

Charity Registration No. 1103346

Company Registration No. 05084301 (England and Wales)

KING'S SCHOOLS TAUNTON LIMITED
DIRECTORS' REPORT
and
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

KING'S SCHOOLS TAUNTON LIMITED

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KING'S SCHOOLS TAUNTON LIMITED

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2020

Directors	Mrs L M Nash BEd FIOD ISM (Chairman and Custos) Dr R A K Mott BA PhD (Vice-Custos) S J Carder MA MBA Mrs C A Cavaghan-Pack BEd JP Mrs C A Cooper G P Davis FCA M D Featherstone MA PGCE C H Hirst MA J E R Houghton MA R M U Lambert W J Morrison BSc MRICS Mrs L C Scott BA PGCE Bishop W N Stock BA, Dip Theol. M F Trimble BSc ACA FCSI Captain J R A Woodard
Secretary	S C Worthy BA MBA
Charity Number	1103346
Company Number	05084301
Registered Office	20 Holway Avenue Taunton TA1 3AR
Principal Addresses	King's College Taunton South Road Taunton Somerset TA1 3LA King's Hall School Kingston Road Taunton Somerset TA2 8AA
Key Management Personnel	
Heads	R Biggs, MA BSc (King's College Taunton) J T S Chippendale, BSc (King's Hall School)
Director of Finance and Operations	S C Worthy BA MBA

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COMPANY INFORMATION YEAR ENDED 31 AUGUST 2020

Auditors	RSM UK Audit LLP Hartwell House 55-61 Victoria Street Bristol BS1 6AD
Tax advisers	RSM UK Tax and Accounting Limited St Philips Point Temple Row Birmingham West Midlands B2 5AF
Bankers	National Westminster Bank plc 49 North Street Taunton TA1 1NB
Solicitors	DAS Law Limited North Quay Temple Back Bristol BS1 6FL Porter Dodson The Quad Blackbrook Park Avenue Taunton TA1 2PX Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
Insurance Brokers	Marsh Insurance Brokers Limited Capital House 1-5 Perrymount Road Haywards Heath RH16 3DU

KING'S SCHOOLS TAUNTON LIMITED

DIRECTORS' REPORT (incorporating the STRATEGIC REPORT) YEAR ENDED 31 AUGUST 2020

The Directors present their report and financial statements for the year ended 31 August 2020 and confirm they comply with the requirements of the Charities Act 2011, the Charities SORP 2015 and the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

School Council (Governing Body)

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

Recruitment and Training of Council Members

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

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

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

Organisational Management

The Schools are governed by the Council which delegates work to a number of committees. Membership of each committee is outlined on page 19. The Directors determine the general policy of the Company. The day-to-day management of the Company is delegated to the Headmasters and the Director of Finance and Operations, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day-to-day administration is undertaken within the policies and procedures approved by Council which provide for only significant expenditure decisions and major capital projects to be referred to Council for prior approval.

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

The full Council met for a full meeting twice during the year, but due to the Covid-19 pandemic also met virtually a further four times for extraordinary meetings. They attended two Education Days, one at each School.

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

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

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

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

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

Group Structure and Relationships

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

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

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

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

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

How the Board Complies with its Section 172 Duty

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

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

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

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

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

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

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The Trustees are responsible for strategic planning and policymaking for the Schools and, accordingly, all key decisions, the current performance and future longer-term plans of the charity and stakeholders are referred to and taken by the Board. The Schools are governed by the governing body (Council) which delegates work to a number of committees. Membership of each committee is outlined on page 19. The Governors, who are also the directors, determine the general policy of the company.

As set out in the Strategic report, our culture, staff, volunteer and pupil welfare and wellbeing, throughout the COVID-19 period has been fundamental to continued success. Further information can be found in our Strategic Report and the detailed review of achievements and performance for the year.

Energy and Carbon Reporting

The company has taken advantage of the exemption to comply with the Energy and Carbon Report Regulations 2018 as a subsidiary of the Woodard Corporation Limited.

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Company's objects, as set out in the Articles of Association, are to promote and extend education in accordance with the doctrines and principles of the Church of England, through its two schools, King's Hall School and King's College Taunton. The Council has a written statement of its own Aims and Objectives, most recently fully updated in October 2013, which enshrines the Company's objectives in its own context. From this document flows the Company's strategic plan against which the principal activities are monitored regularly.

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

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

Intended impact

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

Objectives of and Principal Activities for the Year

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

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Public Benefit

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

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

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

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

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

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

ACCESS POLICY

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

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

Bursary Policy

The Schools Council views bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education offered by the Schools. All who meet the Schools general entry requirements are eligible for bursary awards which are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means the methodology promulgated by the Independent Schools' Bursars Association is used, which takes a number of factors into consideration including family income, investments and savings and family circumstances for

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example dependant relatives and the number of siblings. The funds available for bursaries are limited. When considering awards, the Schools have to be mindful that they must ensure a balance between those parents paying full fees, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

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

The Schools gave significant bursary support to those financially impacted by the Covid-19 pandemic.

The bursary awards range up to 85% remission of fees. Information about fee assistance through bursaries is provided to all applying to the schools. Further details of the bursary policy and how to apply are available on the Schools' websites.

Other Policies on Assistance:

Family discounts policy

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

Promoting high academic standards - scholarship policy

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

Assistance for teaching staff

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

Further assistance

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

Grant Making Policy

The Schools provided scholarships, grants, prizes and other awards totalling £599,165 from unrestricted funds. In common with other independent schools, King's College Taunton and King's Hall School make these awards based on the educational potential of the pupil (subject to the particular conditions imposed by the original donor where the award is out of restricted funds). The Schools also provided means tested bursaries totalling £1,227,760 (7.2% of gross fees) to families who would not otherwise be able to afford the fees or where the pupil's education and future prospects would otherwise be at risk. This included short and longer-term support to those affected by the impact from the Covid-19 pandemic. They provided assistance to 113 pupils of which 5 pupils benefited from a remission of fees of 80% support or more. The availability of all such awards for fee-assistance, together with the terms and conditions for each kind of award, is advertised on the Schools' websites.

Employment Policy

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

Employee Involvement

The Schools encourage the involvement of its employees in its management through regular meetings

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

Disabled Persons

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

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

Volunteers

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

Investment Policy and Objectives

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

STRATEGIC REPORT

Impact of Coronavirus Pandemic

Schools were ordered to close to all except the children of 'Key Workers' in March 2020 and much of the education was moved online. In brief, the impact has been to raise the level of uncertainty and risk for the whole education sector. King's Schools Taunton adapted well to the new situation providing an online educational and support provision that has been widely appreciated by pupils and parents. In addition, the Finance Office worked closely with parents regarding charges and supporting those in significant need as a result of the pandemic. The impact on the income for the year to 31st August 2020 has been significant; but this has been mitigated as much as possible including through use of the furlough scheme.

All of our pupils returned in September 2020, including boarding and international pupils, and numbers look very promising for the year. The schools have made a number of adaptations to make social distancing possible including purchasing hundreds of single desks and spacing them apart in classrooms, one way systems where appropriate, staggered meal times, separated assemblies and chapel services, separated day and boarding bubbles, a massively enhanced cleaning regime, hand washing and sanitising stations all around the school, allocated areas in classrooms, screens where appropriate, and a protocol of cleaning desks after each lesson. King's also has strict isolation protocols in case of suspected infections, including isolation rooms in the health centre and also in the boarding houses. It remains to be seen how much this will impact financial results for forthcoming years.

King's College

The school was closed to pupils on site due to the Covid-19 pandemic from the final week of the Lent Term and all through the Summer Term. Provision was made to host the children of key workers, and a small number of families made use of this facility during the lockdown period.

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For the purposes of remote teaching, the timetable was pared down to a small number of one-hour lessons each day, with 15 minute breaks between them. Saturday morning school was put on hold. Teaching was typically live and via MS Teams. Homework was set, submitted and returned via MS Teams. Live lessons were recorded for the benefit of pupils who lived in different time zones where they were unable to partake in the live lesson. A weekly "snapshot" report was sent to parents, indicating whether or not their child was engaging actively with the remote learning.

Headmaster's Assemblies were held every week, broadcast live to pupils and parents. Chapel services were recorded and broadcast by the Chaplain each week. Houseparents met with their houses online at least every week. Tutors met tutees at least once a week.

Many co-curricular activities were sustained online. A weekly sports challenge was set, fitness and yoga classes were provided and Strava-based competitions set up between various groups. Several clubs and societies met. Senior and junior inter-house "Masterchef" competitions were held, as were Scholars' debates and quizzes. The geography department conducted a virtual field trip to Cornwall, making good use of Google Earth. Concerts were recorded and broadcast.

The Fifth Form continued to study GCSE work until half term, after which they took part in "introduction to Sixth Form work" classes, joined by most of those new pupils due to join the Sixth Form in September. The Upper Sixth also continued with A level work until half term. After that they took part in university-style mini-courses for two weeks, delivered by alumni currently at university, and then enjoyed a two-week lecture and seminar series focussing on careers and personal development.

The process of generating Centre-Assessed-Grades (CAGs) was a careful, measured, fair and thorough one, with several checks and balances introduced at different stages. The overall distribution of grades was not out of line with previous years, and in fact at A level was slightly down on the results of 2019. The school was confident that the grades submitted were an honest and fair reflection of the work and abilities of the candidates.

King's Hall School

In response to the closure of schools we moved to provide an online remote learning programme to all pupils through three main platforms. In the Early Years Foundation Stage this was Tapestry, in Years 1 and 2 it was See-Saw and from Years 3 to 8 it was MS Teams.

We provided on site care for Key Worker children throughout the school holidays as well as term time closures. From 1 June, in line with DfE wishes, we welcomed back children in Years 6, 1, Reception and Nursery under Covid-secure guidelines. Towards the end of term, we managed to have all other children in the school back for at least half a day.

The core remote learning provision had most academic lessons delivered as live with creative and sporting opportunities aplenty being offered, encouraged and reviewed. Musical ensembles and choirs combined digitally, Strava clubs were formed and dramatic, artistic and DT construction challenges set. There was a strong mix of other opportunities ranging from the likes of Year 8 generating a Virtual Fundraising Fair to great effect, inspirational and informative speakers connecting with the children online and Year 4 creating a drama production through collective remote performances. These only give a flavour of the wide and varied experiences generated.

The overall provision was excellent and very broad across both schools, and very widely regarded by parents as exceeding their hopes and expectations.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

King's College

The School's high educational standards are validated through strong public examination results, our measure of value added and through external inspection. The School offers a broad range of subjects, though the emphasis is on traditional, academically rigorous disciplines. We have particular strength in history, mathematics, the sciences, languages and design technology.

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Academic Results

At both GCSE and A level, the academic results for the school were strong this year. Grades were generated by the school following a rigorous process and careful internal moderation, and we believe they were a fair reflection of the ability and hard work of the two cohorts.

At A level, the overall A* to B rate was 71.4%, with a 100% pass rate. In all, 19 students gained three or more A or A*s. The great majority of students who had offers from universities have been accepted onto their first or second choice courses; along with students across the country, we are grateful to universities for showing understanding and flexibility in these difficult and confusing times. Subjects which performed particularly well this year, on the measure of the percentage of grades A* to B, include French, Further Mathematics, Latin, Music, Music Technology, Photography and Spanish (all 100%), along with Drama (88%), Art (86%), PE (85%), Philosophy (80%), Geography (77%), Physics (77%), Business Studies (74%), Economics (73%) and English (72%).

King's students have gained places at some of the country's leading universities this year, including Oxford, Imperial, UCL, KCL, Durham, Nottingham, Manchester and Exeter.

The six BTEC Sport candidates performed well, with three of them gaining three Distinctions or better.

At GCSE, the school's overall percentage of grades A*, A, 9, 8 and 7 (equivalent to the old A*s and As) was 59%, with a pass rate of 99.6%. Eight pupils achieved ten grades at A*, 9 or 8.

Individual departments which did particularly well this year, measured by the percentage of grades A*, A, 9, 8, and 7, included Chemistry (67%), Drama (76%), Design Technology (63%), French (71%), German (85%), History (63%), Latin (88%), Mathematics (71%), Physics (72%), Philosophy (64%), Spanish (70%) and Textiles (75%).

King's College pupils performed well in national academic and essay competitions. A Lower Sixth boy won a Highly Commended certificate for an essay submitted for the Unofficial Guide to Medicine Competition. His essay was titled 'How can the current problems in healthcare be minimised using AI and technology?' In the UK Senior Maths Challenge, King's pupils won four gold certificates, 19 silver, and 31 bronze. A Lower Sixth former was awarded a distinction in the National Olympiad for Girls.

It was our most successful year of inter-school debating for some time. A team of two senior pupils qualified for the Oxford Union Finals Day (among the best five in the South West); and another team of three won the South West final of the ESU Mace competition, which earned them a place in the last 12 nationally at the National Finals' Day in London. Sadly, both debating finals were then cancelled.

The school held its first Spanish exchange for some time. This will become an annual event.

Improving Facilities

Continued significant progress was made in the refurbishment of educational and pastoral facilities, including the creation of further study spaces within boarding houses.

Equestrian

The equestrian programme was shut down during the summer due to Covid-19, and has subsequently moved to larger stables nearer to the school. A new arena is being built and is due for completion Winter 2020/21.

Arts, Music and Drama

The drama highlight of the year was the production of A Christmas Carol at the end of the Michaelmas Term.

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We had the usual regular and very varied programme of music performances through the year. The inter-house music competition was fiercely contested, this year involving the top musicians from our prep school, King's Hall School, as well. The extensive programme of concerts included the regular Friday Live lunchtime series, broadcast across the whole world from the school reception area.

Twenty-two of our artists put on an exhibition in a commercial art gallery, the Old Brick Workshop in Wellington.

Sport and Outdoor Pursuits

In terms of national competitions this was one of the most successful years on record. Several of our teams reached the final stages, but sadly none of the competitions could be concluded, due to Covid-19.

The U14 netball team qualified for the regional finals. Both the U16 and 1st team boys' hockey sides reached the last stages of their respective national knockout competitions.

Both junior and senior squash teams qualified for the latter stages of national cups. Our junior boys' cross-country team won through to a place in the national finals. The basketball team made it to the regional finals.

In swimming, our boys' medley relay team made it to the final of the prestigious national Bath and Otter relay competition in London.

The golf team qualified for the ISGA regional finals, and also for the HMC foursome's regional final.

Our U15 girls' football team were through to the national schools' semi-final and our U18 girls had again qualified for the national ISFA semi-final.

The School continues to see a large number of candidates completing their Duke of Edinburgh Gold awards while still at the school.

CCF

A team of Royal Marines CCF cadets won the annual Sir Steuart Pringle Trophy.

Remote Teaching

The school continued to provide an outstanding programme of remote learning from the final week of the Lent Term to the final week of the Summer Term. In addition, a rich and varied programme of co-curricular activities was sustained throughout the lockdown period, including meetings of clubs and societies, inter-house competitions (including senior and junior cookery competitions), quizzes, virtual field expeditions, sports challenges and music concerts.

Community

A large number of our pupils were involved in outreach programmes, which included coaching athletics and football at local primary schools.

The School remains involved in the MCC Hub scheme for cricket, which links local cricket clubs, talented players from state schools and high-level coaches, using the School's indoor cricketing facilities.

The school remains an active member of the local Citizens UK branch.

We run an annual "Philosothon" at the school which is attended by independent and state school pupils.

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Facilities made open to the public include:

The School swimming pool, which is made available to local swimming clubs and other bodies.

Our Chapel and Theatre, which are made available to local music and theatre groups, for example the Amici Choir, Orchestra South West and the Somerset Opera Company. All performances were open to the public.

Other sports facilities, in particular our astro-turf hockey pitches, covered netball court, and indoor cricket school, were extensively used by local clubs and by county organisations.

King's Hall School

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

The School aims to support children in reaching their potential in all areas of their activity at the School. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or design technology: Year 8 leavers secured 40 scholarships this year and around 200 awards to senior schools have been gained in these six disciplines over the last six years. The School produces well-rounded individuals who are able to make a positive contribution to society. An effective democratically elected Pupil Council operates successfully from Year 3 upwards with 'Pupil Voice' existing in Pre-Prep. There are constant charitable events taking place, with a significant focus this year being towards funds for the Brainwave Charity, support for Parkinson's UK and Hospice South West.

Academic Performance

Year 8 leavers gained eleven academic scholarships to senior schools. There was a 100% pass rate for all pupils who sat the Common Entrance examinations: all bar one subject achieved over 90% A* to C grades of which five had 100% A* to C grades. Year 6 children gained nine academic scholarships to continue to King's College after Year 8.

Sport

King's Hall School continues to compete at a very high level, especially in rugby, hockey, cricket, athletics, tennis, football and netball. The 1st XV and the Colts rugby teams had very successful seasons and competed regionally as well as at the Rosslyn Park National Sevens. The boys' and girls' hockey teams won the vast majority of their matches with the U13, U12 and U11 girls Hockey teams all qualifying to take part in the finals of the IAPS National Hockey Tournament. The girls 1st XI cricket team were undefeated and the boys 1st XI cricket team had a highly successful season. Ten boys and three girls in the school were selected to play for Somerset at their age group. The boys were either County champions or runners up at U13, U12 and U11 levels.

The tennis teams performed strongly in the AEGON league with both boys and girls playing for their County, one boy is the County Tennis Champion for his age group. Our girls and boys compete in the County Cross Country championships with several children representing the South West. Children again competed at the South West Regional Athletics Championships from which four qualified for the National Athletics Finals. A large number of children competed in the Exmoor Challenge whilst our riding team won several Show Jumping Classes during the year. One boy became U13 National squash champion and another boy is the County U12 Squash champion. One boy is National Biathlon Champion and

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represented GB in the European Championships and at the World Championships.

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

Art, DT, Music and Drama

An impressive and diverse Art and DT exhibition at the end of the year displayed the various creative talents in the School. We had many children benefit from the visits of established artists to the School whilst the Specialist Art group visited sculpture gardens, galleries and museums to extend their knowledge and understanding. The music department put on extremely high quality concerts each term enjoying the talents of some exceptional performers. Frequent informal concerts allow budding talent to develop their performance skills in an unthreatening arena. Performance at competitions goes from strength to strength with unprecedented success in the Taunton Music Festival with a record number of first places.

Drama productions were plentiful with the Michaelmas Term seeing Year 8 give an assured performance of 'The Wiz' with extremely high quality performances, sound including radio microphones, lighting, set, make-up and costumes. December saw two excellent nativity productions from Pre-Prep. In March Year 6 produced a visually impressive version of 'Ghosthunters' with six children sharing the title role. Years 3 and 4 each performed smaller scale plays during the year. The Speech and Drama activity continues to thrive with many children taking part in the Taunton Drama Festival and here, like the musicians, it was a year to surpass last year's success with a record proportion receiving distinctions and winning their class.

The King's Hall Arts Week welcomes an enormous range of visitors across the curriculum enriching the experience for the children as well as numerous trips and productions taking place. Workshops, trips, visiting artists, authors, storytellers, a trip to the ballet and our own Fête de la Musique event all celebrate the Arts.

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

Significant projects

The major focus has been on a full refurbishment of the Swimming Pool Plant and Plant Room which has further improved the provision for swimming at the school.

International Schools

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

India

In October 2019 a full inspection of King's College India was conducted by the Chairman of Governors of King's Schools Taunton and the Headmasters of King's College and King's Hall. A detailed report was drawn up which highlighted several areas in need of improvement, not least in governance, management and child welfare and protection. The school has since drawn up an action plan to address the issues, against which good progress has been made. During lockdown, King's College India continued to provide an online remote learning programme.

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Qatar

King's College Doha opened to 183 pupils on 18 September 2016. It had a very successful first year with numbers growing in year to circa 230 up to Year 4 and it now has 590 children up to Year 8. There continues to be close dialogue and support for the school including the monitoring responsibilities conducted through both a formal inspection as well as regular reports. We are engaged in plans for further developments in Doha.

We continue to evaluate possible further opportunities for International development.

Key Performance Indicators

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

Statement on Brexit

Following the outcome of the UK referendum on European Union membership, the UK left the European Union on 31st January 2020. In preparation for this date, and in anticipation of the transition period, the school reviewed operations to understand and plan for the initial impact from Brexit. Guidance was also available from a number of sources including the Independent Schools Bursars Association. At this stage it is not possible to implement comprehensive policies for all possible changes as the future trade, visa and travel agreements are not all yet in place. The school will continue to work with relevant authorities, staff, parents and suppliers to fully understand the impact in all areas including particularly visa requirements, the supply chain and data handling and protection, in order to minimise risk and potential disruption.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The net income for the year amounted to a deficit of £50,332. This is in line with expectations in response to the impact from Covid-19. Despite activities being significantly reduced this year due to the impact from Covid-19, WST Enterprises Limited continues to hire out the Schools' facilities during holidays and school hours where it can, as well as undertaking commercial activity on behalf of the Schools and externally. The very successful national and international cricket festival will return stronger in the summer 2021. WST Enterprises Limited contributed £50,242 to the Schools' operating results. King's College Schools International Limited contributed £143,177 to the Schools' operating results with turnover of £159,131 contributing to the Group results. Due to the impact from Covid-19, the Equity Shareholders' Funds decreased by £50,332.

The parents of pupils often make significant sacrifices to pay the fees. In doing so they help to relieve UK taxpayers of the financial burden of educating a significant number of UK based children. The saving made by the Schools is estimated to have a value in the last year of £4.4 million.

The Company is unable to recover the VAT on purchases it makes. During the past year, King's Schools Taunton Limited has paid an estimated £498,359 in VAT on goods and services.

RESERVES POLICY

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

KST currently has a small level of free reserves (£146,701) and, although there is not a specific target, intends to build them up over time. At the present stage in the development cycle the free reserves are being utilised in order to finance on-going improvements and the provision of additional facilities in

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accordance with the Schools' strategic plan. The Schools continue to invest in their infrastructure, both with new capital projects and to deliver significant repairs and improvements to existing facilities.

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

Bursary fund. The Council recognises the long term need to support families who could otherwise not afford the full school fees. In 2015 the Council allocated £1m to a Bursary fund, the income from which will go to support the Council's extensive bursary programme. It is the intention to grow this fund in the long term. At 31 August 2020 the investments within this Fund were valued at £1,337,700.

Pension Deficit fund. The Company has a contingent liability of some £495,630 in relation to a deficit on its Pension Trust Growth Plan scheme (see also note 20). In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund is now larger than the deficit. At 31 August 2020 the investments within this Fund were valued at £1,158,954.

Investment Performance against Objectives

Bursary Fund

The portfolio, managed by Cazenove Capital, was valued at £1,337,700 on 31 August 2020 (31 August 2019: £1,297,692).

Over the period the portfolio return was 3.28%, adjusted for additions and withdrawals. The trustees have adopted a total return approach, and the withdrawals are met from a combination of income and capital as appropriate. The portfolio is invested in accordance with the agreed investment strategy.

Pension Deficit Fund

The portfolio, managed by Cazenove Capital, was valued at £1,158,954 on 31 August 2020 (31 August 2019: £1,159,489).

Over the period the portfolio return was -0.01%. There is currently no income drawn from the portfolio; income is re-invested.

PRINCIPAL RISKS AND UNCERTAINTIES

Coronavirus Pandemic

It should be noted that these financial statements were compiled during the Covid-19 global pandemic and before a vaccine was identified. Like most trustees, the governors keep under consideration the impact of a serious critical incident/event on the school's ability to continue, but that event may come about from many causes and being specific about the source is not possible. The consideration of risks in the paragraphs below is therefore reflective of a more stable environment and does not specifically look at the pandemic, or other similar events, but offers a wider view of common events plus a specific risk looking at those events that could impact the continuity of education. However, the threat of a global pandemic or serious illness/disease is considered as part of the Governors' Risk Register.

Risk Management

The Council considers the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. Both schools' pupil numbers are strong; but, there is no room for complacency. The governing body, therefore, decided last year to increase fees in September 2019 by only 3%. For September 2020, despite a number of increased costs, the governing body froze all fees at the 2019 level. This was due to the considerable uncertainty facing our parents at this extremely difficult time.

Health and Safety is always a significant area for risk management. The risks range from fire and

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

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

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

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

The key controls used by the Schools include:

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

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

The Schools' strategic plans are discussed between the School Council and the Woodard Board and protocols have been developed and agreed which outline the relationship between the two bodies. The key risk to the Schools continues to be the overall economic climate leading to parents wondering whether they can afford independent education. This is being managed by thorough, regular reviews of marketing activities and development of new markets.

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Financial Risk Management Objectives and Policies

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

GOING CONCERN

The governing body has reviewed the impact of the global pandemic on school operations and finances. In summer term of 2019-20 the financial impact was mitigated through the use of the support provided by the Government through the furlough scheme and by some reduced variable costs. The governing body recognise that the financial implications in 2019-20 brought about as a result of the pandemic will continue into 2020-21, and possibly beyond, and continues to rework plans for 2020/21 and 2021/22 to ensure the financial impact on the school continues to be mitigated in the most appropriate way.

After review of evidence including the cash-flow forecast and profit and loss budgets, with sensitivity analysis for further impacts from Covid-19, the King's Schools Taunton Board has a reasonable expectation that the group will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Details related to the adoption of the going concern basis can also be found in the accounting policies on page 28.

FUTURE PLANS

King's Schools

The objectives set for the year were largely achieved despite the extraordinary circumstances of the COVID-19 Pandemic.

Within the constraints of the impact from the COVID-19 Pandemic, the key aims for 2020-21 are:

1. To continue to develop a culture of excellence with a relentless focus on improvement in a nurturing and creative environment
2. To achieve a minimum break-even operating position and work towards 5% year on year to support the long-term sustainability of King's College and King's Hall
3. To continue to support expansion in the number of international schools with our partners EduReach, enabling significant additional income and enriching activities for King's Hall and King's College
4. To continue focus on raising admissions for both schools until full capacity reached
5. To further raise the profile of King's College and King's Hall in the local community including recording works in the Schools Together website
6. Development of 5-10 strategy that reflects the changing external environment
7. As part of overarching strategy to complete estates plan.

King's College

The objectives set for the year were achieved.

Within the constraints of the impact from the COVID-19 Pandemic, the key aims for 2020-21 are:

1. To further develop plans for Sixth Form Centre and commence build in 2021
2. To build on last year's academic success and to maintain positive value-added results in all departments
3. To continue to develop virtual learning platforms into routine use
4. To raise total numbers towards 470 and beyond in the College.

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King's Hall

The objectives set for the year were achieved.

Within the constraints of the impact from the COVID-19 Pandemic, the key aims for 2020-21 are:

1. To sustain the high level of Scholarship and 13+ successes
2. To continue to develop virtual learning platforms into routine use
3. To further extend links with Nurseries and Primary schools in the area
4. To raise total numbers towards 320 in the school.

DIRECTORS

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

Mrs L M Nash (Custos)		All committees
Dr R A K Mott (Vice-Custos)		All committees
S J Carder		Education and Pastoral
Mrs C A Cavaghan-Pack		Education and Pastoral
Mrs C A Cooper		Finance and Estates
G P Davis		Finance and Estates, Remuneration
M D Featherstone		Education and Pastoral
C H Hirst		Education and Pastoral,
J E R Houghton		Finance and Estates
R M U Lambert	(appointed 24 June 2020)	Finance and Estates
W J Morrison	(appointed 24 June 2020)	Finance and Estates
Mrs L C Scott		Education and Pastoral
Bishop Nigel Stock		Education and Pastoral
M F Trimble		Finance and Estates, Remuneration, Appointments
Capt J R A Woodard RN	(appointed 27 November 2019)	Education and Pastoral

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

AUDITORS

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

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DIRECTORS' REPORT (incorporating the STRATEGIC REPORT) YEAR ENDED 31 AUGUST 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

The Directors confirm that:

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

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

This Directors' Report (including the Strategic Report) was approved by the board of directors of King's Schools Taunton Limited on 10 December 2020 and signed on their behalf:



L M Nash
Chair

KING'S SCHOOLS TAUNTON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of King's Schools Taunton Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S SCHOOLS TAUNTON LIMITED YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Directors' responsibilities set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

KING'S SCHOOLS TAUNTON LIMITED

DIRECTORS' REPORT (incorporating the STRATEGIC REPORT) YEAR ENDED 31 AUGUST 2020

Use of our report

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

RSM UK Audit LLP

Kevin Barwick (Senior Statutory Auditor)
For and on behalf of
RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
55-61 Victoria Street
Bristol
BS1 6AD

18 December 2020

KING'S SCHOOLS TAUNTON LIMITED

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

YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
INCOME FROM:					
Charitable Activities					
School fees receivable		12,407,317	-	12,407,317	13,664,824
Ancillary trading income	2	624,185	-	624,185	760,620
Other trading activities					
Non-ancillary trading income	3	228,266	-	228,266	431,215
Other activities	3	9,872	-	9,872	10,447
Investments					
Investment Income	4	36,165	-	36,165	43,119
Bank and other interest	5	12,411	-	12,411	11,450
Voluntary sources					
Appeal income and donations	6	756,814	29,853	786,667	205,867
TOTAL INCOME		14,075,030	29,853	14,104,883	15,127,542
EXPENDITURE ON:					
Raising funds					
Non-ancillary trading	7	30,047	-	30,047	172,931
Financing costs	7	(78,837)	-	(78,837)	21,155
Investment management	7	20,497	-	20,497	19,731
		(28,293)	-	(28,293)	213,817
Charitable Activities					
Education and grant making	7	14,202,333	6,520	14,208,853	14,014,214
TOTAL EXPENDITURE		14,174,040	6,520	14,180,560	14,228,031
Net income and expenditure before transfers		(99,010)	23,333	(75,677)	899,511
Realised gains/(losses) on investment assets	13	(28,468)	-	(28,468)	(13,776)
Unrealised gains on investment assets	13	53,813	-	53,813	51,806
Net income		(73,665)	23,333	(50,332)	937,541
Transfers between funds	21	875	(875)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		(72,790)	22,458	(50,332)	937,541
Fund balances at 1 September 2019		18,252,945	190,857	18,443,802	17,506,261
FUND BALANCES at 31 August 2020		18,180,155	213,315	18,393,470	18,443,802

In the prior year, all income and expenditure related to unrestricted funds, with the exception of £116,520 of voluntary income and £14,018 of grant making expenditure which related to restricted funds.

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the statement of financial activities.

The notes on pages 28 to 48 form part of these financial statements.

KING'S SCHOOLS TAUNTON LIMITED

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

YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds	Restricted Funds	2020	2019
		£	£	£	£
INCOME FROM:					
Charitable Activities					
School fees receivable		12,407,317	-	12,407,317	13,664,824
Ancillary trading income	2	624,185	-	624,185	760,620
Other trading activities					
Non-ancillary trading income	3	198,219	-	198,219	348,564
Other activities	3	9,872	-	9,872	10,447
Investments					
Investment Income	4	36,165	-	36,165	43,119
Bank and other interest	5	12,411	-	12,411	11,450
Voluntary sources					
Appeal income and donations	6	756,814	29,853	786,667	205,867
TOTAL INCOME		14,044,983	29,853	14,074,836	15,044,891
EXPENDITURE ON:					
Raising funds					
Financing costs	7	(78,837)	-	(78,837)	21,155
Investment management	7	20,497	-	20,497	19,731
		(58,340)	-	(58,340)	40,886
Charitable Activities					
Education and grant making	7	14,202,333	6,520	14,208,853	14,014,214
TOTAL EXPENDITURE		14,143,993	6,520	14,150,513	14,055,100
Net income and expenditure before transfers		(99,010)	23,333	(75,677)	989,791
Realised gains/(losses) on investment assets	13	(28,468)	-	(28,468)	(13,776)
Unrealised gains on investment assets	13	53,813	-	53,813	51,806
Net income		(73,665)	23,333	(50,332)	1,027,821
Transfers between funds	21	875	(875)	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		(72,790)	22,458	(50,332)	1,027,821
Fund balances at 1 September 2019		18,252,945	190,857	18,443,802	17,415,981
FUND BALANCES at 31 August 2020		18,180,155	213,315	18,393,470	18,443,802

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the statement of financial activities.

The notes on pages 28 to 48 form part of these financial statements.

KING'S SCHOOLS TAUNTON LIMITED

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 AUGUST 2020

	Notes	GROUP		CHARITY	
		2020 £	2019 £	2020 £	2019 £
FIXED ASSETS					
Tangible assets	12	15,506,882	15,893,236	15,506,882	15,893,236
Investments	13	2,249,599	2,293,902	2,249,599	2,293,902
Investments in subsidiaries	13	-	-	101	101
		17,756,481	18,187,138	17,756,582	18,187,239
CURRENT ASSETS					
Stocks		22,782	21,468	22,782	21,468
Debtors	14	678,743	594,662	1,285,986	1,275,469
Cash		5,911,109	5,900,389	5,280,509	5,161,435
		6,612,634	6,516,519	6,589,277	6,458,372
CREDITORS: due within one year	15	(4,392,603)	(5,041,701)	(4,369,347)	(4,983,655)
NET CURRENT ASSETS		2,220,031	1,474,818	2,219,930	1,474,717
TOTAL ASSETS LESS CURRENT LIABILITIES		19,976,512	19,661,956	19,976,512	19,661,956
CREDITORS: due after more than one year	16	(1,582,942)	(1,218,054)	(1,582,942)	(1,218,054)
TOTAL NET ASSETS		18,393,570	18,443,902	18,393,570	18,443,902
CAPITAL AND RESERVES					
Called up share capital	18	100	100	100	100
FUNDS					
Restricted funds	21	213,315	190,857	213,315	190,857
Unrestricted funds					
General	21	15,653,483	15,758,580	15,653,483	15,758,580
Designated	21	2,526,672	2,494,365	2,526,672	2,494,365
		18,180,155	18,252,945	18,180,155	18,252,945
EQUITY SHAREHOLDERS' FUNDS		18,393,570	18,443,902	18,393,570	18,443,902

The notes on pages 28 to 48 form part of these financial statements. The financial statements were approved and authorised for issue by the Board on 10 December 2020 and signed on its behalf by



L M Nash
Director

Company registration number 05084301

KING'S SCHOOLS TAUNTON LIMITED

CONSOLIDATED CASH FLOW STATEMENT AS AT 31 AUGUST 2020

	2020	2019.
Net income for the year	(50,332)	937,541
Depreciation of tangible fixed assets	507,740	519,222
Investment interest received	(36,165)	(43,119)
Bank interest received	(12,411)	(11,450)
Interest payable	9,943	10,306
Gains on investments	(4,848)	(18,299)
(Increase)/decrease in debtors	(84,081)	100,205
(Decrease)/Increase in creditors	(649,098)	235,755
Increase/(decrease) in creditors due after more than one year	364,888	(382,685)
(Increase)/decrease in stocks	(1,314)	(7,324)
Net cash inflow from operating activities	44,322	1,340,152
Cash flows from investing activities		
Investment interest received	36,165	43,119
Bank interest received	12,411	11,450
New money invested	(93,102)	(88,259)
Increase in investment uninvested cash	83,777	59,416
Investment amounts extracted	58,476	54,860
Purchase of tangible fixed assets	(121,386)	(235,920)
	(23,659)	(155,334)
Cash inflow before financing	20,663	1,184,818
Financing		
Interest Paid	(9,943)	(10,306)
Cash outflow from financing	(9,943)	(10,306)
Increase in cash in the year	10,720	1,174,512
Cash balances at the start of the year	5,900,389	4,725,876
Cash balances at the end of the year	5,911,109	5,900,389

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES

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

a) **Basis of accounting**

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

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

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

b) **Going Concern**

The accounts have been prepared on a going concern basis. The Board of King's Schools Taunton Limited have reviewed the financial information for the Company and the Group and considered whether the Group and Company are a going concern for a period of at least 12 months from the date of approval of the accounts. After review of evidence including the cash-flow forecast and profit and loss budgets, with sensitivity analysis for further impacts from Covid-19, the King's Schools Taunton Board has a reasonable expectation that the group will be able to continue operating for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

c) **Group accounts**

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

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

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

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

e) Ancillary and non-ancillary trading income

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

f) Voluntary sources, grants and donations

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

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

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

g) Expenditure

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

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

h) Pension costs

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

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

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

h) Pension costs (continued)

The Company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in note 20.

i) Tangible fixed assets and depreciation

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

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

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

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

The Company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The Company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. The Directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the Directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

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

The Company exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

j) Financial instruments

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

k) Securities and Investments

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

Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets. Realised gains and losses are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year. The revaluation reserve reflects the accumulated total of unrealised gains and losses. Uninvested cash is the balance of liquid cash, held as an investment, which has not been invested in securities.

l) Stocks

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

m) Leasing commitments

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

n) Fee Deposits

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

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

o) Fund accounts

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

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

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

p) Taxation

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

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

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

2 CHARITABLE ACTIVITIES - ANCILLARY TRADING INCOME		Group and Charity	
		2020	2019
		£	£
Extra subjects		368,280	476,223
Entrance and registration fees and fees in lieu of notice		88,730	41,743
Commissions and other income		167,175	242,654
		624,185	760,620
3 OTHER TRADING ACTIVITIES		Group	
		2020	2019
Non-ancillary trading income		£	£
Rents receivable and other sales		4,800	5,500
WST Enterprises Ltd		64,335	287,043
KST International Ltd		159,131	138,672
		228,266	431,215
		Charity	
		2020	2019
Non-ancillary trading income		£	£
Rents receivable and other sales		4,800	5,500
WST Enterprises Ltd		50,242	138,908
KST International Ltd		143,177	204,156
		198,219	348,564
Other activities		Group and Charity	
		2020	2019
		£	£
Interest on overdue fees		9,872	10,447
		9,872	10,447
4 INVESTMENTS - INVESTMENT INCOME		Group and Charity	
		Total	Total
		2020	2019
Securities investment income		£	£
Equities	Unrestricted	15,141	-
	Restricted	-	-
Fixed interest	Unrestricted	18,673	-
	Restricted	-	-
Cash	Unrestricted	2,351	-
	Restricted	-	-
		36,165	43,119
5 INVESTMENTS - BANK AND OTHER INTEREST		Group and Charity	
		Total	Total
		2020	2019
		£	£
Bank interest	Unrestricted	12,411	-
	Restricted	-	-
		12,411	11,450

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

6 VOLUNTARY SOURCES - GRANTS AND DONATIONS

	Unrestricted	Restricted	Group and Charity	
			Total 2020	Total 2019
	£	£	£	£
Government Grant CJRS	618,531	-	618,531	-
Donations	138,283	29,853	168,136	205,867
	756,814	29,853	786,667	205,867

7 ANALYSIS OF EXPENDITURE

a) Total Expenditure

	Staff Costs (note 9)	Support Costs	Group Depreciation (note 12)	Total	
				2020	2019
	£	£	£	£	£
Costs of raising funds:					
Non ancillary trading	4,034	26,013	-	30,047	172,931
Financing cost (note 8)	-	(78,837)	-	(78,837)	21,155
Investment management	-	20,497	-	20,497	19,731
Total cost of raising funds	4,034	(32,327)	-	(28,293)	213,817
Charitable expenditure					
Teaching	6,339,559	467,041	30,798	6,837,398	6,624,516
Welfare	638,232	1,013,652	4,707	1,656,591	2,032,289
Premises	831,070	1,703,638	287,031	2,821,739	3,011,413
School administration	1,140,119	1,333,420	185,204	2,658,743	2,236,784
Grants, awards and prizes (all from unrestricted funds)	-	11,255	-	11,255	8,935
Governance	-	216,607	-	216,607	86,259
Expenditure from restricted funds	-	6,520	-	6,520	14,018
Total charitable expenditure	8,948,980	4,752,133	507,740	14,208,853	14,014,214
Total expenditure	8,953,014	4,719,806	507,740	14,180,560	14,228,031

b) Governance included in support costs

King's Schools Taunton reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. Two trustees were reimbursed £837 during the year (2019: five were reimbursed a total of £2,427)

	Total 2020	Total 2019
	£	£
Remuneration paid to auditor for audit services	21,900	14,700
Additional remuneration paid to auditors for prior year	610	796
Reimbursement of personal expenses to governors	837	2,427
	23,347	17,127

8 FINANCING COSTS

	Group and Company	
	2020	2019
	£	£
Other interest paid	762	292
Bank charges	9,182	10,014
Provision for bad and doubtful debts	(88,781)	10,849
	(78,837)	21,155

Provision for bad and doubtful debts includes £123,902 recovered in the year relating to debts that had previously been provided for in full.

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

9 STAFF COSTS

The aggregate payroll costs for the year were:

	Group	
	2020	2019
	£	£
Wages and salaries	7,277,845	7,293,377
Social security costs	655,861	656,176
Teachers' pension contributions	901,318	632,215
Other pension contributions	113,924	96,875
Private Medical Insurance	4,066	4,914
	8,953,014	8,683,557

	Charity	
	2020	2019
	£	£
Wages and salaries	7,273,811	7,248,157
Social security costs	655,861	655,298
Teachers' pension contributions	901,318	632,215
Other pension contributions	113,924	96,499
Private Medical Insurance	4,066	4,914
	8,948,980	8,637,083

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

	2020	2019
	£	£
Aggregate employee benefits of key management personnel	413,922	395,569

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

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

	2020 (number)	2019 (number)
£ 60,001 - £ 70,000	3	2
£ 70,001 - £ 80,000	-	1
£ 80,001 - £ 90,000	1	1
£ 90,001 - £ 100,000	1	1
£ 100,001 - £ 110,000	-	-
£ 110,001 - £ 120,000	1	1

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

	2020 (number)	2019 (number)
Teaching staff	130	130
Others	137	141
	267	271

Included in staff costs are redundancy or termination payments totalling £28,038 (2019: £52,699).
The amount outstanding at the year-end was nil (2019:nil).

10 DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Remissions of £11,467 were awarded to two children of one director attending the School (2019: nil).

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

11 TAXATION

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

12 TANGIBLE FIXED ASSETS

GROUP	Freehold Land & Buildings £	Plant & Equipment £	Furniture & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2019	17,679,659	639,911	943,814	775,547	23,400	20,062,331
Additions	38,063	32,917	-	50,406	-	121,386
At 31 August 2020	17,717,722	672,828	943,814	825,953	23,400	20,183,717
Depreciation						
At 1 September 2019	2,533,761	325,329	868,639	431,893	9,473	4,169,095
Charge for the year	273,744	66,114	14,130	147,902	5,850	507,740
At 31 August 2020	2,807,505	391,443	882,769	579,795	15,323	4,676,835
Net book value						
At 31 August 2020	14,910,217	281,385	61,045	246,158	8,077	15,506,882
Net book value at 31 August 2019	15,145,898	314,582	75,175	343,654	13,927	15,893,236
COMPANY						
	Land & Buildings Freehold £	Plant & Equipment £	Furniture & Fittings £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2019	17,679,659	639,911	943,814	775,547	23,400	20,062,331
Additions	38,063	32,917	-	50,406	-	121,386
At 31 August 2020	17,717,722	672,828	943,814	825,953	23,400	20,183,717
Depreciation						
At 1 September 2019	2,533,761	325,329	868,639	431,893	9,473	4,169,095
Charge for the year	273,744	66,114	14,130	147,902	5,850	507,740
At 31 August 2020	2,807,505	391,443	882,769	579,795	15,323	4,676,835
Net book value						
At 31 August 2020	14,910,217	281,385	61,045	246,158	8,077	15,506,882
Net book value at 31 August 2019	15,145,898	314,582	75,175	343,654	13,927	15,893,236

All assets are used for charitable purposes.

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

13 SECURITIES INVESTMENTS

	2020	2019
	£	£
Group investments		
At 1 September 2019	2,457,180	2,405,483
New money invested	56,938	45,140
Reinvested income	36,165	43,119
Amounts extracted	(58,468)	(54,860)
Management fees	(20,505)	(19,732)
Realised gains on investments	(28,468)	(13,776)
Unrealised gains on investments	53,813	51,806
Group investments at 31 August 2020	2,496,655	2,457,180
Less: Investments classified as cash	(247,056)	(163,278)
Group investments at 31 August 2020	2,249,599	2,293,902
Investments in subsidiaries	101	101
Company investments at 31 August 2020	2,249,700	2,294,003
Investments comprise:		
Listed investments		
Fixed interest	631,907	671,477
Equities	1,159,403	1,141,905
Alternative investments		
Hedge funds	100,168	236,467
Commercial property funds	52,032	83,462
Commodities and other	306,089	160,591
Group investments at 31 August 2020	2,249,599	2,293,902
Investments in subsidiaries	101	101
Company investments at 31 August 2020	2,249,700	2,294,003

Securities and Investments were managed for King's Schools Taunton Limited by Cazenove Capital.

At 31 August 2020, no one investment (2019: nil) had a carrying value equal to 5% or more of the value of the investment portfolio.

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

14 DEBTORS	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
School fees receivable	171,813	181,794	171,813	181,794
Trade debtors	123,749	41,889	-	-
Other debtors	36,347	18,569	36,347	18,569
Prepayments and accrued income	346,834	344,440	346,834	344,440
Amounts owed by group undertakings	-	-	730,992	722,696
Woodard Corporation	-	7,970	-	7,970
	678,743	594,662	1,285,986	1,275,469

15 CREDITORS: Amounts falling due within one year	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Deposits from parents	320,458	274,709	320,458	274,709
Fees received in advance of term	2,150,710	3,086,906	2,150,710	3,086,906
Trade creditors	884,181	585,023	884,181	575,161
Taxes and Social Security costs	208,443	225,606	188,487	182,174
Pension Scheme Deficit Recovery Plan	43,612	42,342	43,612	42,342
Other creditors	455,116	501,722	455,116	501,722
Woodard Corporation	62	-	62	-
Accruals	330,021	325,393	326,721	320,641
	4,392,603	5,041,701	4,369,347	4,983,655

Summary of movement in deferred income

Balance at 1 September 2019	3,086,906
Amounts arising in the year	2,150,710
Amounts transferred to SOFA	(3,086,906)
Balance at 31 August 2020	2,150,710

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

16 CREDITORS: Amounts falling due after one year	Group and Company	
	2020	2019
	£	£
Deposits from parents	1,426,339	1,021,764
Pension Scheme Deficit Recovery Plan	156,603	196,290
	1,582,942	1,218,054

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

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

17 COMMITMENTS UNDER OPERATING LEASES

The future minimum commitments under non-cancellable operating leases are:

	Group and Company	
	2020	2019
	£	£
within 1 year	50,843	60,124
within 1 to 5 years	94,236	137,432
after 5 years	-	-
	145,079	197,556

18 SHARE CAPITAL

	Group and Company	
	2020	2019
	£	£
Authorised		
100 Ordinary shares of £ 1 each	100	100
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100

19 FINANCIAL INSTRUMENTS

	Group and Company	
	2020	2019
	£	£
FINANCIAL ASSETS:		
Investments held at FV through Profit and Loss	2,249,599	2,293,902

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

20 PENSION SCHEME DEFICIT RECOVERY PLAN

The Company participates in The Pensions Trust's Growth Plan, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This actuarial valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% on each 1 April)
---------------------------------------	--

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% on each 1 April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% on each 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

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

Where the scheme is in deficit and where the Company has agreed to a deficit funding arrangement the

Present Values of Provision	2020	2019
	£	£
Present value of provision	200,215	238,632

Reconciliation of opening and closing provisions	Period ending 31 August	
	2020	2019
	£	£
Provision at start of period	238,632	660,256
Unwinding of the discount factor (interest expense)	2,095	10,413
Deficit contribution paid	(42,342)	(81,175)
Remeasurements - impact of any change in assumptions	1,830	4,484
Remeasurements - amendments to the contribution schedule	-	(355,346)
Provision at end of period	200,215	238,632

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

20 PENSION SCHEME DEFICIT RECOVERY PLAN (continued)

Income and expenditure impact	2020	2019
	£	£
Interest expense	2,095	10,413
Remeasurements - impact of any change in assumptions	1,830	4,484
Remeasurements - amendments to the contribution schedule	-	(355,346)
Assumptions	2020	2019
	% per annum	% per annum
Rate of discount	0.55	0.97

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

Deficit contributions schedule	2020	2019
	£	£
Year 1	43,612	42,342
Year 2	44,920	43,612
Year 3	46,268	44,920
Year 4	47,656	46,268
Year 5	20,200	47,656
Year 6	-	20,200
Year 7	-	-
Year 8	-	-
Year 9	-	-
Year 10	-	-
	202,656	244,998

The Company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the Company's balance sheet liability.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

21 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 Sep 2019	Incoming resources	Resources expended	Transfers and gains	At 31 Aug 2020 £
GROUP AND CHARITY					
Restricted Funds					
Michael J Baker travel fund	32,256		(2,400)		29,856
Library fund	101				101
Joan Sewell bequest fund	49,422	8,603	(3,120)		54,905
John Crabtree award	9,078	10,000	(1,000)		18,078
Foundation for Sport and the Arts - grant	17,500			(875)	16,625
New Sixth Form Centre	82,500	11,250			93,750
	190,857	29,853	(6,520)	(875)	213,315

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

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

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

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

Although KST had not committed to a timeline for the New Sixth Form Centre, fundraising has been taking place. This project will be for a Sixth Form Centre for the benefit of all at King's College. It will be multi-functional to further re-inforce, in particular, the support to and development of the Sixth Form pupils. It will include classrooms, Careers and Enterprise Room, communal and study areas, and large function rooms.

GROUP

Unrestricted Funds

General reserves	15,758,580	13,981,927	(14,087,899)	875	15,653,483
Designated - Bursary	1,334,876	76,999	(76,525)	32,367	1,367,717
Designated - Pension Deficit	1,159,489	16,104	(9,616)	(7,022)	1,158,955
	18,252,945	14,075,030	(14,174,040)	26,220	18,180,155

CHARITY

Unrestricted Funds

General reserves	15,758,580	13,951,880	(14,057,852)	875	15,653,483
Designated - Bursary	1,334,876	76,999	(76,525)	32,367	1,367,717
Designated - Pension Deficit	1,159,489	16,104	(9,616)	(7,022)	1,158,955
	18,252,945	14,044,983	(14,143,993)	26,220	18,180,155

Bursary Fund - in 2015 £1m was allocated to this fund, the income from which will go to support KST's extensive bursary programme to support families who could otherwise not afford the full fees.

The Company has a contingent liability of some £495,631 in relation to a deficit on its Pension Trust Growth Plan scheme (see also note 19). In 2015 the Council set aside £1m towards this liability. As the Pension Deficit fund has grown and the overall deficit has reduced with the annual payments required by the pension trustees, the fund is now larger than the deficit. It is the Council's intention to buy-out the liability using the Pension Deficit fund. There is currently no timeline for this buy-out.

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

	Fixed assets	Investments	Net current assets	Long term liabilities	Total
	£	£	£	£	£
Share capital	-	-	100	-	100
Restricted funds	-	-	213,315	-	213,315
Unrestricted funds					
General	15,506,882	101	1,729,441	(1,582,942)	15,653,482
Designated	-	2,249,599	277,075	-	2,526,674
Company	15,506,882	2,249,700	2,219,931	(1,582,942)	18,393,571
Trading subsidiary	-	(101)	101	-	-
Group - 31 August 2020	15,506,882	2,249,599	2,220,032	(1,582,942)	18,393,571

	Fixed assets	Investments	Net current assets	Long term liabilities	Total
	£	£	£	£	£
Share capital	-	-	100	-	100
Restricted funds	-	-	190,857	-	190,857
Unrestricted funds					
General	15,893,236	101	1,083,297	(1,218,054)	15,758,580
Designated	-	2,293,902	200,463	-	2,494,365
Company	15,893,236	2,294,003	1,474,717	(1,218,054)	18,443,902
Trading subsidiary	-	(101)	101	-	-
Group - 31 August 2019	15,893,236	2,293,902	1,474,818	(1,218,054)	18,443,902

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

23 PENSION SCHEMES

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,276,880 (2019: £878,265) and at the year-end £106,053 (2019: £80,123) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6 % from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Pensions Trust Growth Plan

See note 20.

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

24 Reconciliation of net incoming resources to net cash inflow from operations	2020	2019
	£	£
Net income for the year ended 31 August 2020	(50,332)	937,541
Adjustments for		
Depreciation charges	507,740	519,222
(Gains)Losses on investments	54,246	18,025
Financing costs	(9,943)	(10,306)
Purchase of tangible fixed assets	(121,386)	(235,920)
(Increase)/decrease in stocks	(1,314)	(7,324)
(Increase)/decrease in debtors	(84,081)	100,205
Increase/(decrease) in creditors	(284,210)	(146,930)
Net Cash provided by (used in) operating activities	10,720	1,174,513

25 Analysis of cash and cash equivalents	2020	2019
	£	£
Cash in hand and at a bank	5,911,109	5,900,389

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

26 Consolidated Statement of Financial Activities - Comparative figures by fund type Year Ended 31 August 2019

	Notes	Unrestricted Funds	Restricted Funds	2019
		£	£	£
INCOME FROM:				
Charitable Activities				
School fees receivable		13,664,824	-	13,664,824
Ancillary trading income	2	760,620	-	760,620
Other trading activities				
Non-ancillary trading income	3	431,215	-	431,215
Other activities	3	10,447	-	10,447
Investments				
Investment Income	4	43,119	-	43,119
Bank and other interest	5	11,450	-	11,450
Voluntary sources				
Appeal income and donations	6	89,347	116,520	205,867
TOTAL INCOME		15,011,022	116,520	15,127,542
EXPENDITURE ON:				
Raising funds				
Non-ancillary trading	7	172,931	-	172,931
Financing costs	7	21,155	-	21,155
Investment management	7	19,731	-	19,731
		213,817	-	213,817
Charitable Activities				
Education and grant making	7	14,000,196	14,018	14,014,214
TOTAL EXPENDITURE		14,214,013	14,018	14,228,031
Net income and expenditure before transfers		797,009	102,502	899,511
Realised gains on investment assets	13	(13,776)	-	(13,776)
Unrealised gains on investment assets	13	51,806	-	51,806
Net income		835,039	102,502	937,541
Transfers between funds	21	875	(875)	-
NET MOVEMENT IN FUNDS FOR THE YEAR		835,914	101,627	937,541
Fund balances at 1 September 2018		17,417,031	89,230	17,506,261
FUND BALANCES at 31 August 2019		18,252,945	190,857	18,443,802

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

27 SUBSIDIARIES

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

WST Enterprises Limited (company number: 05181894) had a turnover of £64,335 (2019: £287,043), profit on ordinary activities of £50,242 (2019: £138,908), and a profit before tax and gift aid of £50,242 in the year ended 31 August 2020 (2019: £138,908). At 31 August 2020 the Company had shareholder's funds of £100 (2019: £100).

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

King's College Schools International Limited (company number: 09749938) had turnover of £159,131 (2019: £138,672), £143,177 profit on ordinary activities (2019: £113,876), and a profit before tax and gift aid of £143,177 (2019: £113,876) in the year ended 31 August 2020. At 31 August 2020 the Company had shareholder's funds of £1 (2019: £1).

Gross assets for WST Enterprises amount to £456,861 (2019: 537,529), and gross liabilities of £456,761 (2019: £537,429). King's College Schools International Limited (formerly KST International Ltd) had gross assets of £297,488 (2019: £243,315) and gross liabilities of £297,489 (2019: £243,314)

All subsidiaries have a common registered office with the school.

28 CONTINGENT LIABILITIES

King's Schools Taunton Limited has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan, based on the Plan's financial position as at 30 September 2019. As of this date the estimated employer debt for King's Schools Taunton Limited was £495,631 (2019: £947,951) including Series 3 liabilities.

29 CAPITAL COMMITMENTS

As at 31 August 2020, the group had no contracted capital expenditure (2019: nil).

30 ULTIMATE CONTROLLING PARTY

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

31 RELATED PARTIES

The Company is a wholly owned subsidiary of The Woodard Corporation, a registered charity number 1096270, which is incorporated in England and Wales. An amount of £71,263 (2019: £106,814) was paid in the period to the Corporation by way of a levy to meet Corporation running costs. At year end there was a balance of £62 owed to The Woodard Corporation.

The Company also controls two trading subsidiaries, WST Enterprises Limited and King's Schools College International Limited (formerly KST International Ltd). See note 25 above. WST Enterprises Limited makes use of the schools facilities for its principal activity of lettings, the schools made recharges of £9,453 (2019: £135,220) to WST Enterprises Limited for costs incurred to support these lettings such as catering and staff cost, the debtor balance with WST Enterprises Limited at 31 August 2020 was £454,886 (2019: £497,297). King's College Schools International Limited's principal activity is the promotion of education overseas, the schools receive income from King's College Schools International Limited and provide support and advice to our overseas partner schools. The schools recharged £4,813 (2019: £252) for costs incurred and the debtor balance with King's College Schools International Ltd at 31 August 2020 was £276,107 (2019: £225,398).

32 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

KING'S SCHOOLS TAUNTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

As explained at note 20, there is a deficit reduction plan in place in respect of King's Schools Taunton membership of the Pension Trust's Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Pension scheme contingent liability

As explained at note 28, there is a contingent liability in the event that King's Schools Taunton Ltd were to withdraw its membership of the Pension Trust's Growth Plan. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Provision for bad debts

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

Deposits

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