATEMENTS
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17. Fixed asset investments (continued)

Charity	Investments in subsidiary companies £000	Listed investments £000	Total £000
Cost or valuation			
At 1 September 2022	50	3,404	3,454
Additions	-	715	715
Disposals	-	(445)	(445)
Revaluations	-	(49)	(49)
At 31 August 2023	<u>50</u>	<u>3,624</u>	<u>3,674</u>
Net book value			
At 31 August 2023	50	3,624	3,674
At 31 August 2022	<u>50</u>	<u>3,404</u>	<u>3,454</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Holding	Included in consolidation
King's Space Limited	11067044	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit/(Loss)/ Surplus/ (Deficit) for the year £000	Net assets £000
King's Space Limited	149	(57)	92	142

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18. Stocks

	Group 2023 £000	<i>Group</i> <i>2022</i> <i>£000</i>	Charity 2023 £000	<i>Charity</i> <i>2022</i> <i>£000</i>
Catering stock	<u>14</u>	<u>10</u>	<u>14</u>	<u>10</u>

19. Debtors

	Group 2023 £000	<i>Group</i> <i>2022</i> <i>£000</i>	Charity 2023 £000	<i>Charity</i> <i>2022</i> <i>£000</i>
Due within one year				
Trade debtors	4,664	4,290	4,662	4,269
Other debtors	327	116	326	154
Prepayments and accrued income	409	318	389	318
	<u>5,400</u>	<u>4,724</u>	<u>5,377</u>	<u>4,741</u>

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

20. Creditors: Amounts falling due within one year

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Bank loans	462	498	462	498
Deposits received in advance	583	565	583	565
Trade creditors	770	369	770	369
Other taxation and social security	202	179	197	179
Other creditors	429	422	428	424
Accruals and deferred income	7,199	6,557	7,134	6,519
	9,645	<i>8,590</i>	9,574	<i>8,554</i>

	Group 2023 £000	<i>Group 2022 £000</i>
Deferred income at 1 September 2022	6,205	5,765
Resources deferred during the year	6,623	6,205
Amounts released from previous periods	(6,205)	(5,765)
	6,623	<i>6,205</i>

Deferred income relates to income received under the School's advanced fee scheme contracts for education not yet utilised to settle school fees and cash received in advance for the forthcoming period.

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

21. Creditors: Amounts falling due after more than one year

	Group	<i>Group</i>	Charity	<i>Charity</i>
	2023	<i>2022</i>	2023	<i>2022</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Bank loans	587	<i>1,014</i>	587	<i>1,014</i>

In October 2020 three loans held by the School with Royal Bank of Scotland were consolidated into one single loan of £2,365k with Handelsbanken. The loan is over a 5 year term and the interest rates are at 7.93% at year end. Both repayments and interest are paid quarterly. The loan is secured by a first legal charge over The King's School, Chester, CH4 7QL and its associated assets.

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

22. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
Unrestricted Funds	16,485	15,635	(14,511)	80	-	17,689
King's Space	80	150	(58)	(80)	-	92
Pension reserve	1,207	-	48	-	(31)	1,224
	17,772	15,785	(14,521)	-	(31)	19,005
Endowment funds						
Prize and Exhibition Capital Fund	113	-	-	-	-	113
Lester Smith Capital Fund	108	-	-	-	-	108
	221	-	-	-	-	221
Restricted funds						
Prize and Exhibition Income Fund	12	-	(7)	-	1	6
Donations Fund	255	284	(64)	-	-	475
The King's School Bursary Trust Fund	3,266	296	(129)	-	(48)	3,385
Lester Smith Income Fund	174	7	(1)	-	(5)	175
	3,707	587	(201)	-	(52)	4,041
Total of funds	21,700	16,372	(14,722)	-	(83)	23,267

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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

Lester Smith Fund (linked charity)

This fund was established under the Will of an Old King's Scholar, The Governors of The School for the time being comprise the trustees. The funds are held for the benefit of pupils at The School and contributions out of income are made to support worthy pupils whose families would not otherwise be able to pay the fees.

Income consists of investment income of £7k (2022: £6k). Expenditure consists of costs on raising funds of £1k (2022: £2k) and expenditure on charitable activities of £nil (2022: £nil). The Trust also had losses (2022: losses) on investments of £4k (2022: £19k).

The King's School Bursary Trust Fund (linked charity)

This fund was established by a trust deed dated 8th May 1969. The trustees shall be not more than ten in number including the Chairman of the Governors and the Headmaster. So far as possible, there should be representation on the trustees body from the Chester Association of Old King's Scholars, The King's School Parents' Association and the Staff of The School.

The trustees hold the funds and the income therefrom essentially to make contributions towards the payment of fees of any scholar whom the trustees in their absolute discretion consider worthy of assistance. The trustees have wide powers to further the advancement of education.

Income consists of investment income of £79k (2022: £67k) and donations of £217k (2022: £82k). Expenditure consists of costs on raising funds of £20k (2022: £5k) and expenditure on charitable activities of £109k (2022: £145k). The Trust also had losses (2022: losses) on investments of £48k (2022: £333k).

Prize & Exhibition Income Fund

This fund was established to generate additional income for The School.

Donations Fund

Restricted income received from donors. Funds are restricted when they have been given or raised for a specific purpose. Includes income received for specific activities such as Special Educational Needs (SEN), CCF training for pupils and optional language classes.

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

22. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
Unrestricted funds						
Unrestricted Funds	15,478	14,724	(13,637)	-	-	16,565
Pension reserve	868	-	13	-	326	1,207
	<u>16,346</u>	<u>14,724</u>	<u>(13,624)</u>	<u>-</u>	<u>326</u>	<u>17,772</u>
Endowment funds						
Prize and Exhibition Capital Fund	130	-	-	(17)	-	113
Lester Smith Capital Fund	108	-	-	-	-	108
	<u>238</u>	<u>-</u>	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>221</u>
Restricted funds						
Prize and Exhibition Income Fund	9	3	(17)	17	-	12
Donations Fund	266	24	(35)	-	-	255
The King's School Bursary Trust Fund	3,599	149	(149)	-	(333)	3,266
Lester Smith Income Fund	189	6	(2)	-	(19)	174
	<u>4,063</u>	<u>182</u>	<u>(203)</u>	<u>17</u>	<u>(352)</u>	<u>3,707</u>
Total of funds	<u>20,647</u>	<u>14,906</u>	<u>(13,827)</u>	<u>-</u>	<u>(26)</u>	<u>21,700</u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2023 £000	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	19,640	19,640
Fixed asset investments	221	3,403	-	3,624
Current assets	-	638	8,372	9,010
Creditors due within one year	-	-	(9,645)	(9,645)
Creditors due in more than one year	-	-	(587)	(587)
Provisions for liabilities and charges	-	-	1,224	1,224
Total	221	4,041	19,005	23,267

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £000	Group 2022 £000
Net income for the year (as per Statement of Financial Activities)	1,599	727
Adjustments for:		
Depreciation charges	1,034	931
Gains on investments	48	331
Dividends, interests and rents from investments	(193)	(174)
Decrease/(increase) in stocks	(4)	4
Increase in debtors	(676)	(398)
Increase in creditors	1,091	735
Defined benefit pension scheme adjustment	(48)	(13)
Net cash provided by operating activities	2,851	2,143

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25. Analysis of cash and cash equivalents

	Group 2023 £000	Group 2022 £000
Cash in hand	3,597	5,422
Total cash and cash equivalents	3,597	5,422

26. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	5,422	(1,825)	3,597
Debt due within 1 year	(498)	36	(462)
Debt due after 1 year	(1,014)	427	(587)
	3,910	(1,362)	2,548

27. Capital commitments

	Group 2023 £000	Group 2022 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	45	1,400

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28. Pension commitments

The School's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching staff; the Local Government Pension Scheme (LGPS) managed by Cheshire Pension Fund for some support staff and a Group Personal Pension Scheme (GPP) managed by Scottish Widows for the remaining support staff.

Both the TPS and LGPS are defined benefit schemes and the GPP is a money purchase scheme.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £106k (2022: £157k) were payable to the schemes at 31st August and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension 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 2014 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. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

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NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £1,248k (2022: £1,193k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

Local Government Pension Scheme- Cheshire Pension Fund

The School also contributes to the Cheshire Pension Fund for its support staff.

The pension costs are assessed in accordance with the advice of a firm of independent qualified actuaries, Hymans Robertson using the projected unit method. A full valuation was prepared as at 31 March 2019.

The scheme was closed to new entrants of the School on 31 March 2005.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £22k (2022 - £31k), of which employer's contributions totalled £22k (2022 - £25k) and employees' contributions totalled £6k (2022 - £6k). The agreed contribution rates for future years are 17.4% to 18.3% for employers and 5.5% to 8.5% for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2023 %	At 31 August 2022 %
Discount rate	5.25	4.25
Future salary increases	3.75	4.05
Future pension increases	3.05	3.35

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28. Pension commitments (continued)

	At 31 August 2023 Years	At 31 August 2022 Years
Mortality rates (in years)		
- for a male aged 65 now	20.9	21.2
- at 65 for a male aged 45 now	21.5	22.1
- for a female aged 65 now	24.5	23.8
- at 65 for a female aged 45 now	26.2	25.5

The School's share of the assets in the scheme was:

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	1,447	1,444
Bonds	1,413	1,444
Property	551	542
Cash and other liquid assets	35	181
Total fair value of assets	3,446	3,611

The actual return on scheme assets was £-121,000 (2022 - £303,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2023 £000	2022 £000
Current service cost	19	25
Net interest costs	(51)	(13)
Total amount recognised in the Consolidated Statement of Financial Activities	(32)	12

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NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2023 £000	2022 £000
Opening defined benefit obligation	2,404	3,188
Actuarial losses	(184)	(723)
Current service costs	19	25
Interest cost	100	49
Contributions by members	7	6
Benefits paid	(124)	(141)
Closing defined benefit obligation	2,222	2,404

Movements in the fair value of the School's share of scheme assets were as follows:

	2023 £000	2022 £000
Opening fair value of scheme assets	3,611	4,056
Actuarial losses	(215)	(397)
Contributions by employer	16	25
Contributions by members	7	6
Interest cost	151	62
Benefits paid	(124)	(141)
Closing fair value of scheme assets	3,446	3,611

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NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

Support Staff personal pension scheme

The School also operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefit scheme. This is a money purchase scheme under which the School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum. Employer contributions totalling £101k (2022: £84k) were paid in respect of this pension scheme for the period. As at year end £9k was payable into the scheme and is included within creditors.

The School also operates a private pension scheme with Virgin. Employer contributions totalling £13k (2022: £12k) were paid in respect of this pension scheme for the period. As at year end £1k was payable into the scheme and is included within creditors.

29. Operating lease commitments

At 31 August 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £000	<i>Group 2022 £000</i>
Not later than 1 year	27	27
Later than 1 year and not later than 5 years	62	108
	89	<i>135</i>

30. Related party transactions

Four Governors with sons and daughters at the School pay full fees (2022: Five) totalling £99k (2022: £83k).

The School owns all the issued share capital of King's Space Limited, the results for the year are shown in note 17.

During the year the School made purchases of £1k (2022: £1k) from the Storyhouse, a charity of which one Governor is a Trustee. No amounts were outstanding at year end.

During the year the School paid rent of £4k to a company of which C Gillies is an employee. No amounts were owed at year end.

KING'S SCHOOL

England & Wales - Charity number 525934

Accounts



THE KING'S SCHOOL
CHESTER

ANNUAL REPORT AND FINANCIAL STATEMENTS

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Charity no. 525934



Willow
Lodge

Discovering the world



KING'S
JUNIORS

Igniting *curiosity*



KING'S
SENIORS

Seizing *opportunity*



KING'S
SIXTH FORM

Becoming *exceptional*

EVERY OPPORTUNITY. ENDLESS POSSIBILITIES.

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GOVERNORS' REPORT

GOVERNORS, OFFICERS AND ADVISERS

The Governors of The School, as trustees, who have held office during this year were:

R Arnold BSc C, CP
A Bartley C CP
A Bentley C CP *
J M Carr BA FCA C * %
S Docking BA C ^ Chair of the Education Committee
J Ebo N5 % Health and Safety Governor
C A Edwards MA N2 ~ Chair of the Safeguarding Committee
F Fahmy C CP ~
C Gillies C ^
D Leonard C ^
D K Rowlands Hon MSc N2 Chair of Governors
Very Revd Dr T Stratford N1 ^
M Troy C % (From 25 June 2022)
J Walsh C CP * Chair of the Finance and General-Purpose Committee
S Verity BSc C % Chair of the Risk and Compliance Committee and Chair of the Governance Committee
1 vacancy for Liverpool University
1 vacancy for Manchester University

Members of the Safeguarding Committee ~

Members of the Risk & Compliance Committee %

*Members of the Finance & General Purposes Committee **

Members of the Governance Committee \$

Members of the Education Committee ^

Trustees of the King's School Bursary Trust Fund #

All Governors are Trustees of The Lester Smith Bursary Fund and The Prize Fund

The Scheme of the Charity Commissioners (Administrative Provisions) permit:

Patron (s)

His Grace the Duke of Westminster

Such other persons as the Charity Board may from time to time elect

Vice Patron (s)

Lord Bishop of Chester

Dean of Chester

Lord Mayor of the City of Chester

Such other persons as the Charity Board may from time to time elect

Governors

7 Nominative Governors (N)

N1 Two by the Dean and Chapter of Chester Cathedral

N2 Two by Trustees of the Educational Foundation of Dr Robert Oldfield

N3 One by Liverpool University

N4 One by Manchester University

N5 One by the Trustees of the Charity of Owen Jones (Chester Municipal Charities)

16 Co-optative Governors (C)

The number of seats on the Charity Board held by current parents shall be reviewed from time to time (CP)

Tenure

All Governors are appointed to hold office for 4 years and for re-appointment for a further 4 years subject to the approval of the Board of Governors. Chairs of the Committees may extend by a further 4 years subject to the approval of the Board.

Officers of the School who have held office during this year are:

Headmaster: G J Hartley MA

Clerk: H A Jordan FInstLM, MCGI

Director of Finance and Operations: H A Jordan FInstLM, MCGI

Address: The King's School, Wrexham Road, Chester CH4 7QL

Website: www.kingschester.co.uk

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Advisers:

Bankers	Handelsbanken 2 Albion House, Albion Street Chester CH1 1RQ
Insurance	Hettle Andrews 2 Brunswick Square Birmingham B1 2LP
Lawyers	Weightmans 100 Old Hall Street Liverpool, L3 9QJ
	Ellis Whittam Woodhouse Aldford Chester CH3 6JD
	Knights 1759 The Brampton Newcastle-Under-Lyme Staffordshire ST5 0QW
Investment Advisers	Investec Wealth & Investment 100 Old Hall Street Liverpool L3 9AB
Auditors	W R Partners Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Architects	Scott Architecture 68 High Street Tarporley Cheshire CW6 0AT

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The Governors present their annual report for the 12-month period from 1st September 2021 to 31st August 2022 under the Charities Act 2011, together with the audited accounts for the period and confirm that the latter comply with the requirements of the Act, the Scheme of Government and the Charities SORP (FRS 102) 2019 applicable to charities preparing their accounts in accordance with the financial reporting standard in the UK (FRS102).

HISTORY AND OBJECTIVES OF THE SCHOOL

The King's School was founded by Henry VIII in 1541 and for over four hundred years the School occupied buildings adjacent to the Cathedral. The School moved to a new site on the Wrexham Road in 1960 since when there has been an impressive programme of additional building development. These include the Wickson Library, a new Music School, the Vanbrugh Theatre and extensions to the Sixth Form Centre. In September 2014, the Junior School was extended to provide a new Junior School Library and Learning Centre and in September 2015 our purpose-built infant School was opened by the Duke of Westminster. Most recent developments have included an extended sixth form and drama provision, an All-Weather Pitch, new Multi Use Games Area and the extensive refurbishment of classrooms and science laboratories has continued throughout the Junior and Senior School. The School retains strong links with the cathedral and with the city. It is Chester's oldest independent school and is proud to serve the city as well as the surrounding areas.

The King's School comprises the Senior School (ages 11-18), the Junior School (ages 7-11) and the Infant School, Willow Lodge (ages 4-7).

King's is a school for pupils of high academic ability. We seek to develop this ability in each pupil to his or her full potential and at the same time to develop the pupil's character and other talents in a friendly and stimulating atmosphere. Further information about the school can be found on our website: www.kingschester.co.uk

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The charitable objects of the School are the provision and conduct in or near Chester of a school for boys and girls, in connection with the Cathedral Church in Chester. The conduct of the School is in accordance with the articles made by the Governors which has recently been updated and submitted to the Charity Commission. The School, also referred to as the "Charity" also has permanent endowed and unendowed trust funds held for special purposes in connection with the development of the School's facilities and for bursaries, prizes and other educational purposes.

The School's aim is to provide an outstanding independent education, through superb academic tuition and through giving the opportunities to develop wider sporting, artistic and social skills to all its pupils. The School nurtures spiritual growth and provides an environment where each pupil can develop and fulfil his or her potential, helping build self-confidence and a desire to serve the wider community.

VISION, AIMS AND VALUES

Our vision in a rapidly changing world is to inspire every individual to be passionate and collaborative learners who reach their full all-round potential, thereby allowing them to contribute positively and actively to an inclusive 21st century society.

Our aim is to provide a first-class independent education, both through outstanding academic tuition and through giving all our pupils the opportunities to develop wider sporting, artistic and social skills. We nurture spiritual growth and provide a diverse and inclusive environment where each pupil can develop and fulfil their potential, which will allow them to flourish in their future lives.



In caring about excellence and each other, and in promoting enjoyment and happiness through fulfilment, the members of the King's community believe in our three core values:

ASPIRE

We want all our students to aspire to be the very best versions of themselves. This relates to both their academic achievement, where we want them to attain their 'sustainable best' and just as importantly to their personal development as unique individuals. Excellent qualifications remain important, but the nurture of attributes such as resilience, adaptability, emotional intelligence and curiosity are arguably even more significant in today's world.

RESPECT

We want our students to have respect for themselves and others in the school community, particularly their fellow students. We believe that allowing young people to be comfortable in their own skin, as well as respectful of difference in others with regard to diversity, are both essential. We also want our students to respect their surroundings in terms of the school itself, where they live outside school and with due regard to the global environment.



COLLABORATE

We want our students to collaborate effectively so that they can achieve more than they would on their own and learn how to work effectively with others. We also want to collaborate positively as part of the broader school community and in doing so contribute to a higher purpose than simply advancing themselves. Human collaboration is only going to become more relevant in the years ahead.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The King's School, Chester was founded in 1541 as a fully independent day school and is registered with the Charity Commission under Charity number 525934.

Governing Documents

The School is administered in conformity with a Scheme of Government dated 13 June 1988, modified by subsequent Orders of The Charity Commission, by a body of trustees constituted as Governors. The associated Trusts, which are linked charities are administered in conformity with their Trust Deeds or Will Trusts.

Governing Bodies

Details of the Governing Board are explained at the beginning of this report together with information on how members are appointed. All Governors are Trustees of The Lester Smith Bursary Fund and The Prize Fund. The Trustees of The King's School Bursary Trust Fund are appointed under the terms of its Trust Deed and include two of the Governors of the School.

Recruitment and Training of Governors

The Board having adopted fixed terms of Office for Governors and the Chair of the Board, seeks via the Governance Committee, to refresh itself on an on-going basis with new Governors being nominated to the Board following a set induction process. This involves an interview process with members of the Governance Committee, the Chair of the Board, the Headmaster and the Bursar/Director of Finance and Operations prior to the nomination being approved by the full Board at a subsequent meeting, notice of which is given in advance to all Governors.

Nominations can be received from any source but mainly come from existing Governors and those organisations having nomination rights to the Board. Appointments are made on the basis of eligibility, personal competence and specialist skills that will complement the skills of the existing Governors.

The Board undertakes regular audits of its skills in order to ensure that its members possess the skills considered necessary for the successful running of the school in the current era. The Board will also undergo an external audit by the Association of Governing Bodies of Independent Schools (AGBIS) every three years.

All new Governors receive an Induction Pack, including the School's up-to-date Constitution; a list of current Governors and School Staff; the most recent accounts of the School; the most recent inspection report; the School's strategic and business plans; the School's budget for the relevant financial period; the School's Governance Manual and a full list of all the School's policies (on website); the Charity Commission publication CC3 'the Essential Trustee'; the School's key risk assessment documentation; the minutes of the last three meetings of the Governors and related papers. These new Governors are then personally briefed by the Clerk to the Governors. New Governors are invited to join the most appropriate committees according to their specialist skills. All Governors are trained in Child Protection and Safeguarding and attend training seminars as and when required.

Key Management Personnel

Salaries for key management personnel are reviewed and set on an annual basis by the Remuneration Committee. In undertaking this review the committee utilize independent benchmark data from a variety of sources (AGBIS, HMC, Baines and Cutler) in addition to performance assessments of the key management personnel.

SCHOOL STRUCTURE AND MANAGEMENT

The Governors, as the Trustees, are legally responsible for the overall management and control of the School and meet four times a year, with one meeting being solely dedicated to The Protection and Safeguarding of Children. The work of implementing most of their policies is carried out by the members of the Finance and General Purposes Committee (F&GP), the Risk and Compliance Committee (including Health and Safety), the Education Committee, the Safeguarding Committee and the Governance Committee who meet several weeks before each meeting of the full Governing Board. The Chair of each committee is shown in the front pages of this report.

The day to day running of The School is delegated to the Headmaster supported by the King's Leadership Team. The Headmaster and the Bursar/Clerk to the Governing Board attend meetings of all the Governors' sub committees and working groups. The Headmaster also attends meetings of Heads of academic departments, which deal with relevant and necessary operational matters.

RELATIONSHIPS WITHIN THE SECTOR

The School actively supports the highest standards of education through networking with other Schools and maintaining excellent relationships within the educational sector. The Headmaster is an elected member of the Headmasters and Headmistresses Conference (HMC) and its Membership Committee. The School is a member of the national HMC network Leading Academic Day Schools, the Bursar is a member of the Independent School Bursars Association, a Fellow of the Institute of Leadership and Management and a Member of the City and Guilds Institute. The Head of Willow Lodge and the Junior School is a member of the regional networking group AJS (the Association of Junior Independent Schools). Close links are maintained with the Cathedral at Chester.

RISK MANAGEMENT

In addition to the School's risk management controls, including the Risk and Compliance Committee meeting each term, and the full Governing Board conducting an annual review of the School's Strategic Risk Register, the main risk remained the COVID pandemic for the early part of the reporting period.

The health and safety of the staff and pupils continued to be the focus, and the main agenda item at each meeting of the Risk and Compliance Committee and the Full Governors' Board.

The COVID risk assessment was written in line with Government and Local Government direction. The risk assessment had mitigating measures put into place to guard against the spread of COVID-19, including external handwashing stations, enhanced cleaning routines, materials, and hand sanitiser and cleaning materials being available in every classroom and corridor. The mental health of staff and pupils were also considered within the risk assessments and extra monies were allocated for counselling services and general mental well-being initiatives.

These control measures ensured the school remained fully open, with infected pupils and staff not reaching the thresholds stated by PHE that would result in full or partial closure of the school.

The key controls used by the School include:

- Formal agendas for all Committee and Board activity,
- Detailed terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and lines of reporting,
- Formal written policies,
- Clear authorisation and approval levels,
- Safeguarding procedures as required by law for the protection of children, and
- Engagement of external, expert audits of finance and health and safety.

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The School has continued to keep fee increases as low as possible and the fee increase for the reporting period was 1.8%. The Governors continually review the ten-year financial plan to ensure that the School continues to develop, whilst ensuring recent pressures on the budget such as the cost of living crises, increasing energy costs, high inflation, increases to the minimum wage and the Employers National Insurance are considered, alongside the potential future threats to the budget of a further increase to the employers contribution to the Teachers' Pension Scheme, continued impacts of Brexit, VAT being added to fees, and the loss of Business Rates Relief.



CHARITABLE OBJECTS

Within its Charitable objects, the School has permanent endowed and unendowed trust funds held for special purposes in connection with the development of the School's facilities and for bursaries, prizes and other educational purposes.

STRATEGIC REPORT

The strategic plan for the School has eight key objectives:

- *Every pupil known, valued and cared for:* developing pastoral care with the new house system with a renewed focus on student well-being
- *Great place to work:* for staff in all sections of the School, both teaching and support
- *Great learning, future-orientated:* optimising teaching and learning across the School and developing the curriculum
- *Opportunities for all:* ensuring the provision of extra-curricular activities for all students across the School
- *A full co-educational school:* maximising student numbers on the current site with a target of 40% girls
- *At the heart of the community:* developing closer and collaborative links with parents, Chester schools and other institutions in the area
- *Widening access:* ensuring the recruitment of the brightest students from our catchment area, including the increased provision of bursaries
- *Revitalising the site:* delivering the principles of the ten-year masterplan to redevelop the School.

ACHIEVEMENTS AND OVERALL PERFORMANCE

The School has managed to remain open during the surges in COVID cases using robust safety measures including regular testing of staff and senior school pupils, ventilation of indoor areas, outdoor sinks for handwashing, specialist cleaning machines, and an increase of £10K per term for cleaning materials, hand gel and cleaning hours.

Despite the pressures of the pandemic on the School and its staff, the following academic objectives were achieved throughout the 12-month reporting period, in addition to the success of pupils at both GCSE and A level:

- a continued redevelopment of classrooms throughout the Senior and Junior Schools, including science laboratories in the Senior School
- a car park improvement and pathway safety fencing programme
- a toilet upgrade project, including gender-neutral provision
- continued development and implementation of the 'Learning to Learn' programme to develop more effective and sustainable study skills throughout the School
- continued whole School curriculum review
- implementation and embedding of a new Senior School reporting system (Learning Scores)
- the standardisation of Senior School department tracking & intervention programme
- introduction of a new pastoral monitoring system to pro-actively identify possible concerns
- new IT systems added for well-being of students, safeguarding and training, school visits and parental pay portals
- the continued success of the King's 100 Challenge (bursaries campaign) with fund-raising comfortably in line with targets
- continued development of Chester Schools Together (CST) and the partnerships programme, including securing funding from the Westminster Foundation
- continued implementation of the Sustainable Transport Plan to reduce car usage to/from King's.
- a significant reduction in school waste with a revisit waste management and recycling plan, including turning waste food into fuel.

PUBLIC BENEFIT THROUGH BURSARIES AND GRANT MAKING

The Governors have given regard to the Charity Commission's guidance on public benefit. The objects of the School are for 'public benefit' as that term is used in the Charities Act 2011, being part of a public group and providing public benefit.

The group of potential beneficiaries described in the objects of the school represents a sizable number of individuals. The School's catchment area stretches across North and Mid Wales and East Cheshire; the objects of the School are open and inclusionary and the School aims to be open to able pupils from all backgrounds.

To that end, the School offers means-tested bursaries funded by donations, The King's School Bursary Trust fund and from its own resources. To enable more pupils to benefit from bursary support, the School is actively seeking further benefactions and support for its Bursary Trust fund, with the aim to help with 100 children on bursaries by 2041 when the School will celebrate its 500th year anniversary.

During the reporting period, the total cost to the school of Bursaries, grants and allowances was £1,101,996, equating to 7.27% of gross fee income. The total number of students on means tested bursaries were 64 for the period. A high proportion of our current bursaries are 100%, as we move forward, we will continue to offer 100% bursaries to those families most in need.



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PUBLIC BENEFIT THROUGH EDUCATIONAL EXCELLENCE

The School provided public benefit through its high-quality education delivered to more than 1120 pupils.

2022 A Level data:

In 2022, 80% of students secured their first-place university place and an impressive 49% of students achieved straight A*/A grades, despite this year group having faced the disruptions of pandemic lockdowns.

- 68% of grades were A*/A
- 86% of grades were A*/B

2022 GCSE data:

Students celebrated outstanding GCSE results with 30% of all pupils achieving five or more grades 9s and 32% of all grades awarded at the highest possible level of grade 9.

Ten subjects celebrated more than 60% of grades at 9/8 (A*), with particularly strong results in History (69% grade 9s), Biology (81% grade 9/8) and Physics and Chemistry (71% grade 9/8).

The year group performed exceptionally well overall, with 59% of all grades at 9/8.

Year	%9	%9-8	%9-7	%9-6	%9-4
2022	32.4	58.8	78.9	92.2	99.3

In July 2022, we celebrated an excellent inspection report from the Independent Schools Inspectorate (ISI), securing the highest possible rating in all areas.

The inspection took place over the course of a week in May during which inspectors observed lessons across the whole school, met with pupils and staff, and questioned parents.

The School achieved the highest possible category of **Excellent** across the board.

We also retained our title of top independent co-ed school in the North West in *The Times Parent Power 2023 Guide*.

The guide, published on 9th December 2022, based the ranking on 2022 GCSE and A Level success.

In this year's prestigious list, King's maintained its title of top independent school in Cheshire, and was ranked fourth in the region, following three Manchester-based single sex schools.

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Six students received offers from Oxford or Cambridge, plus an offer from Oxford for a 2021 leaver.



Students continued to excel outside of academic outcomes.

Recent highlights include:

- Senior School chess team travelled to Bolton School to take part in the first round of the English Chess Federation Schools' Competition
- Six mathematicians took part in the Mathematical Olympiad for Girls
- One of our Sixth Formers celebrated the publication of an article in the prestigious Oxford Scientist Magazine
- King's students volunteered a total of 2,795 hours between April 2021 and March 2022 through the School's Duke of Edinburgh scheme, which has an incredible social value of £12,912
- A Senior School student gained one of only 200 places on the prestigious National Air & Space Camp at RAF Syerston in the East Midlands
- As part of their Enrichment programme, our Young Leaders have collected more than 40 bags of used clothing, shoes and accessories which will benefit a number of charities. The collection was organised in conjunction with Collect My Clothes, a Liverpool-based organisation set up by a family-run recycling business
- Our Infant School achieved the Platinum Award, the highest level of the Woodland Trust's Green Tree Award

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- A Senior School student represented UK Lions in the Netherlands in an international hockey tournament
- U12, U13 and U14 hockey players celebrated a clean sweep of North West titles
- A group of Year 7 and 8 pupils won the regional heat of the National Reading Champions Quiz
- Four Senior School swimmers from King's travelled to London to take part in the English Schools Swimming Association (ESSA) championships
- Our U19 girls' indoor hockey team were crowned regional champions in November
- Our U16 boys' indoor hockey team were crowned North West Champions
- A Lower Sixth student received his first international cap, playing Basketball for Wales

In addition, the number of King's pupils representing regional, national and international teams has continued to be strong, in particular in the following sports:

- Hockey
- Rowing
- Football
- Netball
- Athletics
- Golf
- Karting
- Cricket
- Swimming
- Dressage



PUBLIC BENEFIT THROUGH PARTNERSHIP

As an educational charity, we believe we have a responsibility to provide, where possible, educational opportunities to all those who would like to benefit from them, free of charge. These are routinely promoted in schools.

We are very proud to be part of a partnership between The King's School, Bishops' Blue Coat School and Blacon High School and Catholic High School Chester called Chester Schools Together.

Vision of Chester Schools Together

Working in equal partnership to provide a range of educational and cultural opportunities for pupils across the Chester community and to facilitate the professional and personal development of staff

Aims

Partners in the Chester Schools Together work together to:

- Provide a diverse programme of opportunities for interested and committed young people, regardless of their social or economic background
- Widen the educational and cultural horizons of all participants
- Engender a spirit of commitment, collaboration and confidence amongst pupils
- Provide stimulating professional development for staff and promote mutual respect across the different schools
- Foster a sense of belonging and pride in the city of Chester
- Encourage links with other city institutions for the education and benefit of all

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Partnership activities and projects during 2022 included:

Event Description	Number of beneficiaries	Age range of beneficiaries
Oxbridge Presentation Evening	107	17-20
Saturday Masterclasses - F1 in Schools (4 sessions)	23	12-16
Diversity & Inclusion Conference - Working Group	16	17-18
Diversity & Inclusion Student Conference	82	12-16
Chester Schools Together Careers Fair	155	12-18
Living Autopsy Event (in partnership with The Royal College of Pathology)	155	15-18
Mock Oxbridge and Vets, Medics and Dentists Interviews	30	16-18
Ukraine Refugee Information Fair	60	0-60
Staff CPD – Librarian Project	100+	12-18

The School has continued to develop connections with the wider community.

These include:

- King's Camps Holiday Clubs
- Mad Science Holidays Clubs
- The House of Dance Holiday Clubs
- The Swim School and Adam's Aquatics – swimming lessons for three-year-olds +
- Facilities used by local cricket, football and hockey teams
- Annual Gang Show for Chester and District Scouts
- Chester Competitive Festival of Performing Arts (CCFPA) is a registered charitable company and hold two annual events at King's
- Chester Bach Singers regularly rehearse in our Recital Hall
- Regular football training for local teams
- Karate lessons
- Jamie's Cricket Academy
- Cheshire Board Cricket
- Taekwondo Lessons

We believe engagement with the local community should be part of every King's student's education and we are increasing the spread of activities through our enrichment programme. This includes:

- Sixth Formers offered English language support to 90 refugees from Afghanistan and Ukraine. The children, aged 4 – 11 years old, are keen to learn English and our Sixth Formers spent an afternoon helping them with their speaking and reading

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- Sixth Form students volunteered at another local primary school throughout the academic year
- Lower Sixth students visited Grosvenor Manor Care Home
- King's students volunteered a total of 2,795 hours between April 2021 and March 2022 through the school's Duke of Edinburgh scheme, which has an incredible social value of £12,912

In 2022, the School raised a total of £ 16,286 for several different charitable causes.

FINANCIAL REPORT

The School's surplus for this reporting period is £1,000,287 showing an improvement when compared to the surplus of the previous financial year 2020/21 of £930,695. The projected surplus for the next two years remains strong, and the cashflow will remain above reserve limits despite an ambitious programme of development continuing under the 10-year masterplan.

Total pupil numbers starting the School in September 2021 were 1110 and charitable activity expenditure for the year was well controlled and regularly scrutinised by the Governors.

King's Space Ltd has continued trading in support of the School. This subsidiary exists to manage the hiring of the School's premises outside of school hours, and any profits made by this subsidiary are gift aided back to the School.

RESERVES

The Governors recognise the need to hold minimum reserves, and this is currently set at an ambitious amount of £3M, equivalent level to one term's worth of costs.

CONSOLIDATED ACCOUNTS

The consolidated accounts, which includes King's Space and investments, show that at the end of the period the Charity held unrestricted funds of £17,772k. Free reserves (after accounting for bank borrowings and pension asset) at the end of the year were £1,559k (2021: £1,201k).

In the coming years, it is a key objective to increase the funds maintained, in particular, by The King's School Bursary Trust Fund in order to support more families who need assistance with fees. The School is generating additional reserves on an ongoing basis in order to repay the fixed term bank loans and also to fund new developments at the School which have been determined in the masterplan and which will further improve the offer for our pupils and the wider community.

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In respect of the School's defined benefit scheme for support staff, the valuation at this year-end shows a movement from the previously reported deficit to a surplus. The Governors believe that this notional funding calculation has no material effect on the School's short-term cash flow and that in the longer term its effects are sustainable out of future income. For this reason, it is considered that it should be disregarded for Reserves Policy purposes.

INVESTMENT PERFORMANCE AGAINST OBJECTIVES

The Trustees of The King's School Bursary Trust Fund adopted a discretionary management route with the School's investment advisers in September 2005. The Trustees of The Lester Smith Bursary Fund and The King's School Prize Fund adopted the same route in August 2008. The investment figures have reduced during the reporting period due to rising interest rates, soaring inflation and the continued human and economic impact of the war in Ukraine.

Total Return - measured against a Bespoke Benchmark in the period to August 2022 are as follows:

	1 year	5 year YTD
The King's School Bursary Trust Fund Performance	-8.29%	22.67%
The Lester Smith Bursary Fund Performance	-5.51%	18.63%
The King's School Prize Fund Performance	-6.66%	19.22%
FTSE All Share Index	0.34%	15.50%
FT Government All Stocks Index	-23.83%	-15.91%
Bespoke Benchmark	-7.07%	15.26%

INVESTMENT POLICY AND OBJECTIVES

The Governors' investment powers are determined by the Scheme of Government dated 13th June 1988, which permits investment in trust for The School of sums not needed for immediate working purposes, modified in the case of The King's School Bursary Trust Fund (KS8TF) to permit, amongst other things, investment in any stock, funds or securities authorised by law for the investment of trust funds.

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The Governors' policy is to maximise the overall return on investments having regard to the need for a flow of income to meet the school's requirements for funding a number of bursary awards. In order to achieve this performance, the Governors and the trustees of the KS&TF have appointed an Investment Manager.

The performance of the Investment Manager is monitored under the terms of a Statement of Investment Principles to which the Manager is required to adhere. The investment objectives are to preserve the long-term value of the funds in real terms and to maintain an appropriate level of income in real terms. The achievements of the Manager are measured against appropriate benchmarks in respect of equities, gilts and total return. The Governors and trustees meet with the Investment Manager at least once each year and receive quarterly reports.

Investments in a range of company stocks, gilt-edged securities and unitised funds, are held in the name of the Investment Manager's nominee company.

FUNDRAISING

The School has an in-house Development team responsible for all fundraising activities. No member of this team has been subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fund-raising, in respect of activities on behalf of the School.

In order to protect vulnerable people and other members of the public from unreasonably intrusive or persistent fund-raising, the School's fundraising activities are overseen by the King's Leadership team and board of Governors. No complaints have been received by the School regarding fundraising activities.

AUDITORS

The School continues to use WR Partners.



STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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


The Governors who were in office on the date of approval of these financial statements have confirmed as far as they are aware that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that he/she has taken all of the steps that he/she ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Board of Governors & signed on its behalf by:

D K Rowlands Hon MSc
Governor
Date: 30 March 2023



J Walsh
Governor



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER

Opinion

We have audited the financial statements of The King's School, Chester (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity'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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 the parent charity'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Group's and the parent charity'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 Governors either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- We reviewed the susceptibility of the charity's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the charity's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the charitable company and its environment and identify any instances of non-compliance.
- We also assessed the charity's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and charity awareness to carry out our work to the required standard.

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

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Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners

WR Partners
Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

30th March 2023

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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

	Note	Endowment funds 2022 £000	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income and endowments from:						
Donations and legacies	4	-	106	232	337	704
Charitable activities	5	-	-	14,170	14,170	13,207
Other trading activities	7	-	-	135	135	76
Investments	8	-	76	98	175	128
Other income	9	-	-	89	89	130
Total income and endowments		-	182	14,724	14,906	14,245
Expenditure on:						
Raising funds	10,11	-	6	122	128	141
Charitable activities	12	-	197	13,502	13,699	12,959
Total expenditure		-	203	13,624	13,827	13,100
Net (expenditure)/ income before net (losses)/gains on investments		-	(21)	1,100	1,079	1,245
Net (losses)/gains on investments		-	(352)	-	(352)	489
Net (expenditure)/income		-	(371)	1,100	727	1,734
Transfers between funds	22	(17)	17	-	-	-
Net movement in funds before other recognised gains		(17)	(354)	1,100	727	1,734
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	28	-	-	326	326	198
Net movement in funds		(17)	(354)	1,426	1,053	1,932

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
 FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Endowment funds 2022 £000	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Reconciliation of funds:						
Total funds brought forward	21	238	4,063	16,346	20,647	18,715
Net movement in funds	22	(17)	(356)	1,426	1,053	1,932
Total funds carried forward		221	3,707	17,772	21,700	20,647

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CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	16	16,538	16,270
Investments	17	3,403	3,681
		<u>19,941</u>	<u>19,951</u>
Current assets			
Stocks	18	10	14
Debtors	19	4,723	4,325
Cash at bank and in hand	25	5,422	4,848
		<u>10,155</u>	<u>9,187</u>
Creditors: amounts falling due within one year	20	(8,589)	(7,865)
Net current assets		<u>1,566</u>	<u>1,322</u>
Total assets less current liabilities		<u>21,507</u>	<u>21,273</u>
Creditors: amounts falling due after more than one year	21	(1,014)	(1,494)
Net assets excluding pension asset		<u>20,493</u>	<u>19,779</u>
Defined benefit pension scheme asset	28	1,207	868
Total net assets		<u>21,700</u>	<u>20,647</u>

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CONSOLIDATED BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Charity funds			
Endowment funds	22	221	238
Restricted funds	22	3,707	4,063
Unrestricted funds			
Unrestricted funds excluding pension liability	22	16,565	15,478
Pension reserve	22	1,207	868
Total unrestricted funds	22	17,772	16,346
Total funds		21,700	20,647

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

D K Rowlands Hon MSc
Governor
Date: 30 March 2023

J Walsh
Governor

The notes on pages 36 to 66 form part of these financial statements.

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CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	16	16,538	16,270
Investments	17	3,453	3,731
		<u>19,991</u>	<u>20,001</u>
Current assets			
Stocks	18	10	14
Debtors	19	4,740	4,346
Cash at bank and in hand		5,240	4,743
		<u>9,990</u>	<u>9,103</u>
Creditors: amounts falling due within one year	20	<u>(8,554)</u>	<u>(7,858)</u>
Net current assets		<u>1,436</u>	<u>1,245</u>
Total assets less current liabilities		<u>21,427</u>	<u>21,246</u>
Creditors: amounts falling due after more than one year	21	<u>(1,014)</u>	<u>(1,495)</u>
Net assets excluding pension asset		<u>20,413</u>	<u>19,751</u>
Defined benefit pension scheme asset	28	1,207	868
Total net assets		<u>21,620</u>	<u>20,619</u>

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CHARITY BALANCE SHEET (CONTINUED)
 FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Charity funds			
Endowment funds	22	221	238
Restricted funds	22	3,707	4,063
Unrestricted funds			
Unrestricted funds excluding pension asset	22	16,485	15,450
Pension reserve	22	1,207	868
Total unrestricted funds	22	17,692	16,318
Total funds		21,620	20,619

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

D K Rowlands Hon MSc
 Governor
 Date: 30 March 2023

J Walsh
 Governor

The notes on pages 36 to 66 form part of these financial statements.

Annual Report and Financial Statements
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash used in operating activities	24	2,143	1,328
Cash flows from investing activities			
Dividends, interests and rents from investments		174	128
Purchase of tangible fixed assets		(1,199)	(1,369)
Proceeds from sale of investments		357	246
Purchase of investments		(410)	(796)
Net cash used in investing activities		(1,078)	(1,791)
Cash flows from financing activities			
Repayments of borrowing		(480)	(437)
Repayments of finance leases		(11)	(21)
Bank loan and overdraft interest		-	(56)
Net cash used in financing activities		(491)	(504)
Change in cash and cash equivalents in the year		574	(967)
Cash and cash equivalents at the beginning of the year		4,848	5,815
Cash and cash equivalents at the end of the year	25	5,422	4,848

The notes on pages 36 to 66 form part of these financial statements

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

1. General information

The King's School, Chester is an unincorporated charitable trust (charity no. 525934), registered in England. The School is a public benefit entity. The School's address is The King's School, Wrexham Road, Chester, CH4 7QL. The object of the charity is the provision and conduct, in or near Chester, of a school for boys and girls, in connection with the cathedral at Chester. The principal activity of the School is the provision of an Infant, Junior and Senior School and Sixth Form.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The King's School, Chester meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2.2 Going concern

After making enquiries, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School therefore continues to adopt the going concern basis in preparing its financial statements.

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

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from donations, gifts and legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Income received for the general purposes of the School is included as unrestricted funds. Income for activities restricted by the wishes of the donor is taken to restricted funds where these wishes are legally binding on the Governors. Income required to be retained as capital in accordance with the donor's wishes is accounted for as endowments.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The School offers a number of bursaries each year to its pupils. All families in receipt of a bursary are means tested with the level of bursary awarded dependent on the family income and assets. All bursaries are subject to annual review. In addition, the School offers a small number of scholarships to pupils each year for performance in the senior school entrance exam. The individual scholarship awards are for no more than £500 and are a one off amount.

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

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost. Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	-
Long-term leasehold property	- 2 - 4 %
Fixtures and fittings	- 6.66 - 33.3%

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

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and 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.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

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

2. Accounting policies (continued)

2.12 Financial instruments

The Group 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.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.15 Pensions

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs are charged in the Statement of Financial Activities and are determined as follows:

a) Teachers' Pension Scheme - the School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the scheme actuary and advised to the Board of the scheme administrator and are charged in the period in which the salaries to which they relate are payable. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

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

2. Accounting policies (continued)

2.15 Pensions (continued)

b) The School Support Staff Pension - the School also contributes to a defined benefit scheme for a number of support staff at rates advised by the scheme actuary. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the Balance Sheet date. Scheme liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate relevant to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the Balance Sheet.

c) The School Personal Pension Scheme - the School operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefits scheme. This is a money purchase scheme under which the School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum.

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 2 December 2018.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds which have been given for a specific purpose and the capital has to be maintained.

Investment income, gains and losses are allocated to the appropriate fund.

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

3. **Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension scheme valuation assumptions

Assumptions have been made by the actuary in calculating the valuation of the defined benefit pension scheme at the year end. Details of the assumptions made are included within the pensions note.

Critical areas of judgment:

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the parents.

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NOTES TO THE FINANCIAL STATEMENTS
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4. Income from donations and legacies

	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations	106	232	338	704
Total 2022	106	232	338	704
<i>Total 2021</i>	<i>397</i>	<i>307</i>	<i>704</i>	

5. Income from charitable activities

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
School fees	14,049	14,049	13,219
Other educational income	82	82	73
Other ancillary income	39	39	15
Total 2022	14,170	14,170	13,307
<i>Total 2021</i>	<i>13,307</i>	<i>13,307</i>	

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NOTES TO THE FINANCIAL STATEMENTS
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6. School fees

	2022 £000	2021 £000
Gross fees receivable	15,151	14,343
Less: scholarships, bursaries and other discounts	(1,102)	(1,124)
Bursaries met from restricted funds	-	101
	<u>14,049</u>	<u>13,320</u>

7. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
King's Space income	135	135	76
Total 2022	<u>135</u>	<u>135</u>	<u>76</u>
Total 2021	<u>76</u>	<u>76</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Investment income

	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Dividends	3	-	3	4
Bank interest	73	98	171	124
Total 2022	76	98	174	128
Total 2021	57	71	128	

9. Other incoming resources

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Other income	89	89	29
CIRS Income	-	-	101
Total 2022	89	89	130
Total 2021	130	130	

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

10. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Fundraising for voluntary resources - Staff costs	57	57	76
Costs of raising voluntary income - Nil	6	6	-
Costs of raising voluntary income - pension costs	4	4	-
Total 2022	67	67	76
<i>Total 2021</i>	<i>76</i>	<i>76</i>	

Fundraising trading expenses

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
King's Space Limited expenditure	55	55	48
Total 2022	55	55	48
<i>Total 2021</i>	<i>48</i>	<i>48</i>	

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

11. Investment management costs

	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Investment management fees	6	6	17
Total 2022	<u>6</u>	<u>6</u>	<u>17</u>
Total 2021	<u>17</u>	<u>17</u>	

12. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Teaching	7,706	7,706	7,349
Teaching Support	948	948	965
Welfare	75	75	73
Premises	2,305	2,305	2,106
Support	2,665	2,665	2,466
Total 2022	<u>13,699</u>	<u>13,699</u>	<u>12,959</u>
Total 2021	<u>12,959</u>	<u>12,959</u>	

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

12. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Teaching 2022 £000	Teaching Support 2022 £000	Welfare 2022 £000	Premises 2022 £000
Staff costs	6,997	802	70	514
Depreciation	40	-	-	751
Other Staff Costs	98	-	-	-
Teaching Aids	290	-	-	-
Other Educational Expenditure	282	146	-	-
Catering	-	-	-	-
Utilities	-	-	-	262
Premises Maintenance	-	-	-	778
IT & Communications	-	-	-	-
Welfare	-	-	5	-
Banking & Finance	-	-	-	-
Professional Expenditure	-	-	-	-
Total 2022	7,707	948	75	2,305
Total 2021	7,349	965	73	2,106

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

12. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Support 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Staff costs	940	9,323	9,153
Depreciation	140	931	911
Other Staff Costs	-	98	84
Teaching Aids	-	290	207
Other Educational Expenditure	-	428	340
Catering	871	871	671
Utilities	-	262	224
Premises Maintenance	-	778	666
IT & Communications	242	242	244
Welfare	-	5	4
Banking & Finance	74	74	64
Professional Expenditure	398	398	391
Total 2022	2,665	13,700	12,959
Total 2021	2,466	12,959	

13. Auditors' remuneration

	2022 £000	2021 £000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>19</u>	<u>16</u>

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

14. Staff costs

	Group 2022 €000	Group 2021 €000	Charity 2022 €000	Charity 2021 €000
Wages and salaries	7,344	7,237	7,344	7,237
Social security costs	763	722	763	722
Contribution to defined contribution pension schemes	1,288	1,287	1,288	1,287
	<u>9,395</u>	<u>9,246</u>	<u>9,395</u>	<u>9,246</u>

During the year there were redundancy payments totalling £24k (2021: £50k) paid to 1 member of staff.

The average number of persons employed by the School during the year was as follows:

	Group 2022 No.	Group 2021 No.
Employees	<u>236</u>	<u>232</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	3	5
In the band £70,001 - £80,000	4	3
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £130,001 - £140,000	-	1
In the band £160,001 - £170,000	1	1

The key management personnel of the School are listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Charity was £335k (2021: £325k).

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

15. **Governors' remuneration and expenses**

During the year, no Governors received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Governor expenses have been incurred (2021 - £NIL).

16. **Tangible fixed assets**

Group and Charity

	Freehold property £000	Long-term leasehold property £000	Assets under construction £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 September 2021	18	18,931	180	8,001	27,130
Additions	-	-	420	779	1,199
Disposals	-	-	-	(71)	(71)
At 31 August 2022	18	18,931	600	8,709	28,258
Depreciation					
At 1 September 2021	9	4,712	-	6,140	10,861
Charge for the year	-	427	-	504	931
On disposals	-	-	-	(71)	(71)
At 31 August 2022	9	5,139	-	6,573	11,721
Net book value					
At 31 August 2022	9	13,792	600	2,136	16,537
At 31 August 2021	9	14,219	180	1,862	16,270

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

16. Tangible fixed assets (continued)

Leasehold Property

The School occupies 33 acres of land by Wrexham Road, adjacent to the Chester business park. The site was acquired under a 999 year lease granted, without premium, to The King's School in 1956 by the Grosvenor Estate. The lease provides for a yearly rent of £300, restricting the use of the property to educational purposes.

No value is attributed in the financial statements to the land under the residue of the lease. The School is responsible for all repairs, maintenance and insurance of the buildings erected on the leased premises. All of the assets are held for the School's own use on direct charitable activities.

17. Fixed asset investments

Group	Listed investments £000
Cost or valuation	
At 1 September 2021	3,681
Additions	410
Disposals	(357)
Revaluations	(331)
At 31 August 2022	<u>3,403</u>
Net book value	
At 31 August 2022	<u>3,403</u>
At 31 August 2021	<u>3,681</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Fixed asset investments (continued)

	Investments in subsidiary companies £000	Listed investments £000	Total £000
Charity			
Cost or valuation			
At 1 September 2021	50	3,681	3,731
Additions	-	410	410
Disposals	-	(357)	(357)
Revaluations	-	(331)	(331)
At 31 August 2022	<u>50</u>	<u>3,403</u>	<u>3,453</u>
Net book value			
At 31 August 2022	50	3,403	3,453
At 31 August 2021	<u>50</u>	<u>3,681</u>	<u>3,731</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Holding	Included in consolidation
King's Space Limited	11067044	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit/(Loss)/ Surplus/ (Deficit) for the year £000	Net assets £000
King's Space Limited	135	(55)	80	130

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

18. Stocks

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Catering stock	10	14	10	14

19. Debtors

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Due within one year				
Trade debtors	4,290	3,899	4,268	3,897
Other debtors	115	179	154	217
Prepayments and accrued income	318	247	318	232
	<u>4,723</u>	<u>4,325</u>	<u>4,740</u>	<u>4,346</u>

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20. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Bank loans	498	498	498	498
Deposits received in advance	565	545	565	545
Trade creditors	369	523	369	523
Other taxation and social security	179	176	179	176
Obligations under finance lease and hire purchase contracts	-	11	-	11
Other creditors	421	74	424	65
Accruals and deferred income	6,557	6,038	6,519	6,040
	<u>8,589</u>	<u>7,865</u>	<u>8,554</u>	<u>7,858</u>

	Group 2022 £000	Group 2021 £000
Deferred income at 1 September 2021	5,765	5,597
Resources deferred during the year	6,205	5,765
Amounts released from previous periods	(5,765)	(5,597)
	<u>6,205</u>	<u>5,765</u>

Deferred income relates to income received under the School's advanced fee scheme contracts for education not yet utilised to settle school fees and cash received in advance for the forthcoming period.

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

21. Creditors: Amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Bank loans	<u>1,014</u>	<u>1,494</u>	<u>1,014</u>	<u>1,494</u>

In October 2020 three loans held by the School with Royal Bank of Scotland were consolidated into one single loan of £2,365k with Handelsbanken. The loan is over a 5 year term and the interest rates are at 2.6% above the libor rate. Both repayments and interest are paid quarterly. The loan is secured by a first legal charge over The King's School, Chester, CH4 7QL and its associated assets.

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22. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
Unrestricted Funds	15,478	14,724	(13,637)	-	-	16,565
Pension reserve	868	-	13	-	326	1,207
	<u>16,346</u>	<u>14,724</u>	<u>(13,624)</u>	<u>-</u>	<u>326</u>	<u>17,772</u>
Endowment funds						
Prize and Exhibition Capital Fund	130	-	-	(17)	-	113
Lester Smith Capital Fund	108	-	-	-	-	108
	<u>238</u>	<u>-</u>	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>221</u>
Restricted funds						
Prize and Exhibition Income Fund	9	3	(17)	17	-	12
Donations Fund	266	34	(35)	-	-	265
The King's School Bursary Trust Fund	3,599	149	(149)	-	(333)	3,266
Lester Smith Income Fund	189	6	(2)	-	(19)	174
	<u>4,063</u>	<u>182</u>	<u>(203)</u>	<u>17</u>	<u>(352)</u>	<u>3,707</u>
Total of funds	<u>20,647</u>	<u>14,906</u>	<u>(13,827)</u>	<u>-</u>	<u>(26)</u>	<u>21,700</u>

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

22. Statement of funds (continued)

Lester Smith Fund (linked charity)

This fund was established under the Will of an Old King's Scholar, The Governors of The School for the time being comprise the trustees. The funds are held for the benefit of pupils at The School and contributions out of income are made to support worthy pupils whose families would not otherwise be able to pay the fees.

Income consists of investment income of £6k (2021: £5k). Expenditure consists of costs on raising funds of £2k (2021: £1k) and expenditure on charitable activities of £nil (2021: £nil). The Trust also had losses (2021: gains) on investments of £19k (2021: £37k).

The King's School Bursary Trust Fund (linked charity)

This fund was established by a trust deed dated 8th May 1969. The trustees shall be not more than ten in number including the Chairman of the Governors and the Headmaster. So far as possible, there should be representation on the trustees body from the Chester Association of Old King's Scholars, The King's School Parents' Association and the Staff of The School.

The trustees hold the funds and the income therefrom essentially to make contributions towards the payment of fees of any scholar whom the trustees in their absolute discretion consider worthy of assistance. The trustees have wide powers to further the advancement of education.

Income consists of investment income of £67k (2021: £48k) and donations of £82k (2021: £382k). Expenditure consists of costs on raising funds of £5k (2021: £15k) and expenditure on charitable activities of £145k (2021: £172k). The Trust also had losses (2021: gains) on investments of £333k (2021: £452k).

Prize & Exhibition Income Fund

This fund was established to generate additional income for The School.

Donations Fund

Restricted income received from donors. Funds are restricted when they have been given or raised for a specific purpose. Includes income received for specific activities such as Special Educational Needs (SEN), CCF training for pupils and optional language classes.

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22. Statement of funds

Statement of funds - prior year

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Unrestricted Funds	14,861	13,891	(12,866)	(408)	-	15,478
Pension reserve	657	-	13	-	198	868
	<u>15,518</u>	<u>13,891</u>	<u>(12,853)</u>	<u>(408)</u>	<u>198</u>	<u>16,346</u>
Endowment funds						
Prize and Exhibition Capital Fund	130	-	-	-	-	130
Lester Smith Capital Fund	112	-	-	(8)	4	108
	<u>242</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>4</u>	<u>238</u>
Restricted funds						
Prize and Exhibition Income Fund	6	4	(1)	-	-	9
Donations Fund	309	15	(58)	-	-	266
The King's School Bursary Trust Fund	2,496	430	(187)	408	452	3,599
Lester Smith Income Fund	144	5	(1)	8	33	189
	<u>2,955</u>	<u>454</u>	<u>(247)</u>	<u>416</u>	<u>485</u>	<u>4,063</u>
Total of funds	<u>18,715</u>	<u>14,345</u>	<u>(13,100)</u>	<u>-</u>	<u>687</u>	<u>20,647</u>

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23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2022 £000	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	16,538	16,538
Fixed asset investments	221	-	3,182	3,403
Current assets	-	3,707	6,448	10,155
Creditors due within one year	-	-	(8,589)	(8,589)
Creditors due in more than one year	-	-	(1,014)	(1,014)
Provisions for liabilities and charges	-	-	1,207	1,207
Total	221	3,707	17,772	21,700

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £000	Group 2021 £000
Net income for the year (as per Statement of Financial Activities)	727	1,734
Adjustments for:		
Depreciation charges	931	883
Gains/(losses) on investments	331	(479)
Dividends, interests and rents from investments	(174)	(128)
Loss on the sale of fixed assets	-	28
Decrease/(increase) in stocks	4	(5)
Increase in debtors	(398)	(677)
Increase/(decrease) in creditors	735	(70)
Financing costs	-	55
Defined benefit pension scheme adjustment	(13)	(13)
Net cash provided by operating activities	2,143	1,328

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25. Analysis of cash and cash equivalents

	Group 2022 £000	Group 2021 £000
Cash in hand	5,422	4,848
Total cash and cash equivalents	<u>5,422</u>	<u>4,848</u>

26. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	4,848	574	5,422
Debt due within 1 year	(498)	-	(498)
Debt due after 1 year	(1,494)	480	(1,014)
Finance leases	(11)	11	-
	<u>2,845</u>	<u>1,065</u>	<u>3,910</u>

27. Capital commitments

	Group 2022 £000	Group 2021 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>1,400</u>	<u>182</u>

NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments

The School's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching staff; the Local Government Pension Scheme (LGPS) managed by Cheshire Pension Fund for some support staff and a Group Personal Pension Scheme (GPP) managed by Scottish Widows for the remaining support staff.

Both the TPS and LGPS are defined benefit schemes and the GPP is a money purchase scheme.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £157k (2021: £111k) were payable to the schemes at 31st August and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension 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 2014 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,193k (2021: £1,171k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.a.spx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

Local Government Pension Scheme- Cheshire Pension Fund

The School also contributes to the Cheshire Pension Fund for its support staff.

The pension costs are assessed in accordance with the advice of a firm of independent qualified actuaries, Hymans Robertson using the projected unit method. A full valuation was prepared as at 31 March 2019.

The scheme was closed to new entrants of the School on 31 March 2005.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £31k (2021 - £36k), of which employer's contributions totalled £25k (2021 - £29k) and employees' contributions totalled £6k (2021 - £7k). The agreed contribution rates for future years are 17.4% to 18.3% for employers and 5.5% to 8.5% for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2022 %	At 31 August 2021 %
Discount rate	4.25	1.55
Future salary increases	4.05	3.60
Future pension increases	<u>3.35</u>	<u>2.90</u>

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28. Pension commitments (continued)

	At 31 August 2022 Years	At 31 August 2021 Years
Mortality rates (in years)		
- for a male aged 65 now	21.2	21.4
- at 65 for a male aged 45 now	22.1	22.4
- for a female aged 65 now	23.8	24.0
- at 65 for a female aged 45 now	<u>25.5</u>	<u>25.7</u>

The School's share of the assets in the scheme was:

	At 31 August 2022 £000	At 31 August 2021 £000
Equities	1,444	1,622
Bonds	1,444	1,866
Property	542	446
Cash and other liquid assets	181	122
Total fair value of assets	<u>3,611</u>	<u>4,056</u>

The actual return on scheme assets was £303,000 (2021 - £483,000).

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28. Pension commitments (continued)

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2022 £000	2021 £000
Current service cost	25	27
Net interest costs	(13)	(11)
Total amount recognised in the Consolidated Statement of Financial Activities	12	16

Movements in the present value of the defined benefit obligation were as follows:

	2022 £000	2021 £000
Opening defined benefit obligation	3,188	3,063
Actuarial losses	(723)	181
Current service costs	25	27
Interest cost	49	48
Contributions by members	6	7
Benefits paid	(141)	(138)
Closing defined benefit obligation	2,404	3,188

Movements in the fair value of the School's share of scheme assets were as follows:

	2022 £000	2021 £000
Opening fair value of scheme assets	4,056	3,720
Actuarial (losses)/gains	(397)	379
Contributions by employer	25	29
Contributions by members	6	7
Interest cost	62	59
Benefits paid	(141)	(138)
Closing fair value of scheme assets	3,611	4,056

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28. Pension commitments (continued)

Support Staff personal pension scheme

The School also operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefit scheme. This is a money purchase scheme under which the School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum. Employer contributions totalling £84k (2021: £87k) were paid in respect of this pension scheme for the period.

The School also operates a private pension scheme with Virgin. Employer contributions totalling £12k (2021: £Nil) were paid in respect of this pension scheme for the period. No amounts were outstanding at year end.

29. Operating lease commitments

At 31 August 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £000	Group 2021 £000
Not later than 1 year	27	16
Later than 1 year and not later than 5 years	108	44
	<u>135</u>	<u>60</u>

30. Related party transactions

Five Governors with sons and daughters at the School pay full fees (2021: Six) totalling £83k.

The School owns all the issued share capital of King's Space Limited, the results for the year are shown in note 17.

During the year the School received a donation of £Nil (2021: £14k) for a bursary student from The Educational Foundation of Robert Oldfield, a charity of which two Governors are Trustees. No amounts were owed at year end.

During the year the School made purchases of £1k (2021: £4k) from the Storyhouse, a charity of which one Governor is a Trustee. No amounts were outstanding at year end.

KING'S SCHOOL

England & Wales - Charity number 525934

Accounts



THE KING'S SCHOOL
CHESTER

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Charity no. 525934



Willow
Lodge

Discovering the *world*



KING'S
JUNIORS

Igniting *curiosity*



KING'S
SENIORS

Seizing *opportunity*



KING'S
SIXTH FORM

Becoming *exceptional*

EVERY OPPORTUNITY. ENDLESS POSSIBILITIES.

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GOVERNORS' REPORT

GOVERNORS, OFFICERS AND ADVISERS

The Governors of The School, as trustees, who have held office during this year were:

R Arnold BSc C, CP
A Bartley C CP
A Bentley C CP *(from 27 November 2020)
J M Carr BA FCA C * %
S Docking BA C ^ Chair of the Education Committee
J Ebo N5 % Health and Safety Governor
C A Edwards MA N2 ~ Chair of the Safeguarding Committee
F Fahmy C CP ~ (from 27 November 2020)
C Gillies C ^ (from 27 November 2020)
D Leonard C ^ (from 26 June 2021)
I O'Doherty BE MSc MBA C, * # \$ Chair of Finance & General Purposes Committee (Retired 26 June 2021)
A Owen * (from 26 June 2020, retired 25 November 2020)
G P Ramsbottom BSc MSc MRICS C, CP \$ # Chair of Governance Committee (Retired 26 June 2021)
D K Rowlands Hon MSc N2 Chair of Governors
Very Revd Dr T Stratford N1 ^
J Walsh C CP * Chair of the Finance and General Purpose Committee (from 27 June 2021)
S Verity BSc C % Chair of the Risk and Compliance Committee and Chair of the Governance Committee (from 27 June 2021)
1 vacancy for Liverpool University
1 vacancy for Manchester University

Members of the Safeguarding Committee ~

Members of the Risk & Compliance Committee %

*Members of the Finance & General Purposes Committee **

Members of the Governance Committee \$

Members of the Education Committee ^

Trustees of the King's School Bursary Trust Fund #

All Governors are Trustees of The Lester Smith Bursary Fund and The Prize Fund

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The Scheme of the Charity Commissioners (Administrative Provisions) permit:

Patron (s)

His Grace the Duke of Westminster

Such other persons as the Charity Board may from time to time elect

Vice Patron (s)

Lord Bishop of Chester

Dean of Chester

Lord Mayor of the City of Chester

Such other persons as the Charity Board may from time to time elect

Governors

7 Nominative Governors (N)

N1 Two by the Dean and Chapter of Chester Cathedral

N2 Two by Trustees of the Educational Foundation of Dr Robert Oldfield

N3 One by Liverpool University

N4 One by Manchester University

N5 One by the Trustees of the Charity of Owen Jones (The Chester Bluecoat Charity)

16 Co-optative Governors (C)

The number of seats on the Charity Board held by current parents shall be reviewed from time to time (CP)

Tenure

All Governors are appointed to hold office for 4 years and for re-appointment for a further 4 years subject to the approval of the Board of Governors. Chairs of the Committees may extend by a further 4 years subject to the approval of the Board.

Officers of the School who have held office during this year are:

Headmaster: G J Hartley MA

Clerk: H A Jordan FInstLM, MCGI

Director of Finance and Operations: H A Jordan FInstLM, MCGI

Address: The King's School, Wrexham Road, Chester CH4 7QL

Website: www.kingschester.co.uk

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Advisers:

Bankers Handelsbanken
2 Albion House, Albion Street
Chester CH1 1RQ

Insurance Hettle Andrews
2 Brunswick Square
Birmingham
B1 2LP

Lawyers Weightmans
100 Old Hall Street
Liverpool, L3 9QJ

Ellis Whittam
Woodhouse
Aldford
Chester
CH3 6JD

Knights 1759
The Brampton
Newcastle-Under-Lyme
Staffordshire
ST5 0QW

**Investment
Advisers** Investec Wealth & Investment
100 Old Hall Street
Liverpool L3 9AB

Auditors W R Partners
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Architects Scott Architecture
68 High Street
Tarporley
Cheshire
CW6 0AT

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The Governors present their annual report for the 12-month period from 01 September 2020 to 31 August 2021 under the Charities Act 2011, together with the audited accounts for the period and confirm that the latter comply with the requirements of the Act, the Scheme of Government and the Charities SORP (FRS 102) 2019 applicable to charities preparing their accounts in accordance with the financial reporting standard in the UK (FRS102).

HISTORY AND OBJECTIVES OF THE SCHOOL

The King's School was founded by Henry VIII in 1541 and for over four hundred years the School occupied buildings adjacent to the Cathedral. The School moved to a new site on the Wrexham Road in 1960 since when there has been an impressive programme of additional building development. These include the Wickson Library, a new Music School, the Vanbrugh Theatre and extensions to the Sixth Form Centre. In September 2014 the Junior School was extended to provide a new Junior School Library and Learning Centre and in September 2015 our purpose-built Infant School was opened by the Duke of Westminster. Most recent developments have included a new All-Weather Pitch, new Multi Use Games Area and the extensive refurbishment of classrooms and science laboratories has continued throughout the Junior and Senior School. The School retains strong links with the cathedral and with the city. It is Chester's oldest independent School and is proud to serve the city as well as the surrounding areas.

The King's School comprises the Senior School (ages 11-18), the Junior School (ages 7-11) and now the Infant School, Willow Lodge (ages 4-7).

King's is a School for pupils of high academic ability. We seek to develop this ability in each pupil to his or her full potential and at the same time to develop the pupil's character and other talents in a friendly and stimulating atmosphere. Further information about the School can be found on our website: www.kingschester.co.uk

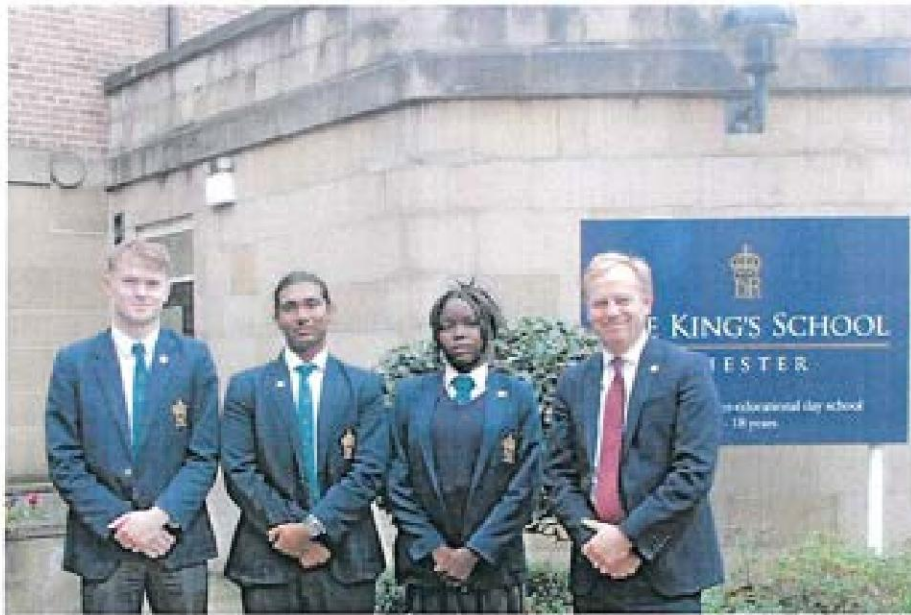
The charitable objects of the School are the provision and conduct in or near Chester of a School for boys and girls, in connection with the Cathedral Church in Chester. The conduct of the School is in accordance with the articles made by the Governors which has recently been updated and submitted to the Charity Commission. The Charity also has permanent endowed and unendowed trust funds held for special purposes in connection with the development of the School's facilities and for bursaries, prizes and other educational purposes.

The School's aim is to provide an outstanding independent education, through superb academic tuition and through giving the opportunities to develop wider sporting, artistic and social skills to all its pupils. The School nurtures spiritual growth and provides an environment where each pupil can develop and fulfil his or her potential, helping build self-confidence and a desire to serve the wider community.

VISION AND VALUES

We hold an absolute commitment to do the very best for every individual student through great learning, opportunities and challenge, so that they gain the confidence and abilities to achieve more than they thought possible at a school they love.

Our aim is to provide a first-class independent education, both through outstanding academic tuition and through giving all our pupils the opportunities to develop wider sporting, artistic and social skills. We nurture spiritual growth and provide an environment where each pupil can develop and fulfil his or her potential.



In caring about excellence and each other, and in promoting enjoyment and happiness through fulfilment, the members of the King's community believe in our three core values:

ASPIRE

We want all our students to aspire to be the very best versions of themselves. This relates to both their academic achievement, where we want them to attain their 'sustainable best', and just as importantly to their personal development as unique individuals. Excellent qualifications remain important, but the nurture of attributes such as resilience, adaptability, emotional intelligence and curiosity are arguably even more significant in today's world.

RESPECT

We want our students to have respect for themselves and others in the school community, particularly their fellow students. We believe that allowing young people to be comfortable in their own skin, as well as respectful of difference in others with regard to diversity, are both essential. We also want our students to respect their surroundings in terms of the school itself, where they live outside school and with due regard to the global environment.

COLLABORATE

We want our students to collaborate effectively so that they can achieve more than they would on their own and learn how to work effectively with others. We also want to collaborate positively as part of the broader School community and in doing so contribute to a higher purpose than simply advancing themselves. Human collaboration is only going to become more relevant in the years ahead.



STRUCTURE, GOVERNANCE AND MANAGEMENT

The King's School, Chester was founded in 1541 as a fully independent day School and is registered with the Charity Commission under Charity number 525934.

Governing Documents

The School is administered in conformity with a Scheme of Government dated 13 June 1988, modified by subsequent Orders of The Charity Commission, by a body of trustees constituted as Governors. The associated Trusts, which are linked charities are administered in conformity with their Trust Deeds or Will Trusts.

Governing Bodies

Details of the Governing Board are explained at the beginning of this report together with information on how members are appointed. All Governors are trustees of The Lester Smith Bursary Fund and The Prize Fund. The trustees of The King's School Bursary Trust Fund are appointed under the terms of its Trust Deed and include two of the Governors of the School.

Recruitment and Training of Governors

The Board having adopted fixed terms of Office for Governors and the Chair of the Board, seeks via the Governance Committee, to refresh itself on an on-going basis with new Governors being nominated to the Board following a set induction process. This involves an interview process with members of the Governance Committee, the Chair of the Board, the Headmaster and the Bursar/Director of Finance and Operations prior to the nomination being approved by the full Board at a subsequent meeting, notice of which is given in advance to all Governors.

Nominations can be received from any source but mainly come from existing Governors and those organisations having nomination rights to the Board. Appointments are made on the basis of eligibility, personal competence and specialist skills that will complement the skills of the existing Governors.

The Board undertakes regular audits of its skills in order to ensure that its members possess the skills considered necessary for the successful running of the School in the current era. The Board will also undergo an external audit by the Association of Governing Bodies of Independent Schools (AGBIS) every three years.

All new Governors receive an Induction Pack, including the School's up-to-date Constitution; a list of current Governors and School Staff; the most recent accounts of the School; the most recent inspection report; the School's strategic and business plans; the School's budget for the relevant financial period; the School's Governance Manual and a full list of all the School's policies (on website); the Charity Commission publication CC3 'the Essential Trustee'; the School's key risk assessment documentation; the minutes of the last three meetings of the Governors and related papers. These new Governors are then personally briefed by the Clerk to the Governors. New Governors are invited to join the most appropriate committees according to their specialist skills. All Governors are trained in Child Protection and Safeguarding and attend training seminars as and when required.

Key Management Personnel

Salaries for key management personnel are reviewed and set on an annual basis by the Remuneration Committee. In undertaking this review the committee utilise independent benchmark data from a variety of sources (AGBIS, HMC, Baines and Cutler) in addition to performance assessments of the key management personnel.

SCHOOL STRUCTURE AND MANAGEMENT

The Governors, as the trustees, are legally responsible for the overall management and control of the School and meet four times a year, with one meeting being solely dedicated to The Protection and Safeguarding of Children. The work of implementing most of their policies is carried out by the members of the Finance and General Purposes Committee (F&GP), the Risk and Compliance Committee (including Health and Safety), the Education Committee, the Safeguarding Committee and the Governance Committee who meet several weeks before each meeting of the full Governing Board. The Chair of each committee is shown in the front pages of this report.

The day to day running of The School is delegated to the Headmaster supported by the King's Leadership Team. The Headmaster and the Bursar/Clerk to the Governing Board attend meetings of all the Governors' sub committees and working groups. The Headmaster also attends meetings of Heads of academic departments, which deal with relevant and necessary operational matters.

RELATIONSHIPS WITHIN THE SECTOR

The School actively supports the highest standards of education through networking with other schools and maintaining excellent relationships within the educational sector. The Headmaster is an elected member of the Headmasters and Headmistresses Conference (HMC) and its Membership Committee. The School is a member of the national HMC network Leading Academic Day Schools, the Bursar is a member of the Independent School Bursars Association, a Fellow of the Institute of Leadership and Management and a Member of the City and Guilds Institute. The Head of Willow Lodge and the Junior School is a member of the regional networking group AJIS (the Association of Junior Independent Schools). Close links are maintained with the Cathedral at Chester.

RISK MANAGEMENT

In addition to the School's previous Risk Management controls, including the Risk and Compliance Committee reviewing and rewriting the School's Strategic Risk Register during the reporting period, the School's main focus has been managing the risks associated with the COVID-19 pandemic.

The health and safety of the staff and pupils during the pandemic were paramount for reporting period, and the main agenda item at each meeting of the Risk and Compliance Committee and the Full Governors' Board. The Risk and Compliance Committee and KLT have amended the risk assessments in line with Government and Local Government direction. The School fully reopened in March 2021 after the national lockdown, and has remained fully open for the remaining reporting period.

From each risk assessment, mitigating measures were put into place to guard against the spread of COVID-19 as much as possible, including external handwashing stations, enhanced cleaning routines and materials and hand sanitiser and cleaning materials being available in every classroom and corridor. The mental health of staff and pupils were also considered within the risk assessments and extra monies were allocated for counselling services and general mental well-being initiatives.

During the period of lockdown, the Remote Learning Programme provided education to the pupils in-line with their normal curriculum programme, and the vast majority of pupils are at their expected level of educational achievement.

In addition to the COVID-19 risk and risk mitigation, the Governors continued to monitor the effectiveness of the system of internal controls, including insurance cover where appropriate, by which those risks already identified by the Governors can best be managed.

The key controls used by the School include:

- Formal agendas for all Committee and Board activity,
- Detailed terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,

- Established organisational structure and lines of reporting,
- Formal written policies,
- Clear authorisation and approval levels and
- Safeguarding procedures as required by law for the protection of children.

The School has continued to keep fee increases as low as possible, especially during the pandemic when the fees increase for 2020/21 was 0% and for 2021/22 1.8%. The Governors have recently reviewed the ten-year financial plan to ensure that the School continues to develop, whilst ensuring recent pressures on the budget such as inflation, increases to the minimum wage and the Employers National Insurance are considered, alongside the potential future threats to the budget of a further increase in the Teachers' Pension Scheme, continued impacts of Brexit, VAT being added to fees, and the loss of Business Rates Relief.



CHARITABLE OBJECTS

Within its Charitable objects, the School has permanent endowed and unendowed trust funds held for special purposes in connection with the development of the School's facilities and for bursaries, prizes and other educational purposes.

STRATEGIC REPORT

The strategic plan for the School has eight key objectives:

- *Every pupil known, valued and cared for:* developing pastoral care with the new house system with a renewed focus on student well-being;
- *Great place to work:* for staff in all sections of the School, both teaching and support;
- *Great learning, future-orientated:* optimising teaching and learning across the School and developing the curriculum;
- *Opportunities for all:* ensuring the provision of extra-curricular activities for all students across the School;
- *A full co-educational school:* maximising student numbers on the current site with a target of 40% girls;
- *At the heart of the community:* developing closer and collaborative links with parents, Chester Schools and other institutions in the area;
- *Widening access:* ensuring the recruitment of the brightest students from our catchment area, including the increased provision of bursaries; and
- *Revitalising the site:* delivering the principles of the ten-year masterplan to redevelop the School.



ACHIEVEMENTS AND OVERALL PERFORMANCE

The objectives agreed at the beginning of the academic year 2020 were once again thwarted by the COVID-19 pandemic that resulted in the school closing in January 2021 until March 2021. The school continued to remain open for the children of keyworkers, including the school holiday periods, and the school continued to educate the pupils with the Remote

Learning Programme that ensured the majority of our pupils maintained the same academic development had the school remained open. The school has managed to remain open since the end of the Government's enforced closure in March 2021 using robust safety measures including regular testing of staff and Senior School pupils, ventilation of indoor areas, outdoor sinks for handwashing, specialist cleaning machines, and an increase of £10K per term for cleaning materials, hand gel and cleaning hours. The Risk Assessment is continually updated in line with Government guidance and reviewed termly by the Risk and Compliance Committee.

Despite the pressures of the pandemic on the school and its staff, the following academic objectives were achieved throughout the 12-month reporting period, in addition to the success of pupils at both GCSE and A level through the Teacher Assessed Grading Scheme:

- a reformulation of the School's Masterplan in response to changing priorities;
- the redevelopment of classrooms throughout the Senior and Junior School, including science laboratories in the Senior School;
- the redevelopment of the sporting facilities including a resurface of the All-Weather Pitch and creation of a Multi-Use Games Area;
- first phase of the Sixth Form redevelopment including upgrades to corridors, common room and study room;
- an upgrade of outdoor recreation areas including seating and covered areas;
- the introduction of a drop off and pick scheme across all three schools which has improved the safety of pupils;
- new security fencing to ensure the safety of pupils during day-time transitioning;
- continued development and implementation of the 'Learning to Learn' programme to develop more effective and sustainable study skills throughout the School;
- continued whole school curriculum review;
- implementation and embedding of a new Senior School reporting system (Learning Scores);
- the standardisation of Senior School department tracking & intervention programme;
- Introduction of a new pastoral monitoring system to pro-actively identify possible concerns;

- the development of creative arts provision and opportunities in the Junior School through the Artsmark initiative and making best use of the new music and drama facilities;
- the continued success of the King's 100 Challenge (bursaries campaign) with fundraising comfortably in line with targets;
- establishment of procedures to ensure the effective review and compliance of key policies;
- continued development of Chester Schools Together (CST) and the partnerships programme;
- continued implementation of the Sustainable Transport Plan to reduce car usage to/from King's.
- a new sustainability policy to ensure sustainability is continually improved.

PUBLIC BENEFIT THROUGH BURSARIES AND GRANT MAKING

The Governors have given regard to the Charity Commission's guidance on public benefit. The objects of The King's School are for 'public benefit' as that term is used in the Charities Act 2011, being part of a public group and providing public benefit.

The group of potential beneficiaries described in the objects of the School represents a sizeable number of individuals. The School's catchment area stretches across North and Mid Wales and East Cheshire; the objects of the School are open and inclusionary and the School aims to be open to able pupils from all backgrounds.

To that end, the School offers means-tested bursaries funded by donations, The King's School Bursary Trust fund and from its own resources. To enable more pupils to benefit from bursary support, the School is actively seeking further benefactions and support for its Bursary Trust fund, with the aim to help with 100 children on bursaries by 2041 when the School will celebrate its 500th year anniversary.

Fundraising has been limited during the period of the COVID pandemic, but fundraising activities are once again on the School programme including a significant drive with Alumni and Major Donors during early 2021. The investment fund performed well despite the impact of the pandemic.

During this 12-month period, the total cost to the School of Bursaries, grants and allowances was £1.106,966 equating to 8.11% of gross fee income – this is a higher percentage than normal due to fee remissions offered during the School closure from January – March 2021. Without this fee remission the percentage would be 7.9%. The total number of students on means tested bursaries were 64 for the period. A high proportion of our current bursaries are 100%, as we move forward we will continue to offer 100% bursaries to those families most in need whilst also looking to grow our support to those families who need a part bursary.

PUBLIC BENEFIT THROUGH EDUCATIONAL EXCELLENCE

The School also provided public benefit through its high-quality education delivered to more than 1100 pupils.

2021 A Level data:

The year group excelled despite being unable to formally take their exams due to the coronavirus health crisis.

- A total of 47% of grades achieved were at A*
- 80% of all grades were at A*/A
- 96% at A*-B

In 2021, more than 90% of our students gained a place at their first-choice university, with 86% of students going on to study at a Times Top 30 institution and 79% taking up a place at a Russell Group university.

We are nationally placed in 75th position in The Times Parent Power Guide 2022, ranking us as the top independent School in Cheshire and the top co-ed independent School in the North West.

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In this year's prestigious guide, King's maintained its title of top independent School in Cheshire.

In 2021, eight delighted Upper Sixth students celebrated offers from Oxford and Cambridge.

2021 GCSE data:

In 2021, GCSE students faced a second year of exam disruption but they maintained their focus and work ethic to achieve fantastic results.

- 65% of grades awarded were at 9-8
- A total of 43% of our students achieved five or more 9 grades

Year	%9	%9-8	%9-7	%9-6	%9-4
2021	42.2	65.2	82.4	92.1	99.6





Students continued to excel outside of academic outcomes. Recent highlights include:

- A Lower Sixth pupil successfully auditioned for the prestigious London-based Rodolfus Choir
- Two pupils were selected for the 2021/22 UK Lions Hockey squad. A busy hockey-filled summer saw both girls represent the Northwest at the Regional U13 Championship in Nottingham before joining other girls from Tensworth to trial for the squad
- A Remove pupil was chosen for the FIA Girls on Track Rising Star programme – a prestigious karting development pathway
- Our Deputy Head of School has been highly commended for an essay she entered into a competition organised by New College of the Humanities
- A Lower Sixth Student played hockey for Wales U18 Girls in the Ulster Series
- Brother and sister in Senior School have worked their way up to being 1st and 2nd respectively in the Cheshire rankings for tennis in their age-groups
- Our fantastic Sixth Form mathematicians excelled in the 2021 UK Senior Mathematical Challenge. Students achieved 15 gold, 20 silver, and 23 bronze certificates, with Haroon Mustafa (L6GLA) achieving Best in Year and Luke Mulholland (U6LES) achieving Best in School
- Talented Mia Hirakawa (ShBRD) was invited to play with the National Youth Inspire Orchestra
- A Shells pupil was selected to join Cricket Wales North and subsequently asked to join the performance squad to represent the whole region
- After the break in 2020, Henley Royal Regatta was back in 2021 and was an historic day for the School, as both the Girl's and Boy's 1st VIII qualified

In addition, the number of King's pupils representing national and international teams has continued to be strong. International and national representation has been achieved in the following sports:

- Hockey
- Football
- Netball
- Rugby
- Athletics
- Golf
- Karting
- Cricket
- Dressage

PUBLIC BENEFIT THROUGH PARTNERSHIP

As an educational charity, we believe we have a responsibility to provide, where possible, educational opportunities to all those who would like to benefit from them, free of charge. These are routinely promoted in schools.

Partnership activities during 2020/21 have included:

The Chester Schools Together partnership between The King's School, Blacon High School and Bishops' Blue Coat High School aims to bring together students from all three Schools for a variety of exciting learning experiences. Planned projects for 2020/21 were put on hold due to impact of Covid-19 on each setting.

In light of the restrictions, the partnership instead took the opportunity to revise its five-year Development Plan and core vision and aims:

Aims

Partners in the Chester Schools Together work together to:

- Provide a diverse programme of opportunities for interested and committed young people, regardless of their social or economic background
- Widen the educational and cultural horizons of all participants
- Engender a spirit of commitment, collaboration and confidence amongst pupils
- Provide stimulating professional development for staff and promote mutual respect across the different schools
- Foster a sense of belonging and pride in the city of Chester
- Encourage links with other city institutions for the education and benefit of all

Objectives

- An annual programme of ambitious projects and events for secondary-age students from partner schools
- All projects to have the widest possible impact
- To measure success and regularly review progress through metric provided in [Independent School Council's Impact Evaluation Toolkit](#) and partnership's [own case studies](#) and ISC profile
- The securing of funding from appropriate sources

King's then led a bid for more than £400K of funding from The Westminster Foundation to fund the staffing, transport and project costs of the State Schools currently in the partnership and to cover the growth of the organisation with the addition of one state school each year for the next four years.

- All projects carried out by CST are designed to have the widest possible impact on pupils from Year 7 - Upper Sixth, which across the three Schools totals more than 2,500 pupils
- The addition of a fourth School to the partnership (planned for 2022) would take potential reach of project to more than 3,500 secondary school pupils across Chester
- Pupils will now be able to take part in an annual programme of ambitious projects and events for secondary-age students including opportunities in drama, sport, academic stretch and higher education/careers guidance
- Thanks to the generosity of parents we were delighted to be able to collect more than 70 donated laptops and tablets as part of our appeal with North West Academies Trust (NWAT) in February 2021. The switch to online learning for many pupils across the UK has been significantly hampered by a lack of access to suitable IT devices. Whilst the Department for Education has been very supportive of schools nationally, and whilst many vulnerable pupils have received a free laptop, there is still a notable shortfall both nationally and locally. We worked in partnership NWAT, a local multi-academy trust that includes both primary and secondary Schools, to source spare, second-hand laptops and iPad/tablets and were thrilled to drop off these devices at our Chester Schools Together partners at Blacon High School and The Bishops' Blue Coat High School.
- Donation of 17 items of IT equipment to charity Platform for Life, a Chester based mental health charity offering counselling and play therapy support to families who can't afford to pay for a service.
- Donation of School furniture and equipment from our renovated Sixth Form Centre to our Chester Schools Together partners at Blacon High School and The Bishops' Blue Coat High School.

The School has continued to develop connections with the wider community. These include:

- The School hosted King's Camps holiday clubs for children of Key Workers
- Mad Science holidays clubs also run through school holidays
- The House of Dance ran several holiday clubs at school which had priority booking for the children of Key Workers

We believe engagement with the local community should be part of every King's student's education and we are increasing the spread of activities through our enrichment programme.

This includes:

- Sixth Form students volunteered in a local primary School

In 2021, the School raised a total of £7,235.82 for a number of different charitable causes.

FINANCIAL REPORT

COVID

The School continued to feel the impact of COVID during this reporting period. The School has continually remained open for the children of Key Workers, but was closed due to Governmental direction from January – March 2021. During the period of closure, the School returned to its Remote Learning Programme which enabled those pupils at home to be taught in line with their normal academic timetable.

The Governors agreed to a set refund to parents during this period of closure, and whilst this refund was lower than the first lockdown due to the School using the period for a refurbishment programme and more teachers using their own classrooms for teaching rather than staying at home, the refund continued to be one of the most generous for the North West, and every penny saved was passed back to parents. In addition, the Governors also continued the programme of hardship payments for helping parents who had lost or had their income severely reduced, although this was not used to the extent it was during the previous reporting period.

The vast majority of our parents agreed that the Remote Learning Programme was an excellent alternative to normal school lessons, and that the discount was generous and reflected a fair discount considering the loss of the full experience offered by the School. During the first period of lockdown, a small number of parents refused to pay their fees, but this did not happen for this second period of school closure.

The School's finances were not as impacted by the school closure as it was in the previous period, and despite refunding parents a total of just under £298K, the School closed with a surplus of £930,695 before charity SORP adjustments which was only slightly below the projected budget.

The pupil numbers for the School remained at pre-pandemic levels throughout the period, and applications for a place at the school have remained strong. Looking forward, the School remains in a strong, viable financial position. Whilst there has been a financial impact, the School reserve policy has not been broken and the School continues to be a going concern with no immediate threats to its future.

OTHER FINANCIAL MATTERS

The School's report for the previous period covered a 17-month period, but for comparison the School only surplus for financial year 2019/20 was £392,916 and for this financial year £930,695. The projected surplus for the next two years remains strong, and the cashflow will remain above reserve limits despite an ambitious programme of development continuing under the 10-year masterplan.

Total pupil numbers starting the School in September 2020 were 1105 and charitable activity expenditure for the year was well controlled and regularly scrutinised by the Governors.

King's Space Ltd has continued trading in support of the School. This subsidiary exists to manage the hiring of the School's premises outside of School hours, and any profits made by this subsidiary are gift aided back to the School. Although profits were lower than pre-pandemic figures, the latter part of the reporting period saw lettings return to normal levels and are predicted to remain strong going forward.

RESERVES

The Governors recognise the need to hold minimum reserves, and this is currently set at an ambitious amount of £4m, equivalent level to one term's worth of costs.

CONSOLIDATED ACCOUNTS

The consolidated accounts, which includes King's Space and investments, show that at the end of the period the Charity held unrestricted funds of £16,346k. Free reserves (after accounting for long term bank borrowings and pension asset) at the year end were £1,201k (2020: £1,478k).

In the coming years, it is a key objective to increase the funds maintained, in particular, by The King's School Bursary Trust Fund in order to support more families who need assistance with fees. The School is generating additional reserves on an ongoing basis in order to repay the fixed term bank loans and also to fund new developments at the School which have been determined in the masterplan and which will further improve the offer for our pupils and the wider community.

In respect of the charity's defined benefit scheme for support staff, the valuation at this year end shows a movement from the previously reported deficit to a surplus. The Governors believe that this notional funding calculation has no material effect on the charity's short-term cash flow and that in the longer term its effects are sustainable out of future income. For this reason, it is considered that it should be disregarded for Reserves Policy purposes.

INVESTMENT PERFORMANCE AGAINST OBJECTIVES

The trustees of The King's School Bursary Trust Fund adopted a discretionary management route with the School's investment advisers in September 2005. The trustees of The Lester Smith Bursary Fund and The King's School Prize Fund adopted the same route in August 2008. The aim of this is to achieve a favourable return against the appropriate benchmark as follows:

Equities up to 60% - measured against the FTSE All Share Index

Gilts and Fixed Interest & Cash up to 100% - measured against the FT Govt All Stocks Index

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Total Return - measured against a Bespoke Benchmark in the period to August 2021 are as follows:

	1 year	5 year YTD
The King's School Bursary Trust Fund Performance	19.37%	50.57%
The Lester Smith Bursary Fund Performance	17.95%	40.21%
The King's School Prize Fund Performance	17.76%	43.13%
FTSE All Share Index	26.95%	33.29%
FT Government All Stocks Index	-1.81%	27.81%
Bespoke Benchmark	17.33%	32.97%

INVESTMENT POLICY AND OBJECTIVES

The Governors' investment powers are determined by the Scheme of Government dated 13 June 1988, which permits investment in trust for The School of sums not needed for immediate working purposes, modified in the case of The King's School Bursary Trust Fund (KSBTf) to permit, amongst other things, investment in any stock, funds or securities authorised by law for the investment of trust funds.

The Governors' policy is to maximise the overall return on investments having regard to the need for a flow of income to meet the School's requirements for funding a number of bursary awards. In order to achieve this performance, the Governors and the trustees of the KSBTf have appointed an Investment Manager.

The performance of the Investment Manager is monitored under the terms of a Statement of Investment Principles to which the Manager is required to adhere. The investment objectives are to preserve the long-term value of the funds in real terms and to maintain an appropriate level of income in real terms. The achievements of the Manager are measured against appropriate benchmarks in respect of equities, gilts and total return. The Governors and trustees meet with the Investment Manager at least twice each year.

Investments in a range of company stocks, gilt-edged securities and unitised funds, are held in the name of the Investment Manager's nominee company.

FUNDRAISING

The School has an in-house Development team responsible for all fundraising activities. No member of this team has been subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of the School.

The fundraising for this year has been affected by COVID, but a determined effort will continue with events planned for the next financial period.

In order to protect vulnerable people and other members of the public from unreasonably intrusive or persistent fund-raising, the School's fundraising activities are overseen by the King's Leadership team and board of Governors. No complaints have been received by the School regarding fundraising activities.

AUDITORS

The School has changed its auditors to WR Partners.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any

Annual Report and Financial Statements
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from 1st September 2020 to 31st August 2021

- 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 charity will continue in business.

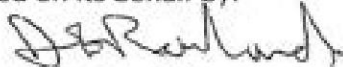
The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Governors who were in office on the date of approval of these financial statements have confirmed as far as they are aware that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that he/she has taken all of the steps that he/she ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Board of Governors

& signed on its behalf by:


D K Rowlands Hon MSc
Governor

Date: 24, MAR. 22

J Walsh
Governor



Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KING'S SCHOOL, CHESTER

Opinion

We have audited the financial statements of The King's School, Chester (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity'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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' 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 the parent charity'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in

the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Group's and the parent charity'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 Governors either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of noncompliance 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:

- We reviewed the susceptibility of the charity's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the charity's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the charitable company and its environment and identify any instances of noncompliance.
- We also assessed the charity's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and charity awareness to carry out our work to the required standard.

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

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Annual Report and Financial Statements
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from 1st September 2020 to 31st August 2021



Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners

Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006

Annual Report and Financial Statements
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Endowment funds 2021 £000	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income and endowments from:						
Donations and legacies	4	-	397	307	704	579
Charitable activities	5	-	-	13,307	13,307	17,528
Other trading activities	7	-	-	76	76	127
Investments	8	-	57	71	128	109
Other income	9	-	-	130	130	431
Total income and endowments		-	454	13,891	14,345	18,774
Expenditure on:						
Raising funds	10,11	-	17	124	141	192
Charitable activities	12	-	230	12,729	12,959	17,568
Total expenditure		-	247	12,853	13,100	17,760
Net income before net gains/(losses) on investments		-	207	1,038	1,245	1,014
Net gains/(losses) on investments		4	485	-	489	(15)
Net income		4	692	1,038	1,734	999
Transfers between funds	23	(8)	416	(408)	-	-
Net movement in funds before other recognised gains		(4)	1,108	630	1,734	999
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	29	-	-	198	198	455
Net movement in funds		(4)	1,108	828	1,932	1,454

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
 FOR THE YEAR ENDED 31 AUGUST 2021

	Endowment funds 2021 £000	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000
Note				
Reconciliation of funds:				
Total funds brought forward	242	2,955	15,518	18,715
Net movement in funds	(4)	1,108	828	1,454
Total funds carried forward	<u>238</u>	<u>4,063</u>	<u>16,346</u>	<u>18,717</u>

Annual Report and Financial Statements
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CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021

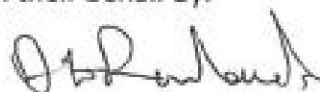
	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	17	16,270	15,812
Investments	18	3,681	2,653
		<u>19,951</u>	<u>18,465</u>
Current assets			
Stocks	19	14	9
Debtors	20	4,326	3,649
Cash at bank and in hand	26	4,848	5,815
		<u>9,188</u>	<u>9,473</u>
Creditors: amounts falling due within one year	21	(7,866)	(7,948)
Net current assets		<u>1,322</u>	<u>1,525</u>
Total assets less current liabilities		<u>21,273</u>	<u>19,990</u>
Creditors: amounts falling due after more than one year	22	(1,494)	(1,930)
Net assets excluding pension asset		<u>19,779</u>	<u>18,060</u>
Defined benefit pension scheme asset	29	868	657
Total net assets		<u>20,647</u>	<u>18,717</u>

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CONSOLIDATED BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Charity funds			
Endowment funds	23	238	242
Restricted funds	23	4,063	2,958
Unrestricted funds			
General funds	23	<u>15,478</u>	<u>14,860</u>
Unrestricted funds excluding pension liability	23	15,478	14,860
Pension reserve	23	868	657
Total unrestricted funds	23	<u>16,346</u>	<u>15,517</u>
Total funds		<u>20,647</u>	<u>18,717</u>

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



D K Rowlands Hon MSc
Governor

Date: 24 MAR 22

J Walsh
Governor

Date:



The notes on page 40 to 69 form part of these financial statements

Annual Report and Financial Statements
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CHARITY BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	17	16,270	15,812
Investments	18	3,731	2,703
		<u>20,001</u>	<u>18,515</u>
Current assets			
Stocks	19	14	9
Debtors	20	4,346	3,673
Cash at bank and in hand		4,743	5,695
		<u>9,103</u>	<u>9,377</u>
Creditors: amounts falling due within one year	21	(7,858)	(7,930)
Net current assets		<u>1,245</u>	<u>1,447</u>
Total assets less current liabilities		<u>21,246</u>	<u>19,962</u>
Creditors: amounts falling due after more than one year	22	(1,495)	(1,927)
Net assets excluding pension asset		<u>19,751</u>	<u>18,035</u>
Defined benefit pension scheme asset	29	868	657
Total net assets		<u>20,619</u>	<u>18,692</u>

Annual Report and Financial Statements
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CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021


	Note	2021 £000	2020 £000
Charity funds			
Endowment funds	23	238	242
Restricted funds	23	4,063	2,958
Unrestricted funds			
General funds	23	15,450	14,835
Pension reserve	23	868	657
Unrestricted funds	23	16,318	15,492
Total unrestricted funds	23	<u>16,318</u>	<u>15,492</u>
Total funds		<u><u>20,619</u></u>	<u><u>18,692</u></u>

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



D K Rowlands Hon MSc
Governor

Date: 24. MAR. 22



J Walsh
Governor

Date:

The notes on page 40 to 69 form part of these financial statements

Annual Report and Financial Statements
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash used in operating activities	25	1,328	3,253
Cash flows from investing activities			
Dividends, interests and rents from investments		128	109
Proceeds from the sale of tangible fixed assets		-	20
Purchase of tangible fixed assets		(1,369)	(1,537)
Proceeds from sale of investments		246	526
Purchase of investments		(796)	(813)
Net cash used in investing activities		(1,791)	(1,695)
Cash flows from financing activities			
Repayments of borrowing		(437)	(721)
Repayments of finance leases		(11)	(11)
Bank loan and overdraft interest		(56)	(281)
Net cash used in financing activities		(504)	(1,013)
Change in cash and cash equivalents in the year		(967)	545
Cash and cash equivalents at the beginning of the year		5,815	5,270
Cash and cash equivalents at the end of the year	26	4,848	5,815

The notes on page 40 to 69 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

The King's School, Chester is an unincorporated charitable trust (charity no. 525934), registered in England. The School is a public benefit entity. The School's address is The King's School, Wrexham Road, Chester, CH4 7QL. The object of the charity is the provision and conduct, in or near Chester, of a school for boys and girls, in connection with the cathedral at Chester. The principal activity of the School is the provision of an Infant, Junior and Senior School and Sixth Form.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The King's School, Chester meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.2 Going concern

After making enquiries, the Governors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

The Governors have also assessed the potential impact on the future operations of the Charity with regard to the Covid-19 outbreak. The Charity is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from donations, gifts and legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Income received for the general purposes of the School is included as unrestricted funds. Income for activities restricted by the wishes of the donor is taken to restricted funds where these wishes are legally binding on the Governors. Income required to be retained as capital in accordance with the donor's wishes is accounted for as endowments.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The School offers a number of bursaries each year to its pupils. All families in receipt of a bursary are means tested with the level of bursary awarded dependent on the family income and assets. All bursaries are subject to annual review. In addition, the School offers a small number of scholarships to pupils each year for performance in the senior school entrance exam. The individual scholarship awards are for no more than £500 and are a one-off amount.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	-
Long-term leasehold property	- 2 - 4%
Fixtures and fittings	- 6.66 – 33.3%

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and 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.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.12 Financial instruments

The Group 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.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.15 Pensions

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs are charged in the Statement of Financial Activities and are determined as follows:

- a) Teachers' Pension Scheme - the School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the scheme actuary and advised to the Board of the scheme administrator and are charged in the period in which the salaries to which they relate are payable. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.
- b) The School Support Staff Pension - the School also contributes to a defined benefit scheme for a number of support staff at rates advised by the scheme actuary. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the Balance Sheet date. Scheme liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate relevant to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the Balance Sheet.
- c) The School Personal Pension Scheme - the School operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefits scheme. This is a money purchase scheme under which the School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum.

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 2 December 2018.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds which have been given for a specific purpose and the capital has to be maintained.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension scheme valuation assumptions

Assumptions have been made by the actuary in calculating the valuation of the defined benefit pension scheme at the year end. Details of the assumptions made are included within the pensions note.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Critical accounting estimates and areas of judgement (continued)

Critical areas of judgment:

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the parents.

4. Income from donations and legacies

	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations	397	307	704	579
Total 2021	397	307	704	579
<i>Total 2020</i>	<i>462</i>	<i>117</i>	<i>579</i>	

5. Income from charitable activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
School fees	13,219	13,219	17,271
Other educational income	73	73	158
Other ancillary income	15	15	99
Total 2021	13,307	13,307	17,528
<i>Total 2020</i>	<i>17,528</i>	<i>17,528</i>	

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NOTES TO THE FINANCIAL STATEMENTS
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6. School fees

	Total 12 months ended 31 August 2021 £000	Total 17 months ended 31 August 2020 £000
Gross fees receivable	14,343	18,568
Less: scholarships, bursaries and other discounts	(1,124)	(1,371)
Bursaries met from restricted funds	101	74
	<u>13,320</u>	<u>17,271</u>

7. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
King's Space income	76	76	127
Total 2021	<u>76</u>	<u>76</u>	<u>127</u>
Total 2020			<u>127</u>

King's Space income has been reclassified to income from trading activities whereas previously this has been included in income from charitable activities.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Investment income

	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Dividends	4	-	4	3
Bank interest	53	71	124	106
Total 2021	57	71	128	109
<i>Total 2020</i>	<i>75</i>	<i>34</i>	<i>109</i>	

9. Other incoming resources

	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Gains on sale of tangible fixed assets	-	-	-	14
Other income	-	29	29	41
CJRS Income	-	101	101	378
Total 2021	-	130	130	431
<i>Total 2020</i>	<i>19</i>	<i>412</i>	<i>431</i>	

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10. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Fundraising for voluntary resources - Staff costs	76	76	106
Total 2021	<u>76</u>	<u>76</u>	<u>106</u>
<i>Total 2020</i>	<u>106</u>	<u>106</u>	

Fundraising trading expenses

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
King's Space Limited expenditure	48	48	69
Total 2021	<u>48</u>	<u>48</u>	<u>69</u>
<i>Total 2020</i>	<u>69</u>	<u>69</u>	

11. Investment management costs

	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Investment management fees	17	17	17
Total 2021	<u>17</u>	<u>17</u>	<u>17</u>
<i>Total 2020</i>	<u>17</u>	<u>17</u>	

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12. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Teaching	13	7,336	7,349	10,091
Teaching Support	173	792	965	1,027
Welfare	-	73	73	1,053
Premises	40	2,066	2,106	3,152
Support	4	2,462	2,466	2,245
Total 2021	230	12,729	12,959	17,568
<i>Total 2020</i>	<i>239</i>	<i>17,329</i>	<i>17,568</i>	

13. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Teaching	7,349	7,349	10,091
Teaching Support	965	965	1,027
Welfare	73	73	1,053
Premises	2,106	2,106	3,152
Support	2,466	2,466	2,245
Total 2021	12,959	12,959	17,568
<i>Total 2020</i>	<i>17,568</i>	<i>17,568</i>	

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13. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Teaching 2021 £000	Teaching Support 2021 £000	Welfare 2021 £000	Premises 2021 £000
Staff costs	6,897	787	68	488
Depreciation	46	-	-	723
Other Staff Costs	34	4	1	4
Teaching Aids	207	-	-	-
Other Educational Expenditure	165	174	-	-
Catering	-	-	-	-
Utilities	-	-	-	224
Premises Maintenance	-	-	-	667
IT & Communications	-	-	-	-
Welfare	-	-	4	-
Banking & Finance	-	-	-	-
Professional Expenditure	-	-	-	-
Total 2021	7,349	965	73	2,106
<i>Total 2020</i>	<i>10,091</i>	<i>1,027</i>	<i>1,053</i>	<i>3,152</i>

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13. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Support 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Staff costs	914	9,154	12,151
Depreciation	142	911	1,169
Other Staff Costs	40	83	147
Teaching Aids	-	207	367
Other Educational Expenditure	-	339	434
Catering	671	671	940
Utilities	-	224	283
Premises Maintenance	-	667	1,114
IT & Communications	244	244	321
Welfare	-	4	5
Banking & Finance	64	64	115
Professional Expenditure	391	391	522
Total 2021	<u>2,466</u>	<u>12,959</u>	<u>17,568</u>
<i>Total 2020</i>	<u>2,245</u>	<u>17,568</u>	

14. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>16</u>	<u>17</u>

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15. Staff costs

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Wages and salaries	7,237	9,674	7,237	9,674
Social security costs	722	967	722	967
Contribution to defined contribution pension schemes	1,287	1,633	1,287	1,633
	<u>9,246</u>	<u>12,274</u>	<u>9,246</u>	<u>12,274</u>

The average number of persons employed by the Charity during the year was as follows:

	Group 2021 No.	Group 2020 No.
Employees	<u>232</u>	<u>227</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	5	1
In the band £70,001 - £80,000	3	-
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	-	3
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-
In the band £160,001 - £170,000	1	-
In the band £220,001 - £230,000	-	1

The key management personnel of the Charity are listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Charity was £325k (2020: £441k for a 17-month period).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2020 - ENIL-).

During the year ended 31 August 2021, no Governor expenses have been incurred (2020 - £46).

17. Tangible fixed assets

Group and Charity

	Freehold property £000	Long-term leasehold property £000	Assets under construction £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 September 2020	18	18,581	180	7,010	25,789
Additions	-	350	-	1,019	1,369
Disposals	-	-	-	(28)	(28)
At 31 August 2021	18	18,931	180	8,001	27,130
Depreciation					
At 1 September 2020	9	4,275	-	5,694	9,978
Charge for the year	-	437	-	446	883
At 31 August 2021	9	4,712	-	6,140	10,861
Net book value					
At 31 August 2021	9	14,219	180	1,861	16,269
At 31 August 2020	9	14,307	180	1,316	15,812

Leasehold Property

The School occupies 33 acres of land by Wrexham Road, adjacent to the Chester Business Park. The site was acquired under a 999-year lease granted, without premium, to The King's School in 1956 by the Grosvenor Estate. The lease provides for a yearly rent of £300, restricting the use of the property to educational purposes.

No value is attributed in the financial statements to the land under the residue of the lease. The School is responsible for all repairs, maintenance and insurance of the buildings erected on the leased premises. All of the assets are held for the School's own use on direct charitable activities.

NOTES TO THE FINANCIAL STATEMENTS
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18. Fixed asset investments

Group	Listed investments £000
Cost or valuation	
At 1 September 2020	2,653
Additions	796
Disposals	(246)
Revaluations	479
At 31 August 2021	<u>3,681</u>
Net book value	
At 31 August 2021	3,681
At 31 August 2020	<u>2,653</u>

Charity	Investments in subsidiary companies £000	Listed investments £000	Total £000
Cost or valuation			
At 1 September 2020	50	2,653	2,703
Additions	-	796	796
Disposals	-	(246)	(246)
Revaluations	-	479	479
At 31 August 2021	<u>50</u>	<u>3,681</u>	<u>3,731</u>
Net book value			
At 31 August 2021	50	3,681	3,731
At 31 August 2020	<u>50</u>	<u>2,653</u>	<u>2,703</u>

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18. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Holding	Included in consolidation
King's Space Limited	11067044	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £000	Expenditure £000	Profit/(Loss) / Surplus/ (Deficit) for the year £000	Net assets £000
King's Space Limited	76	(48)	28	78

19. Stocks

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Catering stock	14	9	14	9

20. Debtors

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Due within one year				
Trade debtors	3,899	3,162	3,897	3,162
Other debtors	180	299	217	323
Prepayments and accrued income	247	188	232	188
	<u>4,326</u>	<u>3,649</u>	<u>4,346</u>	<u>3,673</u>

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21. Creditors: Amounts falling due within one year

	Group 2021 £000	<i>Group 2020 £000</i>	Charity 2021 £000	<i>Charity 2020 £000</i>
Bank loans	498	510	498	510
Deposits received in advance	545	572	545	572
Trade creditors	523	355	523	355
Other taxation and social security	176	165	176	165
Obligations under finance lease and hire purchase contracts	11	11	11	11
Other creditors	73	305	65	287
Accruals and deferred income	6,040	6,030	6,040	6,030
	<u>7,866</u>	<u>7,948</u>	<u>7,858</u>	<u>7,930</u>

	Group 2021 £000	<i>Group 2020 £000</i>
Deferred income at 1 September 2020	5,597	848
Resources deferred during the year	5,765	5,597
Amounts released from previous periods	(5,597)	(848)
	<u>5,765</u>	<u>5,597</u>

Deferred income relates to income received under the School's advanced fee scheme contracts for education not yet utilised to settle school fees and cash received in advance for the forthcoming period.

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22. Creditors: Amounts falling due after more than one year

	Group 2021 £000	<i>Group 2020 £000</i>	Charity 2021 £000	<i>Charity 2020 £000</i>
Bank loans	1,494	1,919	1,495	1,919
Net obligations under finance lease and hire purchase contracts	-	11	-	11
	<u>1,494</u>	<u>1,930</u>	<u>1,495</u>	<u>1,930</u>

In October 2020 three loans held by the School with Royal Bank of Scotland were consolidated into one single loan of £2,365k with Handelsbanken. The loan is over a 5-year term and the interest rates are at 2.6% above the Libor rate. Both repayments and interest are paid quarterly. The loan is secured by a first legal charge over The King's School, Chester, CH4 7QL and its associated assets.

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FOR THE YEAR ENDED 31 AUGUST 2021

23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Unrestricted Funds	14,861	13,891	(12,866)	(408)	-	15,478
Pension reserve	657	-	13	-	198	868
	<u>15,518</u>	<u>13,891</u>	<u>(12,853)</u>	<u>(408)</u>	<u>198</u>	<u>16,346</u>
Endowment funds						
Prize and Exhibition Capital Fund	130	-	-	-	-	130
Lester Smith Capital Fund	112	-	-	(8)	4	108
	<u>242</u>	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>4</u>	<u>238</u>
Restricted funds						
Prize and Exhibition Income Fund	6	4	(1)	-	-	9
Donations Fund	309	15	(58)	-	-	266
The King's School Bursary Trust Fund	2,486	430	(187)	408	452	3,599
Lester Smith Income Fund	144	6	(1)	8	33	189
	<u>2,965</u>	<u>454</u>	<u>(247)</u>	<u>416</u>	<u>485</u>	<u>4,063</u>
Total of funds	<u>18,715</u>	<u>14,345</u>	<u>(13,100)</u>	<u>-</u>	<u>687</u>	<u>20,647</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Statement of funds (continued)

Lester Smith Fund (linked charity)

This fund was established under the Will of an Old King's Scholar, The Governors of The School for the time being comprise the trustees. The funds are held for the benefit of pupils at The School and contributions out of income are made to support worthy pupils whose families would not otherwise be able to pay the fees.

Income consists of investment income of £5k (2020: £8k). Expenditure consists of costs on raising funds of £1k (2020: £2k) and expenditure on charitable activities of £nil (2020: £nil). The Trust also had gains (2020: gains) on investments of £37k (2020: £1k)

The King's School Bursary Trust Fund (linked charity)

This fund was established by a trust deed dated 8th May 1969. The trustees shall be not more than ten in number including the Chairman of the Governors and the Headmaster. So far as possible, there should be representation on the trustees' body from the Chester Association of Old King's Scholars, The King's School Parents' Association and the Staff of The School.

The trustees hold the funds and the income there from essentially to make contributions towards the payment of fees of any scholar whom the trustees in their absolute discretion consider worthy of assistance. The trustees have wide powers to further the advancement of education.

Income consists of investment income of £48k (2020: £64k) and donations of £382k (2020: £451k). Expenditure consists of costs on raising funds of £15k (2020: £16k) and expenditure on charitable activities of £172k (2020: £64k). The Trust also had gains (2020: losses) on investments of £452k (2020: £22k).

Prize & Exhibition Income Fund

This fund was established to generate additional income for The School.

Donations Fund

Restricted income received from donors. Funds are restricted when they have been given or raised for a specific purpose. Includes income received for specific activities such as Special Educational Needs (SEN), CCF training for pupils and optional language classes.

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23. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2020 £000</i>
Unrestricted funds					
Unrestricted Funds	14,410	18,218	(17,565)	455	15,518
Endowment funds					
Prize and Exhibition Capital Fund	130	-	-	-	130
Lester Smith Capital Fund	108	-	-	4	112
	<u>238</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>242</u>
Restricted funds					
Prize and Exhibition Income Fund	5	3	(2)	-	6
Donations Fund	388	11	-	-	399
The King's School Bursary Trust Fund	2,075	515	(72)	(22)	2,496
Lester Smith Income Fund	141	8	(2)	(3)	144
Restricted Sundry Funds	6	19	(119)	4	(90)
	<u>2,615</u>	<u>556</u>	<u>(195)</u>	<u>(21)</u>	<u>2,955</u>
Total of funds	<u>17,263</u>	<u>18,774</u>	<u>(17,760)</u>	<u>438</u>	<u>18,715</u>

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24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2021 £000	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	16,270	16,270
Fixed asset investments	238	-	3,443	3,681
Current assets	-	4,063	5,125	9,188
Creditors due within one year	-	-	(7,866)	(7,866)
Creditors due in more than one year	-	-	(1,494)	(1,494)
Provisions for liabilities and charges	-	-	868	868
Total	<u>238</u>	<u>4,063</u>	<u>16,346</u>	<u>20,647</u>

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £000	Group 2020 £000
Net income for the year (as per Statement of Financial Activities)	1,734	999
Adjustments for:		
Depreciation charges	883	1,168
Losses on investments	(479)	(48)
Dividends, interests and rents from investments	(128)	(109)
Loss/(profit) on the sale of fixed assets	28	(13)
Increase in stocks	(5)	(4)
Increase in debtors	(677)	(3,174)
Increase/(decrease) in creditors	(70)	4,207
Financing costs	55	281
Defined benefit pension scheme adjustment	(13)	(54)
Net cash provided by operating activities	<u>1,328</u>	<u>3,253</u>

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26. Analysis of cash and cash equivalents

	Group 2021 £000	Group 2020 £000
Cash in hand	4,848	5,815
Total cash and cash equivalents	4,848	5,815

27. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	5,815	(967)	4,848
Debt due within 1 year	(510)	12	(498)
Debt due after 1 year	(1,919)	425	(1,494)
Finance leases	(22)	11	(11)
	<u>3,364</u>	<u>(519)</u>	<u>2,845</u>

28. Capital commitments

	Group 2021 £000	Group 2020 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>162</u>	<u>73</u>

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29. Pension commitments

The School's employees belong to three principal pension schemes: The Teachers' Pension Scheme England and Wales (TPS) for teaching staff; the Local Government Pension Scheme (LGPS) managed by Cheshire Pension Fund for some support staff and a Group Personal Pension Scheme (GPP) managed by Scottish Widows for the remaining support staff.

Both the TPS and LGPS are defined benefit schemes and the GPP is a money purchase scheme.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £111k (2020: £149k) were payable to the schemes at 31st August and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension 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 2014 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

NOTES TO THE FINANCIAL STATEMENTS
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The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,171k.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website: (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The School has accounted for its' contributions to the scheme as if it were a defined contribution scheme.

The School has set out above the information available on the scheme.

Local Government Pension Scheme – Cheshire Pension Fund

The School also contributes to the Cheshire Pension fund for its support staff.

The pension costs are assessed in accordance with the advice of a firm of independent qualified actuaries, Hymans Robertson using the projected unit method. A full valuation was prepared as at 31 March 2019.

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The scheme was closed to new entrants of the School on 31 March 2005.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £36k (2020 - £116k), of which employer's contributions totalled £29k (2020 - £108k) and employees' contributions totalled £7k (2020 - £8k). The agreed contribution rates for future years are 17.4% to 18.3% for employers and 5.5% to 8.5% for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2021 %	At 31 August 2020 %
Discount rate	1.55	1.60
Future salary increases	3.60	3.10
Future pension increases	<u>2.90</u>	<u>2.40</u>
	At 31 August 2021 Years	At 31 August 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	21.4	21.2
- at 65 for a male aged 45 now	22.4	21.9
- for a female aged 65 now	24.0	23.6
- at 65 for a female aged 45 now	<u>25.7</u>	<u>25.0</u>

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29. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	At 31 August 2021 £000	At 31 August 2020 £000
Equities	1,622	1,451
Bonds	1,866	1,674
Property	446	409
Cash and other liquid assets	122	186
Total fair value of assets	<u>4,056</u>	<u>3,720</u>

The actual return on scheme assets was £483,000 (2020 - £108,000)

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2021 £000	2020 £000
Current service cost	27	45
Net interest costs	(11)	10
Total amount recognised in the Consolidated Statement of Financial Activities	<u>16</u>	<u>55</u>

NOTES TO THE FINANCIAL STATEMENTS
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29. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2021 £000	2020 £000
Opening defined benefit obligation	3,063	3,679
Actuarial losses	181	-
Actuarial gains	-	(594)
Current service costs	27	45
Interest cost	48	107
Past service cost	-	13
Contributions by members	7	10
Benefits paid	(138)	(197)
Closing defined benefit obligation	<u>3,188</u>	<u>3,063</u>

Movements in the fair value of the Group's share of scheme assets were as follows:

	2021 £000	2020 £000
Opening fair value of scheme assets	3,720	3,827
Expected return on assets	-	319
Actuarial gains	379	455
Contributions by employer	29	108
Contributions by members	7	10
Interest cost	59	38
Benefits paid	(138)	(197)
Actuarial losses	-	(840)
Closing fair value of scheme assets	<u>4,056</u>	<u>3,720</u>

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29. Pension commitments (continued)

Support Staff personal pension scheme

The School also operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefit scheme. This is a money purchase scheme under which the School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum. Employer contributions totalling £87k (2020: £126k) were paid in respect of this pension scheme for the period.

30. Operating lease commitments

At 31 August 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £000	Group 2020 £000
Not later than 1 year	16	43
Later than 1 year and not later than 5 years	44	16
	<u>60</u>	<u>59</u>

Six Governors with sons and daughters at the School pay full fees (2020: Three).

The School owns all the issued share capital of King's Space Limited, the results for the year are shown in note 17.

One of the Governors is the Dean at Chester Cathedral. During the year the School made payments to Chester Cathedral of ENil (2020: £7k). No amounts were outstanding at year end.

During the year the School received a donation of £14k for a bursary student from The Educational Foundation of Robert Oldfield, a charity of which two Governors are Trustees. No amounts were owed at year end.

During the year the School made ticket purchases of £4k from the Storyhouse, a charity of which one Governor is a Trustee. No amounts were outstanding at year end.

KING'S SCHOOL

England & Wales - Charity number 525934

Accounts



THE KING'S SCHOOL
CHESTER

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 17 Month Period
from 1st April 2019 to 31st August 2020

Charity no. 525934



Willow
Lodge

Discovering the *world*



KING'S
JUNIORS

Igniting *curiosity*



KING'S
SENIORS

Seizing *opportunity*



KING'S
SIXTH FORM

Becoming *exceptional*

EVERY OPPORTUNITY. ENDLESS POSSIBILITIES.

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GOVERNORS' REPORT

GOVERNORS, OFFICERS AND ADVISERS

The Governors of The School, as trustees, who have held office during this period were:

R Arnold BSc **C, CP**

Prof R Ashford PhD FCIM FHEA B.Ed **C ^** Chair of the Safeguarding Committee (Retired June 2019)

A Bartley (From 20 March 2020)

J M Carr BA FCA **C * %**

S Docking BA **C ^** Chair of the Education Committee

J Ebo **N5 %** (From 20 March 2020)

C A Edwards MA **N2** Chair of the Safeguarding Committee from June 2019

I O'Doherty BE MSc MBA **C, * # \$ %** Chair of Finance & General Purposes Committee

A Owen * (From 20 March 2020)

G P Ramsbottom BSc MSc MRICS **C, CP \$ #** Chair of Governance Committee

D K Rowlands Hon MSc **N2** Chair of Governors

Very Revd Dr T Stratford **N1 ^** (From June 2019)

J Walsh **C CP ***

N H Wood BSc MRICS IRRV **N5 %** (Retired 31 Oct 2019)

S Verity BSc **C %** Chair of the Risk and Compliance Committee

1 vacancy for Liverpool University

1 vacancy for Manchester University

Members of the Risk & Compliance Committee %

*Members of the Finance & General Purposes Committee **

Members of the Governance Committee \$

Members of the Education Committee ^

Trustees of the King's School Bursary Trust Fund #

All Governors are Trustees of The Lester Smith Bursary Fund and The Prize Fund

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The Scheme of the Charity Commissioners (Administrative Provisions) permit:

Patron (s)

His Grace the Duke of Westminster

Such other persons as the Charity Board may from time to time elect

Vice Patron (s)

Lord Bishop of Chester

Dean of Chester

Lord Mayor of the City of Chester

Such other persons as the Charity Board may from time to time elect

Governors

7 Nominative Governors (N)

N1 Two by the Dean and Chapter of Chester Cathedral

N2 Two by Trustees of the Educational Foundation of Dr Robert Oldfield

N3 One by Liverpool University

N4 One by Manchester University

N5 One by The Chester Bluecoat Charity (TCBC), being the sole trustee of the Charity of Owen Jones (Chester Municipal Charities)

16 Co-optative Governors (C)

The number of seats on the Charity Board held by current parents shall be reviewed from time to time **(CP)**

Tenure

All Governors are appointed to hold office for 4 years and for re-appointment for a further 4 years subject to the approval of the Board of Governors

Officers of the School who have held office during this year are:

Headmaster: G J Hartley MA

Clerk: H A Jordan FInstLM, MCGI

Director of Finance and Operations: H A Jordan FInstLM, MCGI

Address: The King's School, Wrexham Road, Chester CH4 7QL

Website: www.kingschester.co.uk

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Advisers:

Bankers Royal Bank of Scotland
15 Foregate Street
Chester CH1 1HD

Insurance Hettle Andrews
2 Brunswick Square
Birmingham
B1 2LP

Lawyers Weightmans
100 Old Hall Street
Liverpool, L3 9QJ

Ellis Whittam
Woodhouse
Aldford
Chester
CH3 6JD

Knights 1759
The Brampton
Newcastle-Under-Lyme
Staffordshire
ST5 0QW

Investment Advisers Investec Wealth & Investment
100 Old Hall Street
Liverpool L3 9AB

Auditors Crowe U.K. LLP
3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Architects Associated Architects
1 Severn Street Place
The Mailbox
Birmingham
B1 1SE

Scott Architecture Limited
68 High Street
Tarporley
Cheshire
CW6 0AT

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The Governors present their annual report for the 17-month period from 01 April 2019 to 31 August 2020 under the Charities Act 2011, together with the audited accounts for the period and confirm that the latter comply with the requirements of the Act, the Scheme of Government and the Charities SORP (FRS 102) 2015 applicable to charities preparing their accounts in accordance with the financial reporting standard in the UK (FRS102). This annual report is for a 17-month period due to a change of year end.

HISTORY AND OBJECTIVES OF THE SCHOOL

The King's School was founded by Henry VIII in 1541 and for over four hundred years the school occupied buildings adjacent to the Cathedral. The school moved to a new site on the Wrexham Road in 1960 since when there has been an impressive programme of additional building development. These include the Wickson Library, a new Music School, the Vanbrugh Theatre and extensions to the Sixth Form Centre. In September 2014 the Junior School was extended to provide a new Junior School Library and Learning Centre and in September 2015 our purpose-built Infant School was opened by the Duke of Westminster. Most recent developments have included a new Sports Centre, new Pastoral Centre and an extensive refurbishment of classrooms and science laboratories. The School retains strong links with the cathedral and with the city. It is Chester's oldest independent school and is proud to serve the city as well as the surrounding areas.

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The King's School comprises the Senior School (ages 11-18), the Junior School (ages 7-11) and the Infant School, Willow Lodge (ages 4-7).

King's is a school for pupils of high academic ability. We seek to develop this ability in each pupil to his or her full potential and at the same time to develop the pupil's character and other talents in a friendly and stimulating atmosphere. Further information about the school can be found on our website: www.kingschester.co.uk

The charitable objects of the School are the provision and conduct in or near Chester of a school for boys and girls, in connection with the Cathedral Church at Chester. The conduct of the School is in accordance with the articles made by the Governors. The Charity also has permanent endowed and unendowed trust funds held for special purposes in connection with the development of the School's facilities and for bursaries, prizes and other educational purposes.

The School's aim is to provide an outstanding independent education, through superb academic tuition and through giving the opportunities to develop wider sporting, artistic and social skills to all its pupils. The School nurtures spiritual growth and provides an environment where each pupil can develop and fulfil his or her potential, helping build self-confidence and a desire to serve the wider community.

VISION AND VALUES

We hold an absolute commitment to do the very best for every individual student through great learning, opportunities and challenge, so that they gain the confidence and abilities to achieve more than they thought possible at a school they love.

Our aim is to provide a first-class independent education, both through outstanding academic tuition and through giving all our pupils the opportunities to develop wider sporting, artistic and social skills. We nurture spiritual growth and provide an environment where each pupil can develop and fulfil his or her potential.

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In caring about excellence and each other, and in promoting enjoyment and happiness through fulfilment, the members of the King's community believe in our three core values:

ASPIRE

We want all our students to aspire to be the very best versions of themselves. This relates to both their academic achievement, where we want them to attain their 'sustainable best', and just as importantly to their personal development as unique individuals. Excellent qualifications remain important, but the nurture of attributes such as resilience, adaptability, emotional intelligence and curiosity are arguably even more significant in today's world.

RESPECT

We want our students to have respect for themselves and others in the school community, particularly their fellow students. We believe that allowing young people to be comfortable in their own skin, as well as respectful of difference in others with regard to diversity, are both essential. We also want our students to respect their surroundings in terms of the school itself, where they live outside school and with due regard to the global environment.

COLLABORATE

We want our students to collaborate effectively so that they can achieve more than they would on their own and learn how to work effectively with others. We also want to collaborate positively as part of the broader school community and in doing so contribute to a higher purpose than simply advancing themselves. Human collaboration is only going to become more relevant in the years ahead.



STRUCTURE, GOVERNANCE AND MANAGEMENT

The King's School, Chester was founded in 1541 as a fully independent day school and is registered with the Charity Commission under Charity number 525934.

Governing Documents

The School is administered in conformity with a Scheme of Government dated 13 June 1988, modified by subsequent Orders of The Charity Commission, by a body of trustees constituted as Governors. The associated Trusts, which are linked charities are administered in conformity with their Trust Deeds or Will Trusts.

Governing Bodies

Details of the Governing Board are explained at the beginning of this report together with information on how members are appointed. All Governors are trustees of The Lester Smith Bursary Fund and The Prize Fund. The trustees of The King's School Bursary Trust Fund are appointed under the terms of its Trust Deed and include three of the Governors of the School.

Recruitment and Training of Governors

The Board having adopted fixed terms of Office for Governors and the Chair of the Board, seeks via the Governance Committee, to re-fresh itself on an on-going basis with new Governors being nominated to the Board following a set induction process. This involves an interview process with members of the Governance Committee, the Chair of the Board, the Headmaster and the Bursar/Director of Finance and Operations prior to the nomination being approved by the full Board at a subsequent meeting notice of which is given in advance to all Governors.

Nominations can be received from any source but mainly come from existing Governors and those organisations having nomination rights to the Board. Appointments are made on the basis of eligibility, personal competence and specialist skills that will complement the skills of the existing Governors.

The Board undertakes regular audits of its skills in order to ensure that its members possess the skills considered necessary for the successful running of the school in the current era. The Board will also undergo an external audit by the Association of Governing Bodies of Independent Schools (AGBIS) every three years.

All new Governors receive an Induction Pack, including the School's up-to-date Constitution; a list of current Governors and School Staff; the most recent accounts of the School; the most recent inspection report; the School's strategic and business plans; the School's budget for the relevant financial period; the School's Governance Manual and a full list of all the School's policies (on website); the Charity Commission publication CC3 'the Essential Trustee'; the School's key risk assessment documentation; the minutes of the last three meetings of the Governors and related papers. These new Governors are then personally briefed by the Clerk to the Governors.

New Governors are invited to join the most appropriate committees according to their specialist skills. All Governors are trained in Child Protection and attend training seminars as and when required.

Key Management Personnel

Salaries for key management personnel are reviewed and set on an annual basis by the Remuneration Committee. In undertaking this review the committee utilise independent benchmark data from a variety of sources (AGBIS, HMC, Baines and Cutler) in addition to performance assessments of the key management personnel.

SCHOOL STRUCTURE AND MANAGEMENT

The Governors, as the trustees, are legally responsible for the overall management and control of the School and meet four times a year, with one meeting being solely dedicated to The Safeguarding of Children. The work of implementing most of their policies is carried out by the members of the Finance and General Purposes Committee (F&GP), the Risk and Compliance Committee (including Health and Safety), the Education Committee, the Safeguarding Committee and the Governance Committee who meet several weeks before each meeting of the full Governing Board. The Chair of each committee is shown in the front pages.

The day to day running of the School is delegated to the Headmaster supported by the King's Leadership Team (KLT). The Headmaster and the Bursar/Clerk to the Governing Board attend meetings of all the Governors' sub committees and working groups. The Headmaster also attends meetings of Heads of academic departments, which deal with relevant and necessary operational matters.

RELATIONSHIPS WITHIN THE SECTOR

The School actively supports the highest standards of education through networking with other Schools and maintaining excellent relationships within the educational sector. The Headmaster is an elected member of the Headmasters and Headmistresses Conference (HMC) and its Membership Committee. The School is a member of the national HMC network of Leading Academic Day Schools, the Bursar is a member of the Independent School Bursars Association, a Fellow of the Institute of Leadership and Management and a Member of the

City and Guilds Institute. The Head of Willow Lodge and the Junior School is a member of the regional networking group AJIS (the Association of Junior Independent Schools). Close links are maintained with the Cathedral at Chester.

RISK MANAGEMENT

In addition to the school's previous Risk Management controls, including the Risk and Compliance Committee reviewing and rewriting the School's Strategic Risk Register during the reporting period, the School's main focus has been managing the risks associated with the COVID-19 pandemic.

The health and safety of the staff and pupils during the pandemic were paramount for the latter part of the reporting period, and the main agenda item at each meeting of the Risk and Compliance Committee and the Full Governors' Board. The Risk and Compliance Committee and KLT have written extensive risk assessments to cover the provision for key-worker children, the opening of the school to three-year groups in June 2020 and the full reopening in September 2020.

From each risk assessment, mitigating measures were put into place to guard against the spread of COVID-19 as much as possible, including external handwashing stations, enhanced cleaning routines and materials and hand sanitiser and cleaning materials being available in every classroom and corridor. The mental health of staff and pupils were also considered within the risk assessments and extra monies were allocated for counselling services and general mental well-being initiatives.

During the period of lockdown, the Remote Learning Programme provided education to the pupils in-line with their normal curriculum programme, and the vast majority of pupils are at their expected level of educational achievement. Plans have been made to support those pupils who have fallen behind when they returned to school in September.

In addition to the COVID-19 risk and risk mitigation, the Governors continued to monitor the effectiveness of the system of internal controls, including insurance cover where appropriate, by which those risks already identified by the Governors can best be managed.

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The key controls used by the School include:

- Formal agendas for all Committee and Board activity,
- Detailed terms of reference for all Committees,
- Comprehensive strategic planning, budgeting and management accounting,
- Established organisational structure and lines of reporting,
- Formal written policies,
- Clear authorisation and approval levels and
- Safeguarding procedures as required by law for the protection of children.

Affordability continued to be a focus for the School and this has enabled the School to manage fee increases to be the lowest in recent times and well below the sector average. The School has not raised fees for 2020/21 to help parents dealing with the effects of COVID-19. The Governors have recently reviewed the ten-year financial plan to ensure that the school continues to develop, and have since held strategy meetings to test the plan against the impact of Covid-19, the extra financial commitment of the increase in the employers' contribution to the Teachers' Pension Scheme, and the risks and impacts of Brexit, VAT being added to fees, and the loss of Business Rates Relief.



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CHARITABLE OBJECTS

Within its Charitable objects, the School has permanent endowed and unendowed trust funds held for special purposes in connection with the development of the School's facilities and for bursaries, prizes and other educational purposes.

STRATEGIC REPORT

The strategic plan for the School has eight key objectives:

- *Every pupil known, valued and cared for*: developing pastoral care with the new house system with a renewed focus on student well-being;
- *Great place to work*: for staff in all sections of the school, both teaching and support;
- *Great learning, future-orientated*: optimising teaching and learning across the school and developing the curriculum;
- *Opportunities for all*: ensuring the provision of extra-curricular activities for all students across the school;
- *A full co-educational school*: maximising student numbers on the current site with a target of 40% girls;
- *At the heart of the community*: developing closer and collaborative links with parents, Chester schools and other institutions in the area;

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- *Widening access*: ensuring the recruitment of the brightest students from our catchment area, including the increased provision of bursaries;
- *Revitalising the site*: delivering the principles of the ten-year masterplan to redevelop the School.

ACHIEVEMENTS AND OVERALL PERFORMANCE

The objectives agreed at the beginning of the academic year 2019 were thwarted by the COVID-19 pandemic that resulted in the school closing in March 2020. The school continued to remain open for the children of key-workers, including the school holiday periods, and the school also developed an effective Remote Learning Programme that ensured the majority of our pupils maintained the same academic development had the school remained open. The school opened to our two Infant year groups and Year 4 Juniors in June 2020 and for all other year groups in September 2020. The opening of these year groups involved the development of a robust risk assessment, and numerous safety measures, including outdoor sinks, specialist cleaning machines, and an increase of £10K per term for cleaning material, hand gel and cleaning hours.

Despite the pressures of the pandemic on the school and its staff, the following academic objectives were achieved throughout the 17-month reporting period, in addition to the continued excellent public examination results at both GCSE and A level achieved in the summer of 2019 and 2020:

- a full review of school numbers and school capacity;
- a reformulation of the school masterplan in response to changing priorities;
- phase 3 of Faculty System development with emphases on adoption of best practice, streamlining of protocols and standardisation of meeting formats;
- continued development and implementation of the 'Learning to Learn' programme to develop more effective and sustainable study skills throughout the school;
- phase 2 of the whole school curriculum review;
- implementation and embedding of a new Senior School reporting system (Learning Scores)
- the standardisation of Senior School department tracking & intervention programme;

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- Phase 3 of the House System development with emphases on clarity of procedures, consistency of staff and development of initiatives;
- Introduction of a new pastoral monitoring system to pro-actively identify possible concerns;
- the development of creative arts provision and opportunities in the Junior school through the Artsmark initiative and making best use of the new music and drama facilities;
- review of bursary recruitment and student support programme to maximise inclusivity and effectiveness;
- the continued success of the King's 100 Challenge (bursaries campaign) with fund-raising comfortably in line with targets;
- measures to increase levels of parental engagement across the whole school;
- establishment of procedures to ensure the effective review and compliance of key policies;
- continued development of Chester Schools Together (CST) and the partnerships programme;
- establishment of phased classroom renovation programme across Junior and Senior Schools;
- the opening of The Rohan Ingley Centre that has improved the provision for medical care, learning support and counselling;
- continued implementation of the Sustainable Transport Plan to reduce car usage to/from King's.

PUBLIC BENEFIT THROUGH BURSARIES AND GRANT MAKING

The Governors have given regard to the Charity Commission's guidance on public benefit. The objects of the School are for 'public benefit' as that term is used in the Charities Act 2011, being part of a public group and providing public benefit.

The group of potential beneficiaries described in the objects of the school represents a sizable number of individuals. The School's catchment area stretches across North and Mid Wales

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and East Cheshire; the objects of the School are open and inclusionary and the School aims to be open to able pupils from all backgrounds.

To that end, the School offers means-tested bursaries funded by donations, The King's School Bursary Trust fund and from its own resources. To enable more pupils to benefit from bursary support, the School is actively seeking further benefactions and support for its Bursary Trust Fund, with the aim to help with 100 children on bursaries by 2041 when the School will celebrate its 500th year anniversary.

Fundraising has been limited during the period of the COVID-19 pandemic, resulting in single donations being reduced to around 50% of the income of the previous period. Some pledges were unable to be fulfilled and the returns from investments were lower for the period. Going forward, there are plans for a significant drive with Alumni and Major Donors during early 2021, and it is expected that the investment forecast will return to previous expectations in the future.

During this 17-month period, the total cost to the school of bursaries, grants and allowances was £1,371,000, equating to 7.38% of gross fee income. The total number of students on means tested bursaries were 62 for the period. A high proportion of our current bursaries are 100%, as we move forward we will continue to offer 100% bursaries to those families most in need whilst also looking to grow our support to those families who need a part bursary.

PUBLIC BENEFIT THROUGH EDUCATIONAL EXCELLENCE

The School also provided public benefit through its high-quality education delivered to more than 1100 pupils.

2019 A Level data:

- 87% of grades A*/B for second consecutive year
- 65% at A*/A grade – second highest in school's history
- Ten students to Oxford and Cambridge
- Top performing school in Cheshire and top co-ed in the North West for 2019 A Level results

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2019 GCSE data:

- 26% of grades at 9
- 48% of all grades were at 9-8
- 69% A*/A
- Best GCSE results in Cheshire for 2019

The King's School is the top performing co-ed in the North West for A Level results and the best school in Cheshire for GCSEs, according to The Telegraph's 2019 league table for independent schools across the UK.

It has also been named as the top independent co-ed in North West - Sunday Times Parent Power Guide 2020.

In the Telegraph's league table, King's is one of only four schools in the North West in the top 50 for A Level results.

In the 2019 year's A Level results, an incredible 65% of grades were A*/A, matching a record year in 2015. Talented students also achieved the highest percentage of A* in four years, with 23% of grades at this level.

In an outstanding year for King's, 67% of students achieved at least 2 A*/A grades at A Level.

In GCSEs, the number of Grade 9s increased by nearly 10% from 2018. An incredible 26% of results were grade 9, with 48% at 9/8 and 84% 9/6.

Overall in 2019, 40% of students achieved seven or more 9/8 grades (including A/A* Further Maths), with 14 students celebrating 10 or more grade 9/8s, including five students with straight grade 9s. Ten subjects recorded more than 50% of grades at 9/8, including History with 70% grade 9/8 (50% grade 9). More than 60% of grades in all three sciences were at 9/8.

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Our 2020 GCSE students faced some unique challenges due to the uncertainty surrounding the coronavirus pandemic. We were delighted to be able to congratulate them on their fantastic results. A total of 31% of pupils gained five or more 9 grades and 53% of grades awarded were at 9-8.

Our 2020 A Level students secured places at top universities after achieving some outstanding results. The year group excelled despite being unable to formally take their exams due to the coronavirus health crisis. A total of 31% of grades achieved were at A*, 70% of all grades were at A*/A and 93% at A*-B.

Eighty per cent of students gained a place in their first-choice university, with 94% gaining a place at either their first or second choice university.

Students continued to succeed academically well beyond examination results and also excelled outside of the classroom. Recent highlights include:

- A fourth year CCF Cadet was selected to attend a prestigious Army Cadet exchange with the Royal Canadian Army Cadets, following a tough national selection process
- Rowing squads enjoyed success in the National Schools' Regatta, Henley Royal Regatta and Thames Valley Park Regatta
- A number of senior school students achieved top spots in The Chester Music Festival 2019
- Two students won 'certificate of merit' and 'highly commended' in the Mathematical Education on Merseyside (MEM) Challenge
- More than 100 students took part in a Summer Concert, including performances from Senior School String Orchestra, Wind Band and Voz Nueva

During the summer term, the school achieved a number of sporting accolades, including the 1st XI becoming County Champions in football.

In addition, the number of King's pupils representing national and international teams has continued to be strong. International and national representation has been achieved in the following sports:

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- Hockey
- Football
- Netball
- Rugby
- Athletics
- Golf
- Skiing
- Sailing
- Orienteering
- Cricket
- Lacrosse
- Basketball

The strong sporting tradition in the Junior School continues:

- Pupils picked up 28 medals at the AJIS (Association of Junior Independent Schools) competition
- Four pupils qualified for the ESSA (English Schools Swimming Association) national finals in Sheffield
- U11 A Football Team was named Chester Schools' FA Champions



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PUBLIC BENEFIT THROUGH PARTNERSHIP

As an educational charity, we believe we have a responsibility to provide, where possible, educational opportunities to all those who would like to benefit from them, free of charge. These are routinely promoted in schools.

Partnership activities during 2019/20 have included:

The *Chester Schools Together* is a new partnership between The King's School, Blacon High School and Bishops' Blue Coat High School.

This innovative project aims to bring together students from all three schools for a variety of exciting learning experiences. An exhibition and celebration of work produced from the first series of Saturday Masterclasses was held in the summer term 2019.

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The second series of Saturday Masterclasses took place in January 2020, over three consecutive weekends. The students from King's, Bishops' Blue Coat and Blacon High School worked in mix groups in each school, producing some wonderful individual and group work in projects focusing on Journalism (Bishops'), Chemistry (King's) and DT (Blacon).

- We also welcomed more than 100 pupils from Belgrave, Dee Point and Highfield Blacon primary schools and St Martin's Academy to a talk and Q&A session with the Children's Laureate, Lauren Child, in December 2019
- Six schools took part in a hockey workshop with members of the England squad at the end of March, followed by a Q&A session
- 19 teams from 16 different schools took part in our annual Physics Olympics
- Twenty-four pupils from six local primary schools took part in a Forensic Science Investigation Day
- Year 5/6 Annual Invitational Tournament. We were delighted to welcome more than 160 children from local schools to take part in an Invitational Tournament at King's. The pupils, from ages 9-11, were invited to compete in netball and football matches throughout the afternoon. Students showed great determination and displayed excellent sportsmanship. More than 160 children took part, aged 7-10 years old
- King's invited students from Christleton High School and Upton High School to take part in an eye dissection led by Mr Jonathan Bhargava, a consultant ophthalmologist at the Countess of Chester NHS Trust. Students from all three schools were first treated to an interesting lecture on the structure of the eye, which included a real time video of cataract surgery. Mr Bhargava then expertly demonstrated to the students how to dissect a sheep's eye.
- King's hosted the Junior Stretch and Challenge Conference as part of the United Kingdom 2019 Junior Programme Gifted & Talented Study Day Programme of Academy Conferences. More than 140 external pupils attended from 12 schools, aged 12-14. The event was for able Key Stage 3 pupils (Year 7-9, ages 12-14). King's funded a number of places for local secondary schools (£25 per pupil).

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- King's hosted National Pathology Week: The Living Autopsy. Secondary students from more than 20 local schools were invited to a Living Autopsy Event at King's as part of National Pathology Week. Working in partnership with pathologists, laboratory scientists and schools across the UK, the RCoP programme of events and activities aims to engage people of all ages, and improve public awareness and understanding of how pathologists and scientists diagnose disease. Students were able to speak to members of the NHS about careers in and related to pathology and then enjoy a 'living autopsy' lecture, including a Q&A.

The School has continued to develop connections with the wider community.

These include:

- The School hosted King's Camps holiday clubs during the three school holidays which were open to all local children
- Fun Tech and Mad Science holiday clubs also run through school holidays
- The House of Dance ran several holiday clubs at school which were open to all local children
- The School hired the swimming pool for lessons attended by local children
- The School hosted Bike Chester in June 2019
- The School hosted the Chester Music Festival

In addition, the School promoted the arts in Chester by acting as a repertory venue for visiting theatre groups performers, to which students from other schools were invited free of charge.

We believe engagement with the local community should be part of every King's student's education and we are increasing the spread of activities through our enrichment programme.

This includes:

- Music students have continued to perform at a care home in Gresford as part of the school's Enrichment Programme. The visits are something greatly valued by the residents and staff at the home
- Students volunteered in local charity shops

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In 2019, the school held a Charity Fortnight, during which our eight Houses organised activities to raise money for their nominated house charity.

The nominated charities were:

- Alder Hey Children's Hospital (Gladstone and Bradbury Houses)
- Chester Link
- Nicola's Fund
- SHARE
- Papyrus
- CLIC Sargent
- North Clywd Animal Rescue Centre

Students in Removes (Year 7) raised money for StreetDoctors.

Fundraising events ranged from a Spring Fete, bake sales, a dodgeball tournament and 'dress your tutor'.

More than £3,000 was raised over the two weeks.

Other fundraising activity included:

- 200 shoe boxes were donated to Teams4u. Teams4u is a Wrexham based charity aiming to make a difference to the lives of children around the world that find themselves in desperate hopeless situations
- Sponsored sleep out involving staff and students
- A student completed a 12-hour sponsored cycle
- Teenage Cancer
- Donated bikes to The Bren Project
- King's Charity Challenge
- Shoe Box Appeal 2019
- Macmillan Cancer Bake Off

In May 2020, our Design Technology Department produced more than 200 plastic visors for local hospitals and care homes and our Science Department donated safety goggles and plastic gloves to hospitals and medical centres in the area.

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Parents were invited to donate their fee rebate to cheshirecommunityfoundation.org.uk/ following the switch to remote learning. This resulted in £6,300 being donated to the Trust's Covid appeal.

There are other fixed dates in the calendar for events we hold every year such as the MacMillan cake sale/coffee morning, Comic Relief day and Children in Need day, which together with other charitable events throughout the year raised more than **£18,400.**



FINANCIAL REPORT

COVID-19

During the last five months of the reporting period the school was directed to close by the Government to help stop the spread of COVID-19. The school continued to be open for the children of key-workers and welcomed back three year groups for the second half of the summer term. For those pupils at home, the school introduced a Remote Learning

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Programme as soon as the school closed, and this enabled the majority of our pupils to be taught in line with their normal academic timetable.

The Governors agreed to offer fee discounts to our parents from between 20-30% with the younger years receiving the larger discounts. This level of discount was amongst the most generous for the North West and the UK. In addition, the Governors also agreed a pot of £600K to be allocated to helping parents who had lost or had their income severely reduced.

The vast majority of our parents agreed that the Remote Learning Programme was an excellent alternative to normal school lessons, and that the discount was generous and reflected a fair discount to take into account the loss of the full experience offered by the school. A very small number have refused to pay their fees for the period and these will be pursued legally for payment. The school also has a number of parents continuing on a payment plan for fees following personal financial impact from COVID-19.

The school's finances were impacted by the school closure, and the resulting fee reductions and hardship payments, with the surplus for the 12-month period (August 2019 to August 2020) which included the period of closure, reducing from a projected surplus of £1.17M to a surplus of £392K which is the remaining balance of the hardship fund.

The main impact of this reduced surplus is the cancellation or delay of projects due to be completed under the masterplan for the school. These cancellations included a new Sixth Form Centre and a replacement All Weather Pitch. The school continued to complete the smaller projects and achieved a number of improvements to classrooms within both the Senior and Junior Schools.

Looking forward, the School remains in a strong, viable financial position with pupil numbers being retained for September 2020 and record numbers applying for 2021. Whilst there has been a financial impact the school reserve policy has not been broken and the School continues to be a going concern with no immediate threats to its future.

OTHER FINANCIAL MATTERS

The school changed its financial year from ending in March each year to ending in August each year, hence this extended 17 month reporting period. The change was made to bring the financial year in line with the school's academic year. The school's net income for the 17-month period, before recognised gains and losses was £1,014k (2019 (12-month period):

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£1,849k)), with the net movement in funds being a surplus of £1,454K (2019 (12-month period): £1,987k)).

Total pupil numbers starting the school in September 2019 were 1102 and charitable activity expenditure for the year was well controlled and regularly scrutinised by the Governors.

King's Space Ltd has continued trading in support of the school. This subsidiary exists to manage the hiring of the school's premises outside of school hours, and any profits made by this subsidiary are gift aided back to the school. Although profits were lower in the latter 5 months of the reporting period due to COVID-19, future bookings remain strong going forward.

At the beginning of the reporting period the school took over the newly developed pastoral centre that now houses the school's SEND and medical teams, and facilitates specialist, external support for children. In addition, a programme of classroom upgrades has also continued throughout the Senior and Junior Schools.



RESERVES

The Governors recognise the need to hold minimum reserves, and this is currently set at an ambitious amount of £4M, equivalent level to one term's worth of costs. As shown in the table below, the report details that at the end of the period the Charity held unrestricted funds of £15.5M.

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FUNDS	2020 £'000
Unrestricted Funds held by the Charity as at 31.08.20	15,518
Less Fixed Assets	(15,812)
Plus Bank Borrowings	2,429
Total Unrestricted Funds held by Charity as at 31.08.20	2,135

None of the funds held are reliant on the disposal of any tangible fixed asset. Once Creditors are considered the remaining reserves held by the school are £2,135K.

In the coming years, it is a key objective to increase the funds maintained, in particular, by The King's School Bursary Trust Fund in order to support more families who need assistance with fees. The school is generating additional reserves on an ongoing basis in order to repay the fixed term bank loans and also to fund new developments at the school which have been determined in the masterplan and which will further improve the offer for our pupils and the wider community.

In respect of the charity's defined benefit scheme for support staff, the valuation at this year shows the scheme has remained as a surplus. The Governors believe that this notional funding calculation has no material effect on the charity's short-term cash flow and that in the longer term its effects are sustainable out of future income. For this reason, it is considered that it should be disregarded for Reserves Policy purposes.

INVESTMENT PERFORMANCE AGAINST OBJECTIVES

The trustees of The King's School Bursary Trust Fund adopted a discretionary management route with the School's investment advisers in September 2005. The trustees of The Lester Smith Bursary Fund and The King's School Prize Fund adopted the same route in August 2008.

The aim of this is to achieve a favourable return against the appropriate benchmark as follows:

Equities up to 60% - measured against the FTSE All Share Index

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Gilts and Fixed Interest & Cash up to 100% - measured against the FT Govt All Stocks Index

Total Return - measured against a Bespoke Benchmark in the period to August 2020 the relevant returns in respect of the funds and the benchmarks chosen are shown below. The performance for this year has been severely affected by COVID-19, but the longer-term performances are predicted to be around the same as last year's predictions:

	1 year	5 year YTD
The King's School Bursary Trust Fund Performance	1.53%	35.57%
The Lester Smith Bursary Fund Performance	0.16%	27.31%
The King's School Prize Fund Performance	-1.95%	36.57%
FTSE All Share Index	-12.65%	17.32%
FT Government All Stocks Index	2.42%	27.81%
Bespoke Benchmark	-2.22%	29.03%

INVESTMENT POLICY AND OBJECTIVES

The Governors' investment powers are determined by the Scheme of Government dated 13 June 1988, which permits investment in trust for The School of sums not needed for immediate working purposes, modified in the case of The King's School Bursary Trust Fund (KSBTF) to permit, amongst other things, investment in any stock, funds or securities authorised by law for the investment of trust funds.

The Governors' policy is to maximise the overall return on investments having regard to the need for a flow of income to meet the school's requirements for funding a number of bursary awards. In order to achieve this performance, the Governors and the trustees of the KSBTF have appointed an Investment Manager.

The performance of the Investment Manager is monitored under the terms of a Statement of Investment Principles to which the Manager is required to adhere. The investment objectives are to preserve the long-term value of the funds in real terms and to maintain an appropriate level of income in real terms. The achievements of the Manager are measured against appropriate benchmarks in respect of equities, gilts and total return. The Governors and trustees meet with the Investment Manager at least twice each year.

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Investments in a range of company stocks, gilt-edged securities and unitised funds, are held in the name of the Investment Manager's nominee company.

FUND-RAISING

The School has an in-house Development team responsible for all fund-raising activities. No member of this team has been subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or any voluntary standard of fund-raising, in respect of activities on behalf of the School.

The fundraising for this year has been affected by COVID-19 and is around 50% less than the previous year. A large programme of fundraising is scheduled for 2021.

In order to protect vulnerable people and other members of the public from unreasonably intrusive or persistent fund-raising, the School's fund-raising activities are overseen by the King's Leadership team and board of Governors. No complaints have been received by the School regarding fund-raising activities.

AUDITORS

The School continues to use Crowe U.K. LLP.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Governors who were in office on the date of approval of these financial statements have confirmed as far as they are aware that there is no relevant audit information of which the auditor is unaware. Each of the Governors has confirmed that he/she has taken all of the

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steps that he/she ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Approved by the Board of Governors

& signed on its behalf by:



Date:

8/4/21

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

Opinion

We have audited the financial statements of The King's School Chester for the 17-month period ended 31 August 2020 which comprise consolidated statement of financial activities, the consolidated and school statement of financial position, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity'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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees 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.

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In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT



Date 21st May 2021

Annual Report and Financial Statements
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STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES
FOR THE 17 MONTHS ENDED 31 AUGUST 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 17 months ended 31 August 2020 £'000	Total 12 months ended 31 March 2019 £'000
INCOME						
Income from Charitable Activities						
School fees	2	17,271	-	-	17,271	13,281
Other educational income	4	285	-	-	285	158
Other ancillary income	4	99	-	-	99	75
Investment income	4	34	75	-	109	76
Donations and legacies	4	117	462	-	579	352
Other income	4	412	19	-	431	37
Total Income		<u>18,218</u>	<u>556</u>	<u>-</u>	<u>18,774</u>	<u>13,979</u>
EXPENDITURE						
Costs on raising funds	6	<u>175</u>	<u>17</u>	<u>-</u>	<u>192</u>	<u>76</u>
		175	17	-	192	76
Expenditure on charitable Activities	5 & 6	17,390	177	-	17,568	12,054
Total expenditure		<u>17,565</u>	<u>194</u>	<u>-</u>	<u>17,760</u>	<u>12,130</u>
NET INCOME AND NET MOVEMENT IN FUNDS BEFORE GAINS AND LOSSES ON INVESTMENTS						
		653	362	-	1,014	1,849
Net gains/(losses) on investments		-	(19)	4	(15)	111
NET INCOME		<u>653</u>	<u>343</u>	<u>4</u>	<u>999</u>	<u>1,960</u>
Transfer between funds		-	-	-	-	-
Remeasurement of defined benefit pension scheme	17	455	-	-	455	27
OTHER GAINS		<u>455</u>	<u>-</u>	<u>-</u>	<u>455</u>	<u>27</u>
NET MOVEMENT IN FUNDS		<u>1,108</u>	<u>343</u>	<u>4</u>	<u>1,454</u>	<u>1,987</u>
Fund balances at 1 April 2019		14,410	2,615	238	17,263	15,276
FUND BALANCES at 31 August 2020		<u>15,518</u>	<u>2,958</u>	<u>242</u>	<u>18,717</u>	<u>17,263</u>

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THE KING'S SCHOOL
CHESTER

CONSOLIDATED AND SCHOOL STATEMENT OF FINANCIAL POSITION
AS AT 31ST AUGUST 2020

	Note	Consolidated		School	
		31-Aug 2020 £'000	31-Mar 2019 £'000	31-Aug 2020 £'000	31-Mar 2019 £'000
FIXED ASSETS					
Tangible assets	7	15,812	15,450	15,812	15,450
Investment assets	8a	2,653	2,318	2,653	2,318
Investment in subsidiaries	8b	-	-	50	50
Total Fixed Assets		18,465	17,768	18,515	17,818
CURRENT ASSETS					
Stock		9	5	9	5
Debtors	9	3,649	475	3,673	432
Cash at bank and in hand		5,815	5,270	5,695	5,157
Total Current Assets		9,473	5,750	9,376	5,594
Creditors : Due Within One Year	10	(7,948)	(3,557)	(7,930)	(3,488)
NET CURRENT ASSETS		1,525	2,193	1,446	2,106
TOTAL ASSETS LESS CURRENT LIABILITIES		19,990	19,961	19,961	19,924
CREDITORS : Due After One Year					
Creditors	10	(1,930)	(2,846)	(1,930)	(2,846)
TOTAL NET ASSETS before pension asset		18,060	17,115	18,032	17,078
Pension Scheme asset	17	657	148	657	148
TOTAL NET ASSETS		18,717	17,263	18,689	17,226
FUNDS					
Endowment Funds	12	242	238	242	238
Restricted Funds	12	2,958	2,615	2,958	2,615
Unrestricted Funds	12	14,860	14,262	14,832	14,225
Pension Reserve Asset		657	148	657	148
Net Unrestricted Funds		15,517	14,410	15,489	14,373
TOTAL FUNDS		18,717	17,263	18,689	17,226

The net result for the 17-month period dealt with in the financial statements of the parent charity was a surplus of £908k (12 months ended 31st March 2019: surplus of £1,950k).

Approved and authorized for issue by the Board of Governors on 19th March 2021 and signed on its behalf by:

Date:

J. H. Rowland
8/4/21

Jan Scholey
15/4/2021

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CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
CASH INFLOW FROM GROUP OPERATING ACTIVITIES	13		3,254		2,862
CASH FLOWS FROM GROUP INVESTING ACTIVITIES					
Investment income interest receipts		109		28	
Investment income dividend receipts		-		48	
Payment for tangible fixed assets		(1,537)		(3,510)	
Purchase of investments		(813)		(603)	
Proceeds from sale of tangible fixed assets		20		7	
Proceeds from sale of investments		526		170	
NET CASH FLOW FROM GROUP INVESTING ACTIVITIES			(1,695)		(3,860)
GROUP FINANCING ACTIVITIES					
Hire purchase repayments		(11)		(11)	
Repayment of bank loans		(721)		(1,093)	
Bank loan and overdraft interest		(281)		(146)	
NET CASH USED FROM GROUP FINANCING ACTIVITIES			(1,013)		(1,250)
CHANGE IN CASH AND CASH EQUIVALENTS					
IN THE YEAR			545		(2,248)
Cash and cash equivalents brought forward			5,270		7,518
Cash and cash equivalents carried forward			<u>5,815</u>		<u>5,270</u>
Represented by:					
Cash at bank & in hand			<u>5,815</u>		<u>5,270</u>

Reconciliation of net debt

	At 1 April 2019 £'000	Cash flow £'000	At 31 August 2020 £'000
Cash at bank and in hand	5,270	545	5,815
Bank loan due within one year	(509)	(1)	(510)
Bank loan due after more than one year	(2,641)	722	(1,919)
	<u>2,120</u>	<u>1,266</u>	<u>3,386</u>

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NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Legal Status

The King's School, Chester is an unincorporated charitable trust (charity no. 525934), registered in England. The School is a public benefit entity. The School's address is The King's School, Wrexham Road, Chester, CH4 7QL. The object of the charity is the provision and conduct, in or near Chester, of a school for boys and girls, in connection with the cathedral at Chester. The principal activity of the School is the provision of an Infant, Junior and Senior School and Sixth Form.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value except for certain financial instruments at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Charities SORP (FRS 102) and the Charities Act 2011. The principal accounting policies adopted in the preparation of the financial statements are set out below.

The School constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest £'000.

These financial statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP (FRS 102).

Going Concern

The school has undertaken to move its year end date from 31 March to 31 August 2020, these accounts therefore represent 17 months of trading

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The School had net current assets of £1,525k at the year-end (2019: £2,193k). The Governors have reviewed the forecasts to March 2023 and consider that in view of the forecast surplus and the financing arrangements in place, the use of the going concern basis to prepare the financial statements is appropriate.

A summary of the more important Accounting Policies is set out below:

1.1 Accounts and related Trust Funds

The School accounts include two Trust Funds which are linked charities; The King's School Bursary Trust Fund and The Lester Smith Bursary Fund. The accounts for these funds have previously held a financial year end of 5 April but this has now been aligned with the School's accounts and end 31 August 2020. This means that as with the School accounts 17 months of trading are present in these accounts. Trust Funds are amalgamated on a line-by-line basis.

1.2 Basis of consolidation

The group financial statements consolidate the financial statements of the School and its subsidiary, King's Space Limited (company number 11067044). All intergroup transactions and profits are eliminated fully on consolidation. As permitted by section 408 of the Companies Act 2006 the parent charity's SOFA has not been included in these financial statements.

The School has taken advantage of the exemption available to qualifying entity's in FRS102 from the requirement to present a charity only cash flow statement with the consolidated financial statements.

1.3 Fees and similar income

Fees receivable, charges for services and use of the premises are accounted for in the period in which the service is provided. Fees receivable are stated at fair value and after deducting allowances, scholarships and other remissions granted by The School from its Unrestricted Funds, but include contributions received from Restricted Funds for scholarships, bursaries and other grants.

1.4 Grant making

The School offers a number of bursaries each year to its pupils. All families in receipt of a bursary are means tested with the level of bursary awarded dependent on the family income and assets. All bursaries are subject to annual review. In addition, the School offers a small number of scholarships to pupils each year for performance in the Senior School entrance exam. The individual scholarship awards are for no more than £500 and are a one-off amount.

1.5 Donations, legacies and fund accounting

Donations, gifts and legacies are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income received for the general purposes of The School is included as Unrestricted Funds. Income for activities restricted by the wishes of the donor is taken to Restricted Funds where these wishes are legally binding on the Governors. Income required to be retained as capital in accordance with the donor's wishes is accounted for as Endowments - permanent or expendable according to the nature of the restriction.

1.6 Other income

Other income, including investment income, is accounted for on an accruals basis.

1.7 Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates. Governance costs comprise the costs of running The School, including strategic planning for its future development, external audit, any legal advice for The School's Governors, all costs of committee meetings, of preparing statutory accounts and satisfying public accountability.

1.8 Pension Schemes

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs are charged in the Statement of Financial Activities and determined as follows:

(a) Teachers' Pension Scheme - The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board of the Scheme Administrator and are charged in the period in which the salaries to which they relate are payable. The Scheme is a multi-employer pension Scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to The School. In accordance with FRS102 therefore, the Scheme is accounted for as a Defined Contribution Scheme.

(b) The School Support Staff Pension - The School also contributes to a Defined Benefit Scheme for a number of support staff at rates advised by the Scheme Actuary. The defined

benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme

interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate relevant to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

(c) The School Personal Pension Scheme - The School operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefits scheme. This is a money purchase scheme under which The School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum.

1.9 Operating leases

Rentals payable are recognised in the SOFA on a straight-line basis over the period of the lease.

1.10 Fixed Assets

Tangible fixed assets costing more than £1,000 and representing significant added value to the school are capitalised and are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Buildings	2% - 4%
Fixtures, Fittings and Equipment	6.66% - 33.3%

Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses.

Where donations are received towards the cost of fixed assets, the amount of the donation is treated as Restricted Funds. The equivalent proportion of the annual depreciation charge of the assets concerned is debited to Restricted Funds.

1.11 Investments

Investments are included in the financial statements initially at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted bid price. Transaction costs are expensed to income and expenditure as incurred. The statement of financial activities includes the net gains and losses arising on revaluation and disposal throughout the year.

1.12 Stock

Food stock is valued at the lower of cost or net realisable value.

1.13 Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

1.14 Unrestricted Funds and Designated Funds

Funds are retained to cover the fixed assets, provide working capital and repay long-term loans. Funds are designated within Unrestricted Funds when there is a specific project to be undertaken.

1.15 Restricted Funds

Funds are restricted when they have been given or raised for a specific purpose.

1.16 Endowment funds

Funds are endowed when they have been given for a specific purpose and the capital is to be maintained.

1.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and others short-term liquid investments with original maturities of three months or less.

1.18 Financial instruments

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. The School only has financial assets and liabilities of a kind that qualify as basic financial instruments.

Trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

Bank loans are initially recognised at their transaction value and subsequently measured at amortised cost using the effective interest rate method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Investments are initially measured at transaction price and subsequently measured at fair value through net income or expenditure.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised in net income/expenditure.

1.19 Impairment of financial assets

Assets are assessed for indicators of impairment at each reporting end date. Assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the asset, the estimated future benefit has been affected. The impairment loss is recognised in Statement of Financial Activities.

1.20 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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Pension scheme valuation assumptions

Assumptions have been made by the actuary in calculating the valuation of the defined benefit pension scheme at the year end. Details of the assumptions made are included within the pensions note.

Hedging

The Hedging arrangement previously held on loans has been settled prior to the end of the financial year.

Critical areas of judgement

A provision for impairment of fee debtors is established when there is objective evidence that the amounts due will not be collected in line with the usual fee collections due to financial difficulty of the parents.

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2. School Fees

a The School's fee income comprised:

	Total 17 months ended 31 August 2020 £'000	Total 12 months ended 31 March 2019 £'000
Gross fees	18,568	14,105
Less:		
Total bursaries, grants and allowances	(1,371)	(877)
	17,197	13,228
Add back:		
Bursaries and grants paid for by Restricted Funds	74	53
	17,271	13,281

During the period, 56 students were on bursaries which equated to 44.4 fully funded places totalling £835,833 (31 March 2019: 53 students equating to 40.14 fully funded places)

b Grants, awards and prizes paid for by Restricted Funds comprised:

Bursaries and grants	74	53
	74	53

In 2020 the total of school fee income of £17,271k (2019: £13,281k) was attributable to unrestricted income funds. No element was restricted.

3. Income from subsidiary trading activities

The school has a 100% interest in its trading subsidiary King's Space Limited (Company number: 11067044).

The principal activity is that of promoting commercial activities which use the school's assets to generate income from lettings and other activities. It's trading

	12 months 31 August 2020 £'000	5 months 31 August 2019 £'000
Turnover	72	51
Gross profit	72	51
Administration expenses	(47)	(23)
Operating profit	25	28
Capital and reserves	75	78

4. Other Income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	Total 2019 £'000
Other educational activities					
Care Scheme and other income	222	-	-	222	69
- King's Space Limited	63	-	-	63	89
	285	-	-	285	158
Other ancillary income					
Insurance commissions	-	-	-	-	27
Catering and vending income	99	-	-	99	48
	99	-	-	99	75
Investment Income					
Interest on cash deposits	34	72	-	106	28
On listed investments - dividends	-	-	-	-	46
On listed investments - interest	-	3	-	3	2
	34	75	-	109	76
Donations and legacies					
General	117	462	-	579	352
	117	462	-	579	352
Other income					
Gains on sale of tangible fixed assets	14	-	-	14	(6)
CJRS Income	376	-	-	376	-
Other	22	19	-	41	43
	412	19	-	431	37

During the previous year the following amounts were attributable to restricted income funds; investment income £48k, Donation £262k and other income £16k. No element of other income was attributable to endowment funds.

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	17 months	12 months
5. Expenditure	2020	2019
	£'000	£'000
Charitable activity expenditure includes		
Depreciation	1,168	742
Bank loan interest	281	146
Operating leases for plant and machinery	54	25
Auditor's remuneration for other services	2	2
Governance expenditure includes		
Auditor's remuneration:-		
for audit services including subsidiary	15	11
Accounting support	2	-
Total staff costs comprised		
Wages and Salaries	9,553	6,518
Social Security Costs	967	641
Pension Contributions	1,633	864
Fees and Contract Labour	121	108
	12,274	8,131

The average number of employees in the period was 227 (2019: 226), which when calculated on a full time equivalent basis, was 181 (2019: 173) of which 102 (2019: 96) were teaching staff.

The number of higher paid employees excluding pension contributions was :

	17 months	12 months
5. Expenditure continued	2020	2019
	No.	No.
Emoluments band:		
£60,000-£70,000	1	4
£70,000-£80,000	-	2
£80,000-£90,000	1	-
£90,000-£100,000	1	-
£100,000-£110,000	3	-
£110,000-£120,000	1	-
£120,000-£130,000	1	-
£130,000-£140,000	-	-
£140,000-£150,000	-	-
£150,000-£160,000	-	1
£220,000- £230,000	1	-
	1	-

The above amounts are not comparable as the 2020 period is 17 months whereas the 2019 period is for one year.

All teachers are offered admission to the Teachers' Pension Fund, new support staff are offered membership of a money purchase scheme. Support staff were previously offered membership of the Cheshire Pension Fund, a defined benefit scheme. The School contributes to these schemes at 16.4% of pensionable salary for the Teachers Pension Scheme, 45.5% for Cheshire Pension Fund and up to 5% for the money purchase scheme.

Employer contributions totalling £203k (2019: £80k) were made to the Teachers' Pension Fund for eight of the higher paid employees above and £15k (2019: £13k) to the Scottish Widow Pension Fund for the other higher paid employee.

The Governors received no remuneration.

Expenses totalling £46 (2019 £nil) were paid to 1 (2019: £nil) governor during the period.

	17 months	12 months
	2020	2019
	£'000	£'000
Aggregate employee benefits of:		
Key management personnel	441	366
	441	366

Salaries for key management personnel are reviewed and set on an annual basis by the Remuneration Committee. In undertaking this review the committee utilise independent benchmark data from a variety of sources (AGBIS, HMC, Baines and Cutler) in addition to performance assessments of the key management personnel.

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6. Expenditure

	Staff Costs	Depreciation	Other	Total 17 months 2020 £'000	Total 12 months 2019 £'000
	£'000	£'000	£'000		
Expenditure on Raising funds					
Fund-raising for voluntary resources	106	-	-	106	68
- King's Space Limited	-	-	69	69	52
Other finance costs	-	-	-	-	(58)
Investment management	17	-	-	17	14
Total	<u>123</u>	<u>-</u>	<u>69</u>	<u>192</u>	<u>76</u>
Expenditure on Charitable Activities					
Teaching	9,205	57	829	10,091	6,661
Teaching Support	1,027	-	-	1,027	797
Welfare	73	33	947	1,053	871
Premises	755	930	1,467	3,152	1,892
Support costs of schooling	1,224	-	955	2,179	1,713
School's operating costs	<u>12,284</u>	<u>1,020</u>	<u>4,198</u>	<u>17,502</u>	<u>11,934</u>
Grants, awards and prizes	-	-	10	10	62
Governance costs	13	-	43	56	58
School's support costs	<u>13</u>	<u>-</u>	<u>53</u>	<u>66</u>	<u>120</u>
Total Charitable Activities	<u>12,297</u>	<u>1,020</u>	<u>4,250</u>	<u>17,568</u>	<u>12,054</u>
Total expenditure	<u>12,420</u>	<u>1,020</u>	<u>4,320</u>	<u>17,760</u>	<u>12,130</u>
Teaching Support analysis				17 months 2020 £'000	12 months 2019 £'000
Teaching Support (all schools)				965	598
Other support - ICT & Reprographics				62	199
				<u>1,027</u>	<u>797</u>

Teaching Support consists of employees not in receipt of Teachers Pension. This category includes Lunchtime Assistants, Play workers, Sports coaches & Teaching Assistants.

In 2020 the total expenditure was £17,760k (2019: £12,130k) of which £17,565k (2019: £11,982k) was expenditure from unrestricted funds, £194k (2019: £148k) was expenditure from restricted funds and £1k (2019: £1k) was expenditure from endowment funds. The expenditure charged to restricted funds related to investment management costs of £17k (2019: £14k) and grant, awards and prizes costs of £177k (2019: £134k).

7. Tangible Fixed Assets - Consolidated and School

	Land & Buildings			Fixtures Fittings & Equipment	Total 2020 £'000
	Freehold	Long Leasehold	Assets in the course of construction		
	£'000	£'000	£'000	£'000	
Cost					
1 April 2019	18	13,936	4,061	6,257	24,272
Transfer	-	4,061	(4,061)	-	-
Additions	-	584	180	773	1,537
Disposals	-	-	-	(20)	(20)
31 August 2020	<u>18</u>	<u>18,581</u>	<u>180</u>	<u>7,010</u>	<u>25,789</u>
Depreciation					
1 April 2019	9	3,720	-	5,093	8,822
Charge for Year	-	555	-	613	1,168
Disposals	-	-	-	(13)	(13)
31 August 2020	<u>9</u>	<u>4,275</u>	<u>-</u>	<u>5,693</u>	<u>9,977</u>
Net book value					
31 August 2020	<u>9</u>	<u>14,306</u>	<u>180</u>	<u>1,317</u>	<u>15,812</u>
31 March 2019	<u>9</u>	<u>10,216</u>	<u>4,061</u>	<u>1,164</u>	<u>15,450</u>

Leasehold

The School occupies 33 acres of land by Wrexham Road, adjacent to the Chester Business Park. The site was acquired under a 999 year lease granted, without premium, to The King's School in 1956 by the Grosvenor Estate. The lease provides for a yearly rent of £300, restricting the use of the property to educational purposes.

No value is attributed in the financial statements to the land under the residue of the lease. The School is responsible for all repairs, maintenance and insurance of the buildings erected on the leased premises. All of the assets are held for The School's own use on direct charitable activities.

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8. Investments

8 (a). Fixed Asset Investments - Consolidated and School

	Restricted Funds £'000	Endowment Funds £'000	Total 31-Aug 2020 £'000	Total 31-Mar 2019 £'000
Market Value @ 1 April 2019	2,165	153	2,318	1,779
Additions	772	41	813	603
Disposals	(484)	(42)	(526)	(170)
Revaluations	22	5	27	123
Realised gain on disposals	21	-	21	(17)
Market Value @ 31 August 2020	<u>2,496</u>	<u>157</u>	<u>2,653</u>	<u>2,318</u>
Listed on UK Stock exchange (Historical cost £2,241,602)	2,467	157	2,624	2,314
Cash deposits	<u>29</u>	<u>-</u>	<u>29</u>	<u>4</u>

8 (b). Investments in subsidiaries - School

	Total 2020 £'000	Total 2019 £'000
King's Space Limited	<u>50</u>	<u>50</u>

9 Debtors

	Consolidated		School	
	Total 31-Aug 2020 £'000	Total 31-Mar 2019 £'000	Total 31-Aug 2020 £'000	Total 31-Mar 2019 £'000
Fees and Charges	3,162	95	3,162	95
Prepayments	188	210	188	168
Other Debtors	299	170	323	169
	<u>3,649</u>	<u>475</u>	<u>3,673</u>	<u>432</u>

10 Creditors

	Consolidated		School	
	Total 31-Aug 2020 £'000	Total 31-Mar 2019 £'000	Total 31-Aug 2020 £'000	Total 31-Mar 2019 £'000
Due Within One Year				
Bank Loan	510	509	510	509
Advance Fee Payments and Deposits	1,652	848	1,652	848
Deposits	572	606	572	606
Inland Revenue - Tax & Social Security	165	165	165	165
Sundry creditors	42	34	42	34
Accruals	450	324	433	260
Other creditors	246	273	246	273
Trade creditors	355	787	355	782
Hire purchase	11	11	11	11
Deferred Income	3,945	-	3,945	-
	<u>7,948</u>	<u>3,557</u>	<u>7,930</u>	<u>3,488</u>
Due After More Than One Year				
Hedging	-	178	-	178
Bank Loans	1,919	2,641	1,919	2,641
Hire Purchase	11	27	11	27
	<u>1,930</u>	<u>2,846</u>	<u>1,930</u>	<u>2,846</u>

10 (a). Bank loans and overdraft

Three term loans are in place with RBS; £4,500,000 loan repayable in equal monthly instalments over 15 years from October 2009 with interest being paid at 1.0% over the RBS base rate and a £67,500 loan with a bullet repayment in 2024 with interest payable at 0.5% over RBS base rate. £2.9m investment in the new Infant School commenced in September 2014. The Infant school was funded partly from cash flow and partly from new bank borrowing (£2.2m). Agreement for RBS loan required King's School to make 1st tranche of investment. First loan draw down took place in April 2015 - with the balance being drawn down by January 2016. The loan is repayable in equal monthly instalments over 15 years from April 2018 with interest being paid at 1.76% above base rate. The Infant school was opened in September 2015. The total amount of loan repayable after 5 years is £64,412. The loans are secured by a first legal charge held by RBS over the leasehold property of The School and in total represent 13% (2019: 31%) of the value of the leasehold property charged. As of 22 October 2020 the three loans held by the school with the Royal Bank of Scotland were consolidated into one single loan of £2,365k at Handelsbanken. The new loan is over a 5 year term and the interest rates are agreed at 2.6% above the libor rate. Both repayments and interest are paid quarterly.

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10 (b). Deposits

The terms and conditions of the current parent contract require payment of a £500 deposit on acceptance of a place for September 2010 entry onwards. The Governors have reviewed the contract terms under which Pupil fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements of FRS102, the balance of the deposits held at 31 August 2020 have been included within current liabilities.

10 (c). Hedging arrangements - Consolidated and School

	2020	2019
	£'000	£'000
Recognised losses/ liabilities on hedges at 1 April 2019	(178)	(236)
Gains arising in the year recognised	64	58
Repayment during the year	114	-
Recognised losses/ liabilities on hedges at 31 August 2020	-	(178)

Two hedging arrangements were put in place on 30th April 2007: a fixed interest rate swap at 5.25% on £2.25m on an amortising profile of the loan until final repayment; a collar arrangement with a cap at 7.00% and a floor at 4.48% on the remaining loans of £1.68m and £67.5k on an amortising profile for 15 years.

Valuations will be reported in either a cash value or as a percentage of nominal. The basis of the valuation is a mid-market price and is indicative only. The provision of a valuation does not constitute a guarantee or promise to unwind any transaction or instrument. This means that the valuation is likely to differ from any quote of a live price to open or unwind a transaction or any instrument the subject of this valuation that you may receive either from RBS or elsewhere.

The full amount was repaid during the period.

10 (d). Deferred Income

	Total 2020 £'000	Total 2019 £'000
Deferred fee income as 1st April 2019	848	812
Released in the year	(2,434)	(1,508)
New funds received in the year	3,238	1,544
Deferred fee income as 31st August 2020	1,652	848

Amounts received under the school's Advanced Fee Scheme contracts for education not yet utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long term liabilities where the education will be provided in subsequent years.

There is also deferred income in respect of cash received in advance for the forthcoming period of £3.9m which is included in note 10.

10 (e). Hire Purchase

The School has purchased two mini buses on a hire purchase agreement for a five year period. The mini buses have been capitalised against Motor Vehicles within the fixed asset register.

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11. Fund: Movements in the year - Consolidated and School

11 (a). Consolidated Funds: 31/8/20	Balance at 1 April 19	Income	Expenditure	Actuarial / Investment Gains	Balance at 31 Aug 20
	£'000	£'000	£'000	£'000	£'000
Endowment Funds					
Prize and Exhibition Capital Fund	130	-	-	-	130
Lester Smith Capital Fund	108	-	-	4	112
	<u>238</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>242</u>
Restricted Funds					
Prize and Exhibition Income Fund	5	3	(2)	-	6
Donations Fund	388	11	-	-	399
The King's School Bursary Trust Fund	2,075	515	(72)	(22)	2,496
Lester Smith Income Fund	141	8	(2)	(3)	144
Restricted Sundry Funds	6	19	(119)	4	(90)
	<u>2,615</u>	<u>556</u>	<u>(194)</u>	<u>(21)</u>	<u>2,956</u>
Unrestricted Funds					
Undesignated	14,410	18,218	(17,565)	455	15,518
	<u>14,410</u>	<u>18,218</u>	<u>(17,565)</u>	<u>455</u>	<u>15,518</u>
Consolidated Funds: 31/3/19					
	Balance at 1 April 18	Income	Expenditure	Actuarial / Investment Gains	Balance at 31 Mar 19
	£'000	£'000	£'000	£'000	£'000
Endowment Funds					
Prize and Exhibition Capital Fund	124	-	-	6	130
Lester Smith Capital Fund	108	-	-	-	108
	<u>232</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>238</u>
Restricted Funds					
Prize and Exhibition Income Fund	7	2	(4)	-	5
Donations Fund	187	262	(61)	-	388
The King's School Bursary Trust Fund	2,002	40	(65)	98	2,075
Lester Smith Income Fund	130	6	(2)	7	141
Restricted Sundry Funds	-	16	(16)	5	5
	<u>2,326</u>	<u>326</u>	<u>(148)</u>	<u>110</u>	<u>2,614</u>
Unrestricted Funds					
Undesignated	12,718	13,653	(11,982)	21	14,410
	<u>12,718</u>	<u>13,653</u>	<u>(11,982)</u>	<u>21</u>	<u>14,410</u>

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11 (b). School Funds: 31/8/20	Balance at 1 April 19	Income	Expenditure	Actuarial / Investment Gains	Balance at 31 Aug 20
	£'000	£'000	£'000	£'000	£'000
Endowment Funds					
Prize and Exhibition Capital Fund	130	-	-	-	130
Lester Smith Capital Fund	108	-	-	4	112
	<u>238</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>242</u>
Restricted Funds					
Prize and Exhibition Income Fund	5	3	(2)	-	6
Donations Fund	388	11	-	-	399
The King's School Bursary Trust Fund	2,075	515	(72)	(22)	2,496
Lester Smith Income Fund	141	8	(2)	(3)	144
Restricted Sundry Funds	6	19	(119)	4	(90)
	<u>2,615</u>	<u>556</u>	<u>(194)</u>	<u>(21)</u>	<u>2,956</u>
Unrestricted Funds					
Undesignated	14,373	18,713	(17,590)	-	15,495
	<u>14,373</u>	<u>18,713</u>	<u>(17,590)</u>	<u>-</u>	<u>15,495</u>
School Funds: 31/3/19					
	Balance at 1 April 18	Income	Expenditure	Actuarial / Investment Gains	Balance at 31 Mar 19
	£'000	£'000	£'000	£'000	£'000
Endowment Funds					
Prize and Exhibition Capital Fund	124	-	-	6	130
Lester Smith Capital Fund	108	-	-	-	108
	<u>232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238</u>
Restricted Funds					
Prize and Exhibition Income Fund	7	2	(4)	-	5
Donations Fund	187	262	(61)	-	388
The King's School Bursary Trust Fund	2,002	40	(65)	98	2,075
Lester Smith Income Fund	130	6	(2)	7	141
Restricted Sundry Funds	-	16	(16)	6	6
	<u>2,326</u>	<u>326</u>	<u>(148)</u>	<u>111</u>	<u>2,615</u>
Unrestricted Funds					
Undesignated	12,718	13,564	(11,930)	21	14,373
	<u>12,718</u>	<u>13,564</u>	<u>(11,930)</u>	<u>21</u>	<u>14,373</u>

Lester Smith Fund (linked charity)

This fund was established under the Will of an Old King's Scholar. The Governors of The School for the time being comprise the trustees. The funds are held for the benefit of pupils at The School and contributions out of income are made to support worthy pupils whose families would not otherwise be able to pay the fees.

Income consists of investment income of £8k (2019: £6k). Expenditure consists of costs on raising funds of £2k (2019: £2k) and expenditure on charitable activities of £nil (2019: £nil). The Trust also had losses (2019: gains) on investments of £3k (2019: £7k).

The King's School Bursary Trust Fund (linked charity)

This fund was established by a trust deed dated 8th May 1969. The trustees shall be not more than ten in number including the Chairman of the Governors and the Headmaster. So far as possible, there should be representation on the trustees body from the Chester Association of Old King's Scholars, The King's School Parents' Association and the Staff of The School.

The trustees hold the funds and the income therefrom essentially to make contributions towards the payment of fees of any scholar whom the trustees in their absolute discretion consider worthy of assistance. The trustees have wide powers to further the advancement of education.

Income consists of investment income of £64k (2019: £40k) and donations of £451k (2019: £206k). Expenditure consists of costs on raising funds of £16k (2019: £11k) and expenditure on charitable activities of £64k (2019: £54k). The Trust also had losses (2019: gains) on investments of £22k (2019: £98k).

Prize & Exhibition Income Fund

This fund was established to generate additional income for The School.

Donations Fund

Restricted income received from donors. Funds are restricted when they have been given or raised for a specific purpose.

Restricted Sundry Funds

Includes income received for specific activities such as Special Educational Needs (SEN), CCF training for pupils and optional language classes.

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12. Analysis of Net Assets Between Funds - Consolidated and School

12 (a). Analysis of Net Assets Between Funds: 31 August 2020 - Consolidated

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Creditors due after more than one year £'000	Total 2020 £'000
Endowment Funds	-	157	85	-	242
Restricted Funds	-	2,496	462	-	2,958
	-	2,653	547	-	3,200
Unrestricted Funds	15,812	-	978	(1,273)	15,517
	<u>15,812</u>	<u>2,653</u>	<u>1,525</u>	<u>(1,273)</u>	<u>18,717</u>

Analysis of Net Assets Between Funds: 31 March 2019 - Consolidated

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Creditors due after more than one year £'000	Total 2019 £'000
Endowment Funds	-	153	85	-	238
Restricted Funds	-	2,165	450	-	2,615
	-	2,318	535	-	2,853
Unrestricted Funds	15,450	-	1,658	(2,698)	14,410
	<u>15,450</u>	<u>2,318</u>	<u>2,193</u>	<u>(2,698)</u>	<u>17,263</u>

12 (b). Analysis of Net Assets Between Funds: 31 August 2020 - School

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Creditors due after more than one year £'000	Total 2020 £'000
Endowment Funds	-	157	85	-	242
Restricted Funds	-	2,496	462	-	2,958
	-	2,653	547	-	3,200
Unrestricted Funds	15,812	50	899	(1,273)	15,489
	<u>15,812</u>	<u>2,703</u>	<u>1,446</u>	<u>(1,273)</u>	<u>18,688</u>

Analysis of Net Assets Between Funds: 31 March 2019 - School

	Tangible fixed assets £'000	Investments £'000	Net current assets £'000	Creditors due after more than one year £'000	Total 2019 £'000
Endowment Funds	-	153	85	-	238
Restricted Funds	-	2,165	450	-	2,615
	-	2,318	535	-	2,853
Unrestricted Funds	15,450	50	1,571	(2,698)	14,373
	<u>15,450</u>	<u>2,368</u>	<u>2,106</u>	<u>(2,698)</u>	<u>17,226</u>

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13. Reconciliation of net income generated from group operations

	Total 2020 £'000	Total 2019 £'000
Net income for the year	1,454	1,960
Non-operating cash flows eliminated:		
Investment income	(109)	(76)
Gain on disposal of tangible fixed assets	(13)	(6)
Financing costs	281	146
Defined benefit pension scheme adjustment	(509)	(52)
Depreciation charges added back	1,168	742
(Gains) on investments	(48)	(107)
Movement in working capital	<u>2,224</u>	<u>2,607</u>
Increase in stock	(4)	5
Increase in debtors	(3,174)	99
Increase in creditors	4,207	151
Cash generated from operations	<u><u>3,253</u></u>	<u><u>2,862</u></u>

14. Capital Commitments

The amount authorised but not contracted for amounted to nil (2019: £365k).
The amount authorised and contracted for amounted to £73k (2019: £349k).

The School intends to fund future commitments out of cash flow.

15. Operating Lease Commitments

At 31 August 2020 The School had future minimum payment commitments under non-cancellable operating leases as follows:

	2020 £'000	2019 £'000
Other Assets		
Amounts due:		
Within one year	43	25
Within two to five years	16	58
	<u>59</u>	<u>83</u>

16. Financial Instruments

The carrying amount of the School's financial instruments at the year end were:

	2020 £'000	2019 £'000
Financial assets:		
Financial assets measured at amortised cost (a)	9,258	5,535
Financial assets measured at fair value (b)	2,653	2,318
Total	<u><u>11,911</u></u>	<u><u>7,853</u></u>
Financial liabilities:		
Financial liabilities measured at amortised cost (C)	4,099	5,212
Financial liabilities measured at fair value (d)	-	178
Total	<u><u>4,099</u></u>	<u><u>5,390</u></u>

16. Financial Instruments continued

- a) Financial assets include cash, fees and charges debtor and other debtors
- b) Financial assets held at fair value include assets held as investments
- c) Financial liabilities include bank loan, deposits, sundry creditors, accruals, other creditors and trade creditors
- d) Financial liabilities held at fair value include hedging instruments

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17. Pension Schemes

17a. The School's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching staff; the Local Government Pension Scheme (LGPS) managed by Cheshire Pension Fund for some support staff and a Group Personal Pension Scheme (GPP) managed by Scottish Widows for the remaining support staff. Both the TPS and LGPS are defined benefit schemes and the GPP is a money purchase scheme.

The TPS and LGPS pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £149k (31 March 2019: £120k) were payable to the schemes at 31st August and are included within creditors.

	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Total Pension Cost for the Period				
Local Government Pension Scheme				
Contributions paid	108		112	
Adjustment	(63)		(58)	
Net interest received	10		(2)	
Total operating charge to SOFA under staff costs	55		52	
Teachers Pension Scheme: contributions paid		1,147		733
Scottish Widows Scheme: contributions paid		126		76
Total Pension Cost for the Period		1,328		861

17b. Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the period includes contributions payable to the TPS of £1,147k (2019: £733k) and at the period-end £135k (31 March 2019 - £100k) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020. As a result of the consultation, the government announced on 4 February 2021 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 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 contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

17c. Support Staff

The School also contributes to the Cheshire Pension Fund for its support staff, which is a defined benefits scheme. The pension costs are assessed in accordance with the advice of an firm of independent qualified actuaries, Hymans Robertson using the projected unit method. A full valuation was prepared as at 31 March 2019.

The Scheme was closed to new entrants of The School on 31 March 2005.

The charge for the period, against which employer contributions paid over to the Scheme in the year amounted to £108k (31 March 2019 - £112k), together with the actuarial gains and losses on the Scheme for the year, is recognised in the Statement of Financial Activities. The agreed contribution rates going forward are 45.5%. Employees pay on a banding contribution rate between 5.5% and 12.5%.

The School operates a personal pension scheme with Scottish Widows for support staff not in the above defined benefit scheme. This is a money purchase scheme under which The School contributes a matching amount to the employee up to a maximum of 5% of pensionable salary per annum. Employer contributions totalling £126k (31 March 2019 - £76k) were paid in respect of this pension scheme for the period.

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17d. Cheshire Pension Fund		2020	2019
Principal actuarial assumptions		% p.a.	% p.a.
Inflation/ Pension Increase Rate		2.4%	2.5%
Salary Increase Rate		3.1%	2.8%
Discount Rate		1.6%	2.4%
The current mortality assumptions include sufficient allowance for future improvements in mortality rates. Based on these assumptions, the average future life expectancies at 65 are summarised below:			
		Males	Females
Current Pensioners		21.2 years	23.6 year
Future Pensioners		21.9 years	25.0 year
The school's share of the assets in the scheme were:			
	2020	2020	2019
	£'000	%	£'000
			%
Fair Value of Employer Assets			
Equities	1,451	39.0%	1,799
Bonds	1,674	45.0%	1,589
Property	409	11.0%	306
Cash	186	5.0%	153
Total Assets	3,720		3,827
The actual return on scheme assets was £108k.			
Amounts recognised in the statement of financial activities			
	2020		2019
	£'000		£'000
Current Service Cost	45		54
Net interest costs	10		(2)
Total operating charge	<u>55</u>		<u>52</u>
Analysis of pension finance income/ (costs)			
Expected return on pension scheme assets	319		92
Interest on pension liabilities	(107)		(90)
Pension finance income/ (costs)	<u>212</u>		<u>2</u>
Changes in the present value of defined benefit obligations were as follows:			
		2020	2019
		£'000	£'000
Opening Defined Benefit Obligation		3,679	3,497
Current Service cost		45	54
Interest Cost		107	90
Past service Cost		13	-
Contributions by Members		10	11
Actuarial Losses/ (Gains)		(594)	161
Estimated Benefits Paid		(197)	(134)
Closing Defined Benefit Obligation		3,063	3,679
Changes in the fair value share of scheme assets:			
		2020	2019
		£'000	£'000
Opening Fair Value of Employer Assets		3,827	3,564
Expected Return on Assets		319	92
Contributions by Members		10	11
Contributions by the Employer		108	112
Interest cost		38	-
Actuarial Gains/ (Losses)		(385)	182
Benefits Paid		(197)	(134)
Closing Fair Value of Employer Assets		3,720	3,827
18. Related Parties			
Three (31 March 2019: 5) Governors with sons and daughters at The School pay full fees.			
The school owns all of the issued share capital of King's Space Limited. Its results are shown in note 3.			
One of the governors is the Dean at Chester Cathedral. The school made payments to Chester Cathedral of £7k (31 March 2019: £nil) during the period. All of this had been paid to the Cathedral at the year end.			