



Kingswood School

ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 July 2021

Kingswood School

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Annual Report of The Trustees of Kingswood School

Foreword by the Headmaster of Kingswood School & Principal of Kingswood Foundation

In my first foreword as the incoming Headmaster and Principal of Kingswood School, I wrote that the academic year 19/20 would be remembered as one of most disruptive years in Kingswood's fine history. Given the second Covid lockdown that endured in the spring of 21, I am minded to repeat this phrase, however we saw some green shoots of normal life in the summer with a welcome return of pupils and some heart-warming co-curricular activities. Throughout my first 15 months of tenure, I have been and remain immensely proud of the pupils, staff and parents who have met every challenge with the typical 'can do' spirit of Kingswood. This foreword seeks to highlight some of great things at this school.

Once more the uncertainty surrounding A-Level and GCSE examinations was unsettling. Once clarity was established, our teachers were able to guide pupils in a fair and robust internal assessment process towards Teacher Assessed Grades, based on evidence that our pupils produced. This year's cohort of students have coped admirably well with challenging circumstances and demonstrated excellent knowledge and understanding. Our grades were universally upheld by examination boards following moderation, which is in no small part due to the professional and thorough approach of our teachers, expertly guided by the Deputy Head Academic. For the record, the school achieved a fabulous set of A-Level results with 85% achieving A* to B. Despite media conjecture, over 90% of Year 13 achieved their first choice post 6th Form pathway, with 68% moving to a Russell Group university, including 7 pupils to medical schools. At GCSE, 77% of grades were level 7 to 9.

In 19/20, the Black Lives Matters movement reminded the Foundation of the importance of our commitment to an anti-racist education where we stand up against all forms of discrimination. We were further challenged, following the Everyone's Invited movement, about our responsibility to teach and model equality, diversity and inclusion as well as to tackle injustice and discrimination. We seek to do this in many ways; for example via our PSHCE programme, tutor group discussions, assemblies, guest speakers and chapel services. A key purpose of our PSHCE programme is to educate and encourage pupils to respect others, and themselves, with Relationship and Sex Education (RSE) being an important part of this curriculum. Our School policies and practices are aimed at ensuring Kingswood is a safe environment where all children can learn and develop, and we are committed to an open and constructive partnership with parents and guardians. To this end, I am delighted that we have established a new post of Diversity and Inclusion Lead, and after a gap of 18 months we welcome our new Chaplain Rev Katy Thomas.

Kingswood School

FOREWORD

The final letter written by John Wesley to William Wilberforce roots us in a long Methodist tradition of inclusiveness and equality which we are determined to honour. Another theme that continues to gain traction is the School's approach to sustainability; the joint pupil-staff committee has worked hard to raise awareness. In 2020, the Board of Governors committed to a Climate Emergency declaration and steps are being taken to measure our carbon footprint and to set KPIs.

In the latter part of the School year, we enjoyed moments of freedom with some impressive cricket, swimming and athletics performances. Outdoor theatre took on a new profile and somehow, we engineered a fantastic hybrid (half in person, half on Teams) Prize-Giving Day to mark another academic year.

Partnership work with local schools and the array of joint teaching and learning initiatives naturally took a back stage, but plans are already afoot to rekindle this important area of outreach. Charitable work did continue throughout the year, although a return to normal levels of fundraising (almost £30k in 19/20) will have to wait until 21/22. After much reflection, the Board agreed to end our partnership activity in China due to a perceived mismatch in aspirations in the current political climate. We do continue to examine overseas opportunities and we believe that a stronger link to international Methodist schools would be of value.

Our Founder's mantra continues to chime strongly, despite a second year of disruption; 'Do all the good you can by all the means you can in all the places you can at all the times you can to all the people you can as long as ever you can', has never been more apt.

Andrew Gordon-Brown

November 2021

Kingswood School

GOVERNORS, KEY MANAGEMENT PERSONNEL AND ADVISERS

Governors

On 24 August 2001, the Kingswood School Governors became a body corporate called Kingswood School Trustee Limited, company number 04253059. With effect from that date, the company called Kingswood School Trustee Limited became the governing body of the charity.

The Board of Governors of Kingswood School are the directors of Kingswood School Trustee Limited. They have served in office throughout the year except where indicated.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Mr T G Westbrook MA MSc	Retired Jul 21							
Mr P S Baines								
Mrs S J Bond MSc MCSP MMAPCP	Appointed Feb 21 Retired Oct 21							
Mrs H Bools BDS FDS M'Orth MSc (Vice Chair from Dec 20)	Acting Chair Oct 21						*	
Mrs S M Cook LLB	Retired Jul 21							
Mr I G Falconer BSc								*
Mr P Freeman CBE QC				*				
Miss E A Garner BA CA CPFA								
Mr M Gordon					*			
Mr S W Holliday MA (Chairman from Dec 20)	Retired Oct 21	*	*			*		
Mr D C Humphreys BA (Ex-Officio)								
Ms J R Lewis MA PgDipLaw	Appointed Sept 21 Retired Oct 21							
Mr T T Lindsay MA			*					
Mr D Lau FCA								
Mrs B R Pendle Cert Ed	Retired Jul 21							
Reverend Dr J H Pye MA PhD (Ex Officio)								
Mr D Quine MA MEd BEd	Retired Jul 21							
Major General A J Raper MA CB CBE (Retd)								
Mr R D Sandry FCA	Retired Jul 21							
Mr C J Stafford BA								
Mrs S Thomas BA PGCE	Retired Oct 21					*		
Mr O J Warmann BA(Hons) PGCert	Appointed Dec 20							

Throughout the year, the primary activities of the Board of Governors were carried out through seven sub-committees. Committee membership is highlighted above with the Chair annotated by asterisk (*).

- (1) Executive Committee
- (2) Nominations Committee
- (3) Strategic Planning Committee
- (4) Finance and Estates Committee
- (5) Education and Pastoral Committee
- (6) Compliance and Safeguarding Committee
- (7) Overseas Committee

Kingswood School

GOVERNORS, KEY MANAGEMENT PERSONNEL AND ADVISERS

The directors of Kingswood School Trustee Limited for the purposes of this report and the financial statements will be referred to as 'Governors' of Kingswood School and are considered, together with those listed below, key personnel for the purposes of FRS102.

Key Management Personnel

Mr A S Gordon-Brown MSc	Headmaster of Kingswood School and Principal of Kingswood Foundation	
Mr G D Opie BEd	Senior Deputy Head	
Mr S J Vickery MA MSc	Bursar and Clerk to the Governors	
Mr M R Brearey BA	Headmaster Kingswood Prep School	
Mr J M Davies MA	Deputy Head (Academic) Kingswood School	
Ms H Worrall MEd, BA	Senior Deputy Head KPS	
Mrs K Wilkinson BA	Deputy Head (Academic) KPS	
Rev K Thomas BTh MLitt	Chaplain	Appointed Sep 20
Mrs K Dickinson PgDip RM	Director of Human Resources	
Mr A T Francomb BSc	Director of Information Technology	
Mr G N Papenfus CFRE	Director of Development and Fundraising	
Mrs H C Drew BA	Director of Admissions, Marketing and Communication	

Registered Address Kingswood School
Lansdown Road
Bath
BA1 5RG

Advisors to the Foundation

Bankers Barclays Bank Plc
4-5 Southgate Street
Bath
BA1 1AQ

Solicitors Stone King LLP
13 Queen Square
Bath
BA1 2HJ

Auditor Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Insurance Agent Hettle Andrews
2 Brunswick Square
Birmingham
B1 2LP

Kingswood School

GOVERNORS' REPORT

For the year ended 31 July 2021

The governors present their annual report together with the financial statements and auditor's report of the charity for the year ended 31st July 2021. Unless specified the term 'School' refers to the Foundation (Senior and Prep School).

Governance, Structure and Management

Governing document

The unincorporated Charity, Kingswood School, was constituted under the provisions of the Methodist Independent Education Trust Deed 1903 and subsequent schemes of 19 August 1953 and 5 June 1974 as amended by the scheme sealed 27 March 1997 and 24 August 2001. It is a registered charity, number 309148.

On 24 August 2001, the Governors of the School became a body corporate called Kingswood School Trustee Limited, company number 04253059. With effect from that date, the company called Kingswood School Trustee Limited became the sole governing trustee of the charity.

In July 2019, the Articles of Association were amended (after agreement by the Methodist Conference) to permit an increase in the number of governors from 18 to 24.

Group framework

Kingswood School has three subsidiaries, Kingswood Enterprises Limited (Co. Reg. No. 0254544), Kingswood International Limited (Co. Reg. No. 10519713) and Ferens Posnett Limited (Co. Reg. No. 11376507) as well as a subordinate charity, Kingswood School Development Fund (Charity Reg. No. 310229). Kingswood Enterprises Limited is involved in commercial lettings, property management and the rental of minibus services for the benefit of the School. Kingswood International Limited is involved in delivering educational consultancy and curriculum materials overseas. Ferens Posnett Limited is a dormant company that is involved in providing financing services for School projects. The charity, Kingswood School Development Fund, is held in suspended animation; its main objects are to fundraise and apply the annual income of the charity for such charitable purposes as the Governors shall determine.

Organisational structure and decision- making

The School governors, as the body corporate of the Charity, have a legal responsibility for the overall management of the School and its strategic direction. Governors benefit from presentations by staff, charity and education experts as well as meetings with staff, students and parents. As described earlier, governors execute their responsibility through the seven sub-committees of the Board. In 2018, two sub-committees were added to the previous five, recognising the growth in compliance and safeguarding matters and overseas developments. Each sub-committee and the main Board meet termly. All sub-committee Chairs are invited to the termly Strategy Committee, formerly a function of the Executive Committee.

The Headmaster of Kingswood School and Principal of the Kingswood Foundation is responsible to the Chairman for the management of the Foundation. He achieves this with the support of the Senior Deputy Head, Bursar (Director of Finance and Operations), Headmaster of Kingswood Prep School and members of the Foundation Leadership Team (FLT) and additionally by the Senior Management Teams at KPS and the Senior School.

Recruitment and training of Governors

The appointment of governors is confirmed at meetings of the main Board on the recommendation of the Nominations Committee. Governance audits take place annually to ensure that a broad range of skills exist across Board members. New governors are selected to augment these skills and undergo an internal induction process, arranged by the Clerk to the Governors. Ongoing training is arranged through AGBIS and other bodies within the Independent Schools Council.

The Chairman of Governors attends an annual meeting organised by the Methodist Independent Schools Trust (MIST). An annual "Away Day" is organised for Governors to meet collectively off site to discuss strategic plans, governance and education topics.

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For the year ended 31 July 2021

The remuneration of the Headmaster and Principal of the Foundation is set by the Executive Committee. Other key management personnel are remunerated with the objective of providing appropriate incentives to encourage enhanced performance and rewarding them fairly and responsibly for their individual contributions to the Foundation's success. AGBIS benchmark data is used to guide the remuneration of key management personnel.

Employment Policy and Equality Act

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees or their representatives has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests.

Communication with employees continues through normal management channels in a variety of forms and also through INSET and other extraordinary notices as required.

For the fourth year, the School reported its Gender Fair Pay data and published the results on its website. The School re-emphasised its strategic commitment to reduce and to eventually eliminate the current gap.

Object, aims and objectives

Charitable object

As set out in the School's Articles of Association:

- The advancement of education and learning for children.

Aims, objectives and intended impact

Kingswood School aims to challenge its students to realise their academic potential; however, the School measures a child's worth by more than examination results. It seeks to establish the development of character, talent, responsibility and independence as the important foundation for adult life. It provides students with the opportunities to develop these qualities and, through a comprehensive pastoral structure, aims to give them the support they need as they mature. Kingswood aims to give children a sense of joy in their own achievement and that of others, balanced by a strong sense of humility, modesty and teamwork. It endeavours to foster a love of learning, the ability to reason and make considered judgments, the courage to question assumptions, a commitment to community, a willingness to lead and to serve, and an appreciation and understanding of others.

The beneficiaries include:

- young people whose education is funded through fee income, donations, bursaries and scholarships;
- the local community which benefits from appropriate access to the School's facilities;
- a number of charities based in the UK and worldwide for whom funds are raised at the School;
- the general public are the ultimate beneficiaries of the School's high-quality educational system and the social values that it generates.

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GOVERNORS' REPORT

For the year ended 31 July 2021

Achievements and Performance

The highlights of the School year appear in the Principal's foreword to this report.

Once again the academic year has been disrupted by a second Coronavirus lockdown (Jan 21) which forced the school to move to remote teaching. Earlier investment in digital technologies ensured that Kingswood was able to deliver the normal curriculum, but perhaps unsurprisingly, the broad co-curricular offer was reduced; consequently an offset to fees was granted by the Board. Similar to the exam grades in summer 20, the academic staff assessed and awarded 'centre assessed grades' for the leaving cohort and additionally the GCSE Year 11 students. Pastoral care continued to be delivered innovatively online, and as the summer arrived more school activities (such as drama and cricket) were made available.

Whilst academic success is important, the Kingswood ethos also focuses on nurturing the talents of its students. The Governors are delighted that Kingswood continues to produce significant success in boys' and girls' sports, drama, music, outdoor education (including Ten Tors, the Duke of Edinburgh award scheme) and the many other extra-curricular activities on offer

Kingswood is a boarding and day school which provides education to girls and boys aged from 9 months to 18 years. The Garden nursery is on track to comprise up to 90 children, whilst in the last year the average number of children in the Prep School was 334 and 799 in the Senior School. Entry to the Senior School is predominantly in Year 7, with a smaller intake at Year 9 and into the Lower 6th Form. Approximately one quarter of senior students board and the majority of day pupils live within 45 minutes of the School.

The Governors and the Senior Management Team continue to balance fee affordability with the provision of high quality education set against a backdrop of developing and maintaining existing infrastructure. In 2018, the Governors commissioned a number of surveys to deepen the School's understanding of its parent base and it continues to receive benchmark information from organisations such as the ISC, HMC, ISBA and Baines Cutler. The aim is to attract children from a diversity of backgrounds and to prepare students with the tools they need to succeed in the increasingly changing and complex world beyond school.

In the last three years, extensive investment has been made at the Prep School with modern, state-of-the-art facilities and a purpose-built nursery. Unplanned building repairs and a major refurbishment of the Pegasus classrooms and the conversion of High Vinnalls to a Pre-School extension have continued to soak up costs and a consequent delay to the next phase of the Estates Capital Master Plan (girls' boarding and the Dixon Centre) has been confirmed. In autumn 19, the Governors commissioned a condition survey that has now reported; the backlog maintenance items are now scoped in to 3 tranches, with the first tranche of repairs to commence in late 21.

Financial Review and Yearly Results

A summary of the financial results for the year is set out in the consolidated statement of financial activities in the Financial Statements. The net movement in funds showed an overall increase of £375,543 (2020: decrease of £294,500) before an unrealised gain on investments of £24,957 (2020: unrealised loss of £15,130).

- **Income.** The total fee income for the year, after scholarships, bursaries and other remissions comprised £17,824,138 (2020: £16,202,791). Scholarships, bursaries and remissions totalled £2,718,847 (2020: £3,523,989) of which £1,661 (2020: £37,296) was funded by external grants. The decrease in remissions this year was as a result of a reduced spring term discount offered due to the school being closed because of Covid-19 compared to the previous summer term discount. School fees rose by 2.5%. Ancillary income was £1,192,389 (2020: £1,598,894), which included donation income of £196,009 (2020: £139,643).
- **Expenditure.** Total expenditure was £18,746,601 (2020: £18,614,914), of which 69% is represented by Foundation staff costs.
- **Group assets.** The School's total net assets of £12,505,545 (2020: £12,105,047) at year-end included £1,170,001 (2020: £1,165,854) endowment funds, £1,859,471 (2020: £1,633,523) restricted funds and £9,476,073 (2020: £9,305,670) unrestricted funds. The net book value of fixed assets totalled £21,513,704 (2020: £21,675,495) . Net current liabilities totalled £2,024,623 (2020: £2,312,329) and long-term liabilities £7,404,472 (2020: £7,654,013).

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- **Loans.** The School has one fixed interest rate term loan, two variable loans and a further unsecured Charity Commission-agreed loan from Endowment Funds to fund the development of the School's facilities. The fixed and variable loans are secured on specified tangible assets of the School. Repayment is proceeding on schedule. The movements in fixed assets during the year are set out in note 11 to the financial statements. The School spent £928,204 on capital expenditure during the year (2020: £622,552).

As an educational charity, the School has a tax exemption on its educational activities and its investment income.

- **Investment policy.** The long term objective of the investment policy has been to at least maintain the value of the endowment funds (less the substantial withdrawal in June 2018) in real terms (i.e. to match inflation as measured by the Retail Price Index, the increase in salaries, and other relevant indicators) and to take all further gains as income. Investments are governed by the Trust Deed. The School at present invests funds through the Central Finance Board of the Methodist Church, which reports annually to the Methodist Independent Schools Trust that it has reviewed its policies and is making the best investment on behalf of all Methodist Schools. The investment portfolio follows ethical principles of investment. The investment performance in the year was up about 6.3%.
- **Reserves policy.** The Foundation's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall. Like many schools, the School ends the year with a net current liabilities figure. At year end the School has access to an available overdraft facility of £1m. The governors are satisfied that the School has sufficient financing available to meet its working capital and investment requirements. The Financial Statements show the assets and liabilities attributable to the various funds by type and summarises the year's movements in each fund. In common with most schools, the Charity operates with negative 'free reserves', but the Governors are satisfied that external finance would provide an additional 'safety net' if it should be required. The Governors are satisfied that the current level of reserves are in line with policy, but wish to emphasise that a contingency or reserve fund is something being actively considered in the Forward Plan.

Strategic Risk Management

The Board of Governors is responsible for putting in place strategies to mitigate major risks to the Foundation. The Board formally reviews the Risk Register annually and governors are represented on the termly meetings of the Risk Management Committee, chaired by the Bursar (Director of Finance and Operations). This Committee identifies, assesses and considers mitigation and control mechanisms. The significant risks, as identified by the committee and endorsed by the Board comprise:

- **Safeguarding.** Ensuring that appropriate identification, control and reporting mechanisms are in place to ensure that children are kept safe. The reputational damage of a failure in safeguarding would severely impact the Foundation; for this reason it is the highest placed risk. The Schools Designated Safeguarding structure was reviewed and bolstered in Sep 20. KPS has also reviewed and amended its structure with a new DSL appointed in Sep 21.
- **Coronavirus.** Without question, the Coronavirus has continued to amplify a number of the standing risks to the Foundation. Extraordinary committee meetings of Governors were held throughout the autumn and spring period of 20-21 to assess and to mitigate these risk areas. In particular, the financial and reputational risks were examined closely with a series of measures agreed and implemented.
- **Financial.** Retaining pupil numbers (boarders and day students) to ensure that a predictable and stable financial plan can be constructed. A significant drop in pupils would severely impact the financial health of the Foundation. In addition, potential threats to income and expenditure in the independent sector are modelled by the Strategic Planning Committee. Fee affordability in light of Brexit and the Coronavirus is also a prime concern, with a number of recent surveys conducted to deepen the School's understanding of its parent base. Consequently a second round of fee reduction was agreed at Easter 21. A new post of Director Admissions, Marketing and Communications was established in May 21 to bring focus to these critical areas of school operation.
- **Estate.** Understanding the condition and maintaining existing infrastructure whilst creating an emergency contingency fund to cater for unexpected building failures across the estate remains a priority. The 2020 Condition Survey has

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GOVERNORS' REPORT

For the year ended 31 July 2021

produced a rich set of data for consideration at the Finance & Estates and at the main Board Committee. Consequently a significant fund was established for backlog maintenance, £1.75m over 4 years. Compliance issues remain a challenging area, especially concerning asbestos, legionella and Radon gas. The Risk Management Committee regularly receive reports and take action where necessary.

- **Reputational.** The continued success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational and pastoral standards. To mitigate this risk, the Foundation ensures pupils' success, achievements and welfare are closely monitored and reviewed. This has been exceptionally difficult during the pandemic and innovative means have been sought to mitigate risks to the School's reputation. The Black Lives Matter and Everyone's Invited movements have focussed attention on the School's Diversity and Inclusion policy; this has led to the appointment of a new post, the Foundation Diversity and Inclusion Champion.

The Governors are of the opinion that appropriate measures have been put in place to mitigate significant risks. Sub-committees, strategic planning, budgeting, levels of authorisation, written policies and audits contribute to addressing risk factors; however, it is recognised that an absolute assurance cannot be provided.

Future Plans

The Board continues to map out the strategic direction for the Foundation. It is important to continue to build on the academic and co-curricular success of the School, whilst seeking to enhance attendance (sometimes with fee assistance) from a wide-range of family backgrounds. The Foundation is enriched by overseas students and this, together with a vibrant Sixth Form, is another major area of development. The Foundation must maintain the very healthy numbers of students in the Prep and Senior School, with targets set for the recently integrated marketing and admissions teams. Covid has caused the Trustees to reflect on the overall health of the Foundation and although future plans remain intact, they are constantly under review.

The Board has emphasised the importance of reaching out to its alumnus, parent body and other parties to pursue common goals of friendship, mutual cooperation and the development of various projects. To this end, the Kingswood Community network has been established. Board members frequently attend seminars on a wide range of independent school topics as organised by AGBIS, ISBA and other bodies of ISC. The Chairman, Principal, Bursar and other key management personnel attend a range of events hosted by the Methodist Schools Independent Trust (MIST).

The Board also embraces, celebrates and wishes to deepen the understanding of the School's 273 year heritage of Methodist education.

More specifically, the Board is committed to a number of future plans:

- To maintain a healthy number of students, circa 1300, across the Foundation, enabling them (alongside all members of staff) to thrive and to fulfil their potential.
- To continue to refine the academic offering through the delivery of regular education reviews.
- Within 2 years, to increase the number of primary (Prep) and nursery children to reach full complement.
- To maintain the achievement of a modest annual recurring financial surplus and cash reserve in order to support continued investment in fee-assistance (particularly transformational bursaries) and facilities.
- To develop and review the Foundation Strategic Plan and the linked 10 year Forward Plan.
- To model the financial impact of less favourable political, economic and charity strategies.
- Where appropriate, to develop partnerships overseas.
- To deliver the Estates Master Plan, specifically to build a state of the art Cookery School, improve the boarding, 6th Form and fitness provision within the School.

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Investment in Information Technology

During the first lockdown in Summer 20 and subsequent Winter 21 repeat lockdown, it became very apparent that a significant investment in IT was required. Academic staff were equipped with a disparate range of mobile IT and some of the class rooms lacked digital enhancement. Thanks to a rapid approval of a digital equipment business case, the Director of IT procured and implemented a roll out of Microsoft Surface devices, which greatly aided teachers to deliver the curriculum from almost any WiFi connected location.

Perhaps it is no exaggeration to suggest that Kingswood squeezed 3 years of IT procurement in to 6 months. Although the spend doubled on IT, it has been a force multiplier for parents and significantly enhanced the School's reputation. The next step change in IT is to equip the pupils with a choose and bring your own device, this achieving a seamless integration with school systems.

Estates Masterplan

The Board, through its subordinate Finance and Estates Committee, is determined to develop the fabric of the School as well as maintaining a set of buildings that date back to 1852 when the School was opened at its Bath location. An Estates Masterplan was commissioned in 2013, updated in 2016 and currently undergoing a 2020/21 enhancement with a focus on potential asset disposals to fund investment in the estate.

The build of a new Cookery School, completion of the enhanced boarding accommodation and the Dixon Sixth Form Centre is the priority of the Board, now that the build at the Prep School has completed. The ongoing drive to refurbish and enhance the School's indoor sports facilities is also an essential feature of the Masterplan. Additionally there is a fund-raising activity, led by the Development Director, to construct a Fitness and Wellbeing Sports Hub.

In the longer term, the Estates Masterplan contains concept drawings and analysis for the rebuild of teaching, dining and assembly facilities and the provision of more domestic residential properties.

The Board remains ever committed to preserve the wonderful array of buildings at Kingswood. Built in the 1850s with substantial additions in the inter-war years, there are four Grade 2 (including one of special category) Listed buildings. Discussions continue with the Bath Preservation Trust to share best practice on the preservation these historic buildings.

The Board commissioned a 2019 Condition Survey to further examine the Estate's assets. Results of this survey were received during Easter and early summer 2020 and are now feeding in to the Estates maintenance programme and being used to justify a significant £1.75m backlog maintenance funding plan.

Public Benefit and Community Engagement

The Board recognises fully its obligations under section 17 of the Charities Act 2011 to operate a considerable benefit to the public. The Board has made significant provision to broaden the access to a Kingswood education.

Fee Assistance – broadening access to education

An extensive bursary and scholarship programme enables students from a wide range of backgrounds within our local community to benefit from the opportunities which a Kingswood education provides. The Foundation supports 361 pupils with financial assistance in the form of bursaries, scholarships, MOD and staff discount schemes. The award of financial assistance is means-tested on an annual basis, ranging from awards of 25% to 100%.

The Board wishes to increase the number of remissions available subject to sound financial management and is seeking to use its development and fundraising team to attract potential benefactors; an example of this is the commencement of the first and now second 10 for 1 bursary scheme, where ten donors generously support a 100% day bursary. To widen access yet further, the School highlights potential sources of external funding where appropriate. Where there is a sudden change in family circumstances, the School will consider financial assistance to allow a pupil to reach the next natural break in their education.

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The School believes that nurturing talent is important and therefore a number of academic, sporting, musical and dramatic scholarships are awarded. These range from 10% to 25%, with 162 children from a broad range of backgrounds benefitting. During the summer term, a Support (or Hardship) Fund was established to help parents who encountered severe financial difficulties during the pandemic.

We also provide tangible support to the Armed Forces by offering fee concessions of up to 20% to members of Her Majesty's Armed Forces; currently 59 children.

Partnering with the maintained sector

The Board strongly believes that the School must continue to forge links with local maintained schools. To meet this aim, the Headmaster has appointed a member of staff with the specific responsibility for community outreach. The activities that the School now undertakes builds on the sound foundation established over the last decade.

The staff provide specialist master classes and coaching in languages, science, technology and mathematics for local schools as well as those further afield. They also serve on specialist academic and technical bodies, speak at conferences, design frameworks for development programmes for teachers and serve as teacher mentors. The School hosts external training providers and offers places to colleagues from partner schools at subsidised rates or free of charge.

The COVID pandemic has presented significant logistical challenges in terms of working with our partner schools in the last year. Nevertheless, examples of partnership work with other schools include:

- Opening up own virtual lecture programme to all the maintained secondary schools in BANES, including lectures by Jacob Rees-Mogg, local MP Wera Hobhouse, and journalist Justin Webb
- Offering a local maintained school, St Mark's, a free subscription to 'Teen Tips'
- Kingswood teacher acting as a volunteer mentor for Sixth Form students at another partner school, Oldfield
- The School's MiDAS trainer has continue to provide MiDAS training pro bono at St Mark's
- Our Head of DT has been supporting the DT Department at St Gregory's with curriculum development there
- The School community supported an appeal from St Mark's which enabled them to buy 20 Chromebooks for their most vulnerable pupils
- Supporting a project at St Mark's aimed at providing food parcels worth £25 each for 23 families who were struggling in the 2020 summer holidays
- Donating furniture to a local primary school, St Philip's.

Sharing of School facilities

The Board wish to extend the use of the School's sports and recreation facilities across the local community providing either free or subsidised hire. Extensive use is made of the School's facilities throughout the year by local groups and organisations, coordinated through the widespread activities of the Commercial Manager. Examples in recent years include:

- City of Bath Hockey Club making regular use of the AstroTurf pitches.
- Somerset CCC and Wiltshire CCC Cricket Academy, Bitton Cricket Club and Corsham Cricket Club using the first XI cricket pitch.
- Bath Rugby Academy at the Upper playing fields.

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- Larkhall Youth Football club using the Upper playing fields.
- Bath Aquae Sulis Swimming Club and the new Weston All Saints Primary School making extensive use of the swimming pool.
- Oldfield School use of our football pitches for girls' football.
- Clarendon School and St Mark's School use of the theatre.
- Visiting primary schools use the athletics facility for a sports day.
- Various other Bath sporting clubs use our sports facilities for regular or one-off training, tournaments and events.
- Allowing the public in north Lansdown to ramble across the Upper during Lockdown for exercise.

One of the highlights of the academic year is the hosting of the Model United Nations Conference. Schools nation-wide, independent and maintained, are welcomed to Kingswood for a series of lively and topical debates. This year, this event took place virtually, with 130 students attending from 13 different schools. We also normally host a number of music events and workshops that the public can attend and to which local schools are invited. The School sponsors the annual Bath Music Festival with a live performance held for the public in central Bath. The School also sponsors part of the Bath Literary Festival and also hosts two acclaimed reading and book competitions:

- The South West Regional Heat for the Kids Lit Quiz.
- the Centurion Book Awards.

The School has held joint drama productions with Clarendon Academy in Trowbridge, making use of the School's modern theatre and allowing students to enjoy the full technical support of a theatre, while drama students from a partner state school have joined Kingswood students on trips to theatre productions in London.

The School is extremely proud to open its doors on Christmas Day to over 300 less fortunate members of the public who are served a festive lunch by a local charity. This is now the 13th year of our 'Open Christmas', although Dec 20 was postponed due to the pandemic.

Further examples of public benefit can be found at www.kingswood.bath.sch.uk/about-us/community-engagement

The Board fully recognises its obligations under section 17 of the Charities Act 2011 to operate a considerable benefit to the public. The Board has made significant provision to broaden the access to a Kingswood education and to ensure that its facilities are accessible for ex gratia use.

Fundraising and other forms of charitable support

Charity fundraising is an integral part of the culture and life of the School, either through the efforts of individual students or as part of the School's overall charity initiatives. At a more general level staff and students regularly raise funds through various personal and group initiatives in aid of a range of local, national and international charities. We believe that this focus on charity and community work not only benefits others but also develops a sense of social responsibility among the pupils which brings long-term benefits. In keeping with our commitment to a holistic education and our outward-looking approach, we seek to engage in a wide range of activities within our local community which we hope will be of significant benefit to all those involved. We estimate that in excess of £30,000 is raised by the Foundation in support of charities every year, in a normal year.

Kingswood School

GOVERNORS' REPORT

For the year ended 31 July 2021

In the past 12 months, notable charitable projects:

- The Malawi Open Arms project is a long established fundraising initiative where the School is partnered with an education charity in Malawi. Every two years a group of 40 students visit schools in Malawi to assist with building and maintenance projects and raise funds for the provision of further education facilities. The next trip is due in 2023. This year Kingswood has continued to support this charity, through initiatives such as 'Dog Beds For Degrees' and the sale of 50 festive hampers at Christmas.
- Julian House and Hope for Homes are two other prominent charities where the School raises significant funds through sponsored activities, jumble sales and other events. Whilst some of these activities are teacher led, the majority of events are independently organised and led by the students. Although Julian House cancelled their main fund-raising event this year, the Big Bath Sleep-Out, the School supported their appeal for students to complete the sleep-out at home.
- Kingswood has had regular collections for the Bath Foodbank in recent years and the School continued to support throughout 2020-21, by raising awareness in school newsletters. The school published links to alternative ways of donating, lists of items which are currently in short supply, and reminders to consider the Foodbank when parents and pupils were doing their shopping. The School also continued to support the Genesis Trust by publicising fundraising initiatives in our newsletter.
- Kingswood is a regular supporter of the Royal British Legion Poppy Appeal. In November 2020, over £300 was raised for this cause.
- The School also regularly supports the Dorothy House Hospice, through initiatives such as the 'Get Elfie Campaign' in November/December 2020.
- Students made items for the Christmas Card Packages campaign, supporting Age UK, St Mungo's and Creativity Works just before Christmas 2020.
- In Autumn 2020, the School community enthusiastically supported the student-led Movember appeal, raising over £2000 for that charity.
- In the summer of 2021 the School's PE Department organised a Touch Rugby Festival in aid of Masiphumelele RFC in South Africa, raising over £1000 for that cause.
- Other charities which the school has supported in 2020-2021 include Pardada Pardadi (a charity supporting girls' education in Uttar Pradesh), Breast Cancer Care UK, The Alzheimer's Society, the Royal United Hospital's Sofa to Summit Challenge and the Hami Nepal Youth Organisation.

It should be noted that the School only fundraises from known supporters and does not appeal to the general public. The school is registered with the institute of fundraising. Staff involved with fundraising follow best practice guidance issued by the institute of fundraising and do not engage with third party fundraisers. No complaints were received in the year relating to fundraising.

Kingswood School

GOVERNORS' REPORT

For the year ended 31 July 2021

Statement of Governors' Responsibilities

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

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

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

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the School and group and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the School and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Board of Governors on *Helen Bools* and signed on its behalf by:

13th December 2021

Mrs H Bools
Acting Chair of Governors, on behalf of Kingswood School Trustee Limited

Kingswood School

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For year ended 31 July 2021

Opinion

We have audited the financial statements of Kingswood School for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and School Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 July 2021 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Kingswood School

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For year ended 31 July 2021

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and the Charities SORP and consider other factors such as payroll tax.

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 13 December 2021

Kingswood School

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For year ended 31 July 2021

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowed funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Charitable activities:						
School fees	3	17,825,799	(1,661)	-	17,824,138	16,202,791
Ancillary trading income	5	629,585	-	-	629,585	513,435
		<u>18,455,384</u>	<u>(1,661)</u>	<u>-</u>	<u>18,453,723</u>	<u>16,716,226</u>
Other trading activities:						
Fundraising trading		65,757	-	-	65,757	223,326
Other trading income	5	15,138	-	-	15,138	85,706
Investment income		101	-	-	101	355
Donations and grants	6	270,910	210,898	-	481,808	776,072
Other Income	10	105,616	-	-	105,616	518,729
Total income		<u>18,912,906</u>	<u>209,237</u>	<u>-</u>	<u>19,122,143</u>	<u>18,320,414</u>
Expenditure:						
Raising funds:						
Fundraising trading	8	143,832	-	-	143,832	415,590
Financing costs	8	273,250	-	-	273,250	327,552
		<u>417,082</u>	<u>-</u>	<u>-</u>	<u>417,082</u>	<u>743,142</u>
Charitable activities:						
Education and grant making	8	18,327,070	2,450	-	18,329,520	17,871,772
Total expenditure		<u>18,744,152</u>	<u>2,450</u>	<u>-</u>	<u>18,746,602</u>	<u>18,614,914</u>
Net income / (expenditure) before investment gains/(losses)		<u>168,754</u>	<u>206,787</u>	<u>-</u>	<u>375,541</u>	<u>(294,500)</u>
Gains / (Losses) on investments	12	1,649	19,161	4,147	24,957	(15,130)
Net income / (expenditure)		<u>170,403</u>	<u>225,948</u>	<u>4,147</u>	<u>400,498</u>	<u>(309,630)</u>
Net movement in funds		<u>170,403</u>	<u>225,948</u>	<u>4,147</u>	<u>400,498</u>	<u>(309,630)</u>
Fund balances brought forward	25	9,305,670	1,633,523	1,165,854	12,105,047	12,414,677
Fund balances carried forward		<u>9,476,073</u>	<u>1,859,471</u>	<u>1,170,001</u>	<u>12,505,545</u>	<u>12,105,047</u>

Note 25 comprises the consolidated SOFA for 2020.

Kingswood School
CONSOLIDATED BALANCE SHEET
as at 31 July 2021

	Notes	Consolidated		School	
		2021 £	2020 £	2021 £	2020 £
Fixed assets					
Intangible assets	11b	-	1,429	-	1,429
Tangible assets	11a	21,513,704	21,674,066	21,513,704	21,674,066
Investment assets	12	420,936	395,894	422,936	397,894
		<u>21,934,640</u>	<u>22,071,389</u>	<u>21,936,640</u>	<u>22,073,389</u>
Current assets					
Stock		4,710	5,151	-	-
Debtors	13	394,274	542,521	486,806	616,059
Cash at bank and in hand		272,480	-	267,568	-
		<u>671,464</u>	<u>547,672</u>	<u>754,374</u>	<u>616,059</u>
Creditors: amounts falling due within one year	14	<u>(2,696,087)</u>	<u>(2,860,001)</u>	<u>(2,751,035)</u>	<u>(2,910,829)</u>
Net current liabilities		<u>(2,024,623)</u>	<u>(2,312,329)</u>	<u>(1,996,661)</u>	<u>(2,294,770)</u>
Total assets less current liabilities		<u>19,910,017</u>	<u>19,759,060</u>	<u>19,939,979</u>	<u>19,778,619</u>
Creditors: amounts falling due after more than one year:					
Bank loan	15	<u>(7,404,472)</u>	<u>(7,654,013)</u>	<u>(7,404,472)</u>	<u>(7,654,013)</u>
Net assets		<u>12,505,545</u>	<u>12,105,047</u>	<u>12,535,507</u>	<u>12,124,606</u>
Financed by:					
Endowed funds	18a	1,170,001	1,165,854	1,170,001	1,165,854
Restricted funds	18b	1,859,471	1,633,523	1,859,471	1,633,523
Unrestricted funds	18c	9,476,073	9,305,670	9,506,035	9,325,229
Total funds	17	<u>12,505,545</u>	<u>12,105,047</u>	<u>12,535,507</u>	<u>12,124,606</u>

The notes on pages 21 to 42 form an integral part of these Financial Statements.

Approved and authorised by the Governing Body on 13th Dec 2021 and signed on its behalf by:

Helen Bools

Mrs H Bools
Acting Chair and Governor, on behalf of Kingswood School Trustee Limited

Kingswood School

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 July 2021

	Notes	2021 £	2020 £
Cash flow from operating activities:			
Cash generated by operations	23	2,123,339	726,435
Interest paid		<u>(273,250)</u>	<u>(327,552)</u>
Net cash from operating activities		1,850,089	398,883
Cash flows from investing activities:			
Dividends, interest and rents from investments		16	46
Purchase of intangible assets		-	-
Receipt from disposal of fixed assets		-	977,444
Purchase of tangible assets		(928,204)	(622,552)
Investment gains/losses		24,957	(15,130)
Net cash used by investing activities		(903,231)	339,808
Cash flows from financing activities:			
Repayments of loans		(366,312)	(850,792)
Cash inflows from new loans		-	-
Net cash used by financing activities		(366,312)	(850,792)
Movement in cash		580,546	(112,101)
Cash and cash equivalents at the beginning of the reporting period		(308,066)	(195,965)
Cash and cash equivalents at the end of the reporting period		272,480	(308,066)
Analysis of cash and cash equivalents:			
Cash at bank and in hand		-	-
Bank overdraft		272,480	(308,066)

Charity law requires separate administration of the cash flows of endowed and other restricted funds of the School. This constraint does not adversely affect group cash flows as stated above.

The notes on pages 21 to 42 form part of these Financial Statements.

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

1 ACCOUNTING POLICIES

Charity information

Kingswood School is a registered charity in England and Wales. The registered office is Kingswood School, Lansdown Road, Bath, BA1 5RG. Kingswood School meets the definition of a public benefit entity under section 34 of FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy.

The principal objectives of the charity are detailed in the Governors' report found on page 7 of these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 October 2019) – (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The accounting policies disclosed have been applied consistently throughout the current and preceding year.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Reduced disclosures

FRS 102 allows qualifying entities certain disclosure exemptions. The school has only taken advantage of the exemptions for the following disclosure requirements:

- Section 1.12(b) "Statement of Cash Flows" – Presentation of an entity only Statement of Cash Flow and related notes and disclosures.

Going concern

At the balance sheet date the group had net current liabilities of £2,024,623 (2020 net current liabilities £2,312,329) and therefore the Governors have considered whether it is appropriate to prepare financial statements on the going concern basis.

These financial statements have been prepared on a going concern basis, which the Governors consider to be appropriate based on the results for the year ending 31 July 2021 and cash flow projections prepared for the period 31 July 2022 and beyond.

The cash flow projections indicate that the Group will be able to meet its liabilities as they fall due and together with current arrangements with the School's bankers indicate that the School will be able to operate within the facilities currently available. Furthermore, the School's bankers are satisfied that the School will meet its bank covenants going forward based on current forecasts.

The Trustees have no reason to believe that the current overdraft facility will not be continued. This facility was agreed with the School's bank which is aware that the termly fee income receipts lead to significant fluctuations in cash requirements and the flexibility of the overdraft represents cost effective borrowing.

The Trustees have identified no material uncertainties and for these reasons they have concluded that it is appropriate to use the going concern basis in the preparation of these accounts.

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

Basis of consolidation

The consolidated statement of financial activities, balance sheet and statement of cash flows include the financial statements of Kingswood School, its subsidiaries, Kingswood Enterprises Limited (Co. Reg. No. 0254544) and Kingswood International Limited (Co. Reg. No. 10519713) as well as its subordinate charity, Kingswood School Development Fund (Charity Reg No. 310229) made up to 31 July 2021. Kingswood Enterprises Limited is involved in commercial lettings, property management and the rental of minibus services for the benefit of the School. Kingswood International Limited is involved in promoting the Kingswood School way of education to overseas partners and developing education opportunities to overseas markets. Kingswood School Development Fund's main objects are to fundraise and apply the annual income of the charity for such charitable purposes as the Governors shall determine. The results of the subsidiaries are consolidated on a line by line basis, with all inter group sales and profit eliminated fully on consolidation.

Fees and similar income

Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees received for education to be provided in future years are carried forward as deferred income in the balance sheet.

Donations and legacies

Donations receivable for the general purposes of the School are credited to "other unrestricted funds", to distinguish them from direct School income. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments"; permanent or expendable according to the nature of the restriction. Legacies are recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability.

Job Retention Scheme government grant

Job Retention Scheme income is recognised once the school has confirmed that it is entitled to the income, the amount can be reliably estimated, and receipt is probable.

Expenditure

Expenditure is accounted for on an accruals basis. The allocation of expenditure between direct charitable and costs of raising funds is a subjective split based upon the Bursar's best estimate of the resources input to these different parts of the School's operations in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also external audit, any legal advice for the Governors and all costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory Financial Statements and satisfying public accountability.

Employee Benefits

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS 102 section 28 therefore, the scheme is accounted for as a defined contribution scheme.

The School also contributes to individual personal pension schemes for non-teaching staff, at 5% of annual basic pay, which is treated as a defined contribution scheme. The costs of contributions to these funds are charged to the revenue account in the accounting period for which they are payable.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

Fixed assets

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. Normally items costing less than £1,000 are written off as an expense as acquired.

The School's land and buildings are owned by The Methodist Independent Schools Trust, but are included in these Financial Statements as substantially all of the risks and rewards of ownership are with the School. Land is not depreciated. Buildings are depreciated at rates calculated to write off the cost less their estimated useful residual values on a straight line basis over the expected useful economic life of each building. The range of annual rates used for this purpose is between 20 and 50 years.

Depreciation is provided against all other assets, on a straight line basis at rates calculated to write them off over their useful life using the following rates:

Furniture and plant	10 - 50%
Motor vehicles	20%
IT Equipment	33.3%

Assets under the course of construction are not depreciated until they are brought into use.

Intangible fixed assets

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software (straight line)	33.3%
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Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the charity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in the statement of financial activities. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of financial activities.

Investments and investment income

Investment income is accounted for on a receivable basis and comprises dividend income and interest. In accordance with the SORP, investments are shown in the balance sheet at their market value.

Gains and losses on investment assets

Changes in the valuation of investments during the year are shown as gains or losses. Gains and losses arising from the disposal of assets are the difference between the sale proceeds and the market value at the beginning of the year.

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

Stocks

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

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and advance fee payments, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the charity's contractual obligations are discharged, cancelled, or they expire.

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments. They are subsequently measured at fair value using observable market inputs and outputs.

Permanent endowment funds

The School holds investments donated under permanent endowment. Income arising on the Permanent Endowment Fund investments is treated as restricted income of the School.

Restricted funds

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.

Unrestricted funds

The General Funds comprise the accumulated surplus. As such the Governors consider these funds to be Unrestricted Funds within the definitions contained in the Charities Acts in that they are funds over which they have complete discretion as to their use.

2 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the charity's accounting policies, The Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, for example the useful economic life of fixed assets. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

3 SCHOOL FEES

	2021	2020
	£	£
The School's unrestricted fee income comprised:		
Gross fees	20,541,324	19,689,484
Less: Total bursaries, grants and allowances	(2,718,847)	(3,523,989)
	<u>17,822,477</u>	<u>16,165,495</u>
 Add back: Scholarships, Grants etc. paid for by restricted funds	 1,661	 37,296
	<u>17,824,138</u>	<u>16,202,791</u>

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

4 INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

- (a) The School owns 100% of the 1,000 £1 ordinary share capital of Kingswood Enterprises Limited (Co. Reg No 02545442), which provides minibus services to the School and obtains commercial lettings.

Its trading results for the year, as extracted from the audited Financial Statements, are summarised below:

	2021 £	2020 £
Turnover	112,379	159,553
Cost of sales	(63,539)	(87,465)
Gross profit	48,840	72,088
Administration	(8,663)	(72,088)
Operating profit	40,177	61,052
Over accrual of gift aid in 19-20	26,498	-
Donation to the School	(37,760)	(61,052)
Retained profit/(loss)	28,915	-

The net assets of Kingswood Enterprises Limited at year end were £33,513 (2020: £4,596). Gross assets at year-end were £99,467 (2020: £72,859). Gross liabilities were £65,954 (2020: £68,262). During the year £34,554 was paid to the school as gift-aid in relation to the financial year 19-20 and £37,760 has been accrued for gift-aid relating to the financial year 20-21.

- (b) The School owns 100% of the 1,000 £1 ordinary share capital of Kingswood International Limited (Co. Reg No 10519713), which promotes the Kingswood School way of education to overseas partners and developing education opportunities to overseas markets.

Its trading results for the year, as extracted from the audited Financial Statements, are summarised below:

	2021 £	2020 £
Turnover	-	105,619
Cost of sales	(80)	(105,619)
Gross profit	(80)	(829)
Administration	(39,239)	(12,797)
Operating loss	(39,319)	(13,626)
Donation to the School	-	-
Retained profit/(loss)	(39,319)	(13,626)

The net liabilities of Kingswood Enterprises Limited at year end were £61,474 (2020: £22,155). Gross assets at year-end were £162 (2020: £27,080). Gross liabilities were £61,636 (2020: £49,235).

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

- (c) The Trustees of Kingswood School Development Fund are the same as the Governors of Kingswood School Trustees Limited and therefore Kingswood School Development Fund is viewed as being a subordinate charity under the terms of the SORP (FRS102).

The Kingswood School Development Fund was dormant in the current and prior periods.

5 ANCILLARY TRADING AND OTHER INCOME

	2021	2020
	£	£
Ancillary trading income:		
Entrance and registration fees	56,119	44,533
Special educational needs income	59,667	37,901
Fees for extracurricular courses	30,031	21,714
School meals	446,933	402,273
Fees in lieu of notice and forfeited deposits	36,835	7,014
	<u>629,585</u>	<u>513,435</u>
Activities for generating funds:		
Courses and sub-lettings	<u>15,138</u>	<u>85,706</u>

All ancillary trading income and raising funds are unrestricted in the current and prior year.

6 DONATIONS AND GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Donations and Legacies	(14,889)	210,898	-	196,009
Grants	285,799	-	-	285,799
	<u>270,910</u>	<u>210,898</u>	<u>-</u>	<u>481,808</u>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Donations and Legacies	23,635	116,008	-	139,643
Grants	636,429	-	-	636,429
	<u>660,064</u>	<u>116,008</u>	<u>-</u>	<u>776,072</u>

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

7 NET INCOME FOR THE YEAR

Net income in the year is stated after:

	2021	2020
	£	£
Charitable expenditure includes:		
Depreciation for owned assets	1,088,567	1,146,033
Amortisation of intangible assets	1,430	6,247
Bank loan and overdraft interest payable	205,794	254,516
	<u> </u>	<u> </u>
Governance costs include in support costs:		
Auditor's remuneration:		
for audit services	31,445	43,470
for non-audit services (tax advice and accounts prep support)	2,400	2,340
	<u> </u>	<u> </u>
Total staff costs comprised:		
Wages and salaries	10,363,563	10,205,259
Social security costs	1,006,124	1,019,275
Pension contributions	1,559,398	1,563,374
	<u> </u>	<u> </u>
	<u>12,929,085</u>	<u>12,787,908</u>

The average number of full time equivalent employees in the year was 293 (2020: 285) of which 119 (2020: 106) were teaching staff. The average headcount in the year was 455 (2020: 461). During the year termination payments were made to nine employee totalling £89,726 (2020: £20,570).

Neither the governors nor persons connected with them received any remuneration or other benefits from the School or any connected organisation, except for the reimbursement of expenses for travel, subsistence and training of the Governors for £1,725 (2019: £2,629).

The number of higher paid employees was:	2021	2020
	No.	No.
£60,000 - £70,000	10	9
£70,001 - £80,000	1	2
£80,001 - £90,000	1	1
£90,001 - £100,000	2	2
£120,001 - £130,000	1	1
£180,001 - £190,000	1	-
£200,001 - £210,000	0	1
	<u> </u>	<u> </u>
	<u>16</u>	<u>16</u>

Contributions to the Teachers' Pension Scheme were made for the benefit of 12 (2020: 12) higher paid employees totalling £226,510 (2020: £232,519). Contributions payable into the non-teaching staff personal pension schemes for 4 (2020: 4) higher paid employees amounted to £15,342 (2020: £15,317).

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

8 EXPENDITURE (UNRESTRICTED)

	Staff costs	Other costs	Amortisation & Depreciation	Total 2021
	£	£	£	£
Cost of charitable activities:				
Teaching	9,302,620	535,469	-	9,838,089
Welfare	1,760,657	981,354	-	2,742,011
Premises	619,668	1,631,697	1,089,998	3,341,363
Support costs of schooling	1,224,591	1,136,248	-	2,360,839
School's operating costs	12,907,536	4,284,768	1,089,998	18,282,302
Governance costs	-	44,767	-	44,767
Costs of raising funds:				
Fundraising trading - other	-	91,985	-	91,985
Financing costs	-	273,250	-	273,250
Trading costs of KEL	21,549	(4,580)	-	16,969
Trading costs of KIL	-	34,879	-	34,879
Total for Group	12,929,085	4,725,069	1,089,998	18,744,152

	Staff costs	Other costs	Amortisation & Depreciation	Total 2020
	£	£	£	£
Cost of charitable activities:				
Teaching	9,090,410	767,644	-	9,858,054
Welfare	1,697,290	768,908	-	2,466,198
Premises	630,642	1,508,229	1,152,280	3,291,151
Support costs of schooling	1,266,213	928,003	-	2,194,216
School's operating costs	12,684,555	3,972,784	1,152,280	17,809,619
Governance costs	-	60,803	-	60,803
Costs of raising funds:				
Fundraising trading - other	-	147,883	-	147,883
Financing costs	-	327,552	-	327,552
Trading costs of KEL	-	50,935	-	50,935
Trading costs of KIL	103,353	113,419	-	216,772
Total for Group	12,787,908	4,673,376	1,152,280	18,613,564

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

9 ANALYSIS OF SUPPORT COSTS

	Educational Operations 2021 £	Admin Operations 2021 £	Governance 2021 £	Recruitment & Advertising 2021 £	Total 2021 £
Audit Services – Audit Fees	-	-	31,445	-	31,445
Non audit fees	-	-	2,400	-	2,400
Independent Schools Inspection	-	-	9,197	-	9,197
Governor’s Expenses	-	-	1,725	-	1,725
Technology Costs	20,923	-	-	-	20,923
Other Support Costs	43,844	635,421	-	2,217	681,482
Support Staff Costs	9,215	1,298,315	-	-	1,307,530
Legal & Professional Costs	-	34,137	-	-	34,137
Staff training and expenses	-	13,271	-	-	13,271
Pupil Recruitment	-	-	-	191,717	191,717
Staff Recruitment	-	-	-	85,710	85,710
Other	-	26,071	-	-	26,071
	<u>73,982</u>	<u>2,007,215</u>	<u>44,767</u>	<u>279,644</u>	<u>2,405,608</u>

Staff costs are apportioned based on those employees who are employed in the different activities of the school. Other support costs relate to general office and sundry costs such as stationery and telephones.

Governance costs relate to accountancy services, the independent school’s inspection charge and Governor expenses provided to assist the Governors in the performance of their responsibilities.

	Educational Operations 2020 £	Admin Operations 2020 £	Governance 2020 £	Recruitment & Advertising 2020 £	Total 2020 £
Audit Services – Audit Fees	-	-	41,130	-	41,130
Non audit fee	-	-	2,340	-	2,340
Independent Schools Inspection	-	-	14,704	-	14,704
Governor’s Expenses	-	-	2,629	-	2,629
Technology Costs	48,105	-	-	-	48,105
Other Support Costs	67,533	394,663	-	-	462,196
Support Staff Costs	14,432	1,256,933	-	-	1,271,365
Legal & Professional Costs	-	34,253	-	-	34,253
Staff training and expenses	-	85,633	-	150,284	235,917
Pupil Recruitment	-	-	-	138,036	138,036
Staff Recruitment	-	-	-	4,344	4,344
	<u>130,070</u>	<u>1,771,482</u>	<u>60,803</u>	<u>292,664</u>	<u>2,255,019</u>

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

10 OTHER INCOME

	2021 £	2020 £
Proceeds from sale of fixed asset	-	977,444
Net book value	-	(460,978)
Gain on sale of asset	-	516,466
Other/Miscellaneous income	105,616	2,263
	<u>105,616</u>	<u>518,729</u>

11a TANGIBLE FIXED ASSETS GROUP AND SCHOOL

	Freehold property £	Assets in course of construction £	Motor vehicles £	Furniture and plant £	School total £	Subsidiary plant and equipment £	Subsidiary motor vehicles £	Group total £
<i>COST</i>								
At 1 August 2020	28,776,101	2,016	125,115	6,620,130	35,523,362	71,626	75,181	35,670,169
Additions	222,392	167,284	-	538,528	928,204	-	-	928,204
At 31 July 2021	<u>28,998,493</u>	<u>169,300</u>	<u>125,115</u>	<u>7,158,658</u>	<u>36,451,566</u>	<u>71,626</u>	<u>75,181</u>	<u>36,598,373</u>
<i>DEPRECIATION</i>								
At 1 August 2020	7,780,380	-	125,115	5,943,800	13,849,295	71,626	75,181	13,996,103
Charge for year	596,107	-	-	492,460	1,088,567	-	-	1,088,567
At 31 July 2021	<u>8,376,487</u>	<u>-</u>	<u>125,115</u>	<u>6,436,260</u>	<u>14,937,862</u>	<u>71,626</u>	<u>75,181</u>	<u>15,084,669</u>
<i>NET BOOK VALUES</i>								
At 31 July 2021	<u>20,622,006</u>	<u>169,300</u>	<u>-</u>	<u>722,398</u>	<u>21,513,704</u>	<u>-</u>	<u>-</u>	<u>21,513,704</u>
At 1 August 2020	<u>20,995,721</u>	<u>2,016</u>	<u>-</u>	<u>676,330</u>	<u>21,674,066</u>	<u>-</u>	<u>-</u>	<u>21,674,066</u>

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

11b INTANGIBLE FIXED ASSETS GROUP AND SCHOOL

	Software £
Cost	
At 1 August 2020	164,332
	<hr/>
At 31 July 2021	164,332
	<hr/>
Amortisation	
At 1 August 2020	162,903
Charge	1,429
	<hr/>
At 31 July 2021	164,332
	<hr/>
Net book value	
At 31 July 2021	-
	<hr/> <hr/>
At 31 July 2020	1,429
	<hr/> <hr/>

Intangible Assets relate to purchased software technology. Amortisation is included in the Statement of Financial Activities within Charitable activities' costs.

12 INVESTMENTS GROUP

	Unrestricted £	Restricted £	Endowment £	Cash £	Un- Endowed restricted Cash £	Total £
At 1 August 2020	9,326	177,610	41,160	129,695	38,104	395,895
Accumulated Interest	-	-	-	-	84	84
Revaluations	1,649	19,161	4,147	-	-	24,957
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 July 2021	10,975	196,771	45,307	129,695	38,189	420,936
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Historic cost	1,777	65,495	88,530	121,286	31,326	308,414
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

SCHOOL

	Unrestricted	Restricted	Endowment	Endowed restricted Cash	Un- restricted Cash	Total
	£	£	£	£	£	£
At 1 August 2020	11,326	177,610	41,160	129,695	38,104	397,894
Additions	-	-	-	-	-	-
Accumulated interest	-	-	-	-	85	85
Disposal	-	-	-	-	-	-
Revaluations	1,649	19,161	4,147	-	-	24,957
	<u>12,975</u>	<u>196,771</u>	<u>45,307</u>	<u>129,695</u>	<u>38,189</u>	<u>422,936</u>
Balance at 31 July 2021	12,975	196,771	45,307	129,695	38,189	422,936
Historic cost	<u>2,777</u>	<u>65,495</u>	<u>88,530</u>	<u>121,286</u>	<u>31,326</u>	<u>309,414</u>

The unrestricted investment shown within the school note above includes the investment in two subsidiaries. This is a 100% holding in the 1,000 £1 ordinary shares of Kingswood Enterprises Limited and Kingswood International Limited, both companies incorporated in the United Kingdom. Kingswood Enterprises Limited provides services in property management, commercial lettings and minibus services. Kingswood International Limited promotes the Kingswood School way of education to overseas partners and develops education opportunities to overseas markets.

Restricted and endowed investments are held in investment fund units whose funds are invested in a wide variety of stocks and shares.

The cash deposits are held by the investment managers and interest accumulates monthly.

13 DEBTORS

	Consolidated		School	
	2021	2020	2021	2020
	£	£	£	£
Due within one year:				
School fees	238,526	170,382	238,526	170,382
Trade debtors	2,399	5,380	-	-
Amounts owed by group undertakings	-	-	57,196	44,945
Gift aid receivable from subsidiary	-	-	37,760	61,052
Other debtors	65,870	121,490	65,845	121,490
Prepayments and accrued income	87,479	245,269	87,479	218,190
	<u>394,274</u>	<u>542,521</u>	<u>486,806</u>	<u>616,059</u>

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

14 CREDITORS: amounts falling due within one year

	Consolidated		School	
	2021	2020	2021	2020
	£	£	£	£
Overdraft	-	308,066	-	333,016
Current instalments due on bank loan	457,991	574,762	457,991	574,762
Trade creditors	536,092	218,449	536,091	218,449
Amounts owed to subsidiary companies	-	-	81,105	37,305
Taxation and social security	(6,478)	256,305	-	256,378
Finance leases	196,848	36,057	196,848	36,057
Other creditors	179,355	148,066	177,766	146,477
Deposits received in advance	457,200	443,451	457,200	443,451
Accruals and deferred income	255,168	153,145	224,123	143,234
Advance fees	619,911	721,700	619,911	721,700
	<u>2,696,087</u>	<u>2,860,001</u>	<u>2,751,035</u>	<u>2,910,829</u>

Deferred Income Analysis

	2021	2020
	£	£
At 1 August 2020	1,893	-
Income received for future residential courses	12,985	1,893
Released to accounts in 2019-20	-	-
Balance at 31 July 2021	<u>14,878</u>	<u>1,893</u>

	2021	2020
	£	£
Advance Fee Payments		
Amounts due within one year	619,911	721,700
	<u>619,911</u>	<u>721,700</u>

The balance represents the accrued liability under the contracts. The movements during the year were:

	2021	2020
	£	£
Balance at 1 August 2020	721,700	470,866
Movement in the year	(101,789)	250,834
Balance at 31 July 2021	<u>619,911</u>	<u>721,700</u>

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

15 CREDITORS: amounts falling due after more than one year

	Consolidated		School	
	2021	2020	2021	2020
	£	£	£	£
Bank loan	7,404,472	7,654,013	7,404,472	7,654,013
	<u>7,404,472</u>	<u>7,654,013</u>	<u>7,404,472</u>	<u>7,654,013</u>
	<u><u>7,404,472</u></u>	<u><u>7,654,013</u></u>	<u><u>7,404,472</u></u>	<u><u>7,654,013</u></u>

16 BORROWINGS

	Consolidated		School	
	2021	2020	2021	2020
	£	£	£	£
Bank overdrafts	-	308,066	-	333,016
Bank loans	7,862,463	8,228,775	7,862,463	8,228,775
	<u>7,862,463</u>	<u>8,536,841</u>	<u>7,862,463</u>	<u>8,561,791</u>
	<u><u>7,862,463</u></u>	<u><u>8,536,841</u></u>	<u><u>7,862,463</u></u>	<u><u>8,561,791</u></u>
Payable within one year	457,991	882,828	457,991	907,778
Payable after one year	7,404,472	7,654,013	7,404,472	7,654,013
	<u>7,862,463</u>	<u>8,536,841</u>	<u>7,862,463</u>	<u>8,561,791</u>
	<u><u>7,862,463</u></u>	<u><u>8,536,841</u></u>	<u><u>7,862,463</u></u>	<u><u>8,561,791</u></u>

The School and Group have the facility of three loans and an overdraft facility provided by Barclays Bank plc, under composite overdraft arrangements with the Board of the Division of Finance of the Methodist Church covered by a legal charge on freehold property in Bath.

At 31 July 2001, there was a legal charge in favour of the Board of the Division of Finance of the Methodist Church, over property described in an indenture dated 19 July 1852 and an indenture of conveyance dated 31 December 1863. Property comprised in this charge is to be taken by the Bank as security for the loan and overdraft facility.

The balance of the fixed loan is repayable by February 2033 and has an interest rate of 2.1%. The balance of the first variable loan is repayable by November 2034 and has an interest rate of 1.6%. The balance of the second variable loan is repayable by November 2038 and has an interest rate of 1.55%.

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

17 NET ASSETS OF THE FUNDS OF THE SCHOOL AND GROUP

The Group's net assets belong to the various funds (including Advance Fees) as follows:

	Fixed Assets £	Investments £	Net current Assets/ (Liabilities) £	Long term Liabilities £	Fund balances £
Endowment funds	-	175,001	995,000	-	1,170,001
Restricted funds	-	196,771	1,662,700	-	1,859,471
Unrestricted funds	21,513,704	49,164	(4,682,323)	(7,404,472)	9,476,073
	<u>21,513,704</u>	<u>420,936</u>	<u>(2,024,623)</u>	<u>(7,404,472)</u>	<u>12,505,545</u>

The School's net assets belong to the various funds (including Advanced Fees) as follows:

	Fixed Assets £	Investments £	Net current Assets/ (Liabilities) £	Long term Liabilities £	Fund balances £
Endowment funds	-	175,001	995,000	-	1,170,001
Restricted funds	-	196,771	1,662,700	-	1,859,471
Unrestricted funds	21,513,704	51,164	(4,654,361)	(7,404,472)	9,506,035
	<u>21,513,704</u>	<u>422,936</u>	<u>(1,996,661)</u>	<u>(7,404,472)</u>	<u>12,535,507</u>

On 19 June 2018, the School received the approval of the Charity Commission to transfer £995,000 of the School's Endowment funds to offset the capital purchase of the new build at KPS. The Agreement made specific reference to interest and capital payments:

- Interest on the loan at the rate of 3%, to be reviewed annually.
- The Borrower shall repay the loan in ten equal instalments commencing on the fifth anniversary of this Agreement and thereafter on each anniversary of this Agreement until 2033.

The Charity Commission also approved the use of a subsidiary company, Ferens Posnett Limited (Reg. Co. No. 11376507) to reduce the conflict of interest between Kingswood School Trustee Limited and the Kingswood School endowed funds.

Kingswood School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

18a ENDOWED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2020 £	Income £	Amounts expended £	Transfers and investment gains £	Balance at 31 July 2021 £
Endowment funds					
Scholarships, bursaries	1,158,625	-	-	3,867	1,162,492
Prizes and medals	2,003	-	-	280	2,283
Other funds	5,226	-	-	-	5,226
School & Group	<u>1,165,854</u>	<u>-</u>	<u>-</u>	<u>4,147</u>	<u>1,170,001</u>

	Balance at 1 August 2019 £	Income £	Amounts expended £	Transfers and investment gains £	Balance at 31 July 2020 £
Endowment funds					
Scholarships, bursaries	1,162,215	-	-	(3,590)	1,158,625
Prizes and medals	2,119	-	-	(116)	2,003
Other funds	5,226	-	-	-	5,226
School & Group	<u>1,169,560</u>	<u>-</u>	<u>-</u>	<u>(3,706)</u>	<u>1,165,854</u>

The Scholarship Funds

The net assets represent the historical monetary value of some 19 individual gifts from benefactors of the School, together with, since 1977, the accumulated surplus of income over expenditure. The income and expenditure is shown within the restricted funds.

The Prizes and Medals Fund

The net assets represent the historical monetary value of some 19 individual gifts from benefactors of the School. The income and expenditure is shown within the restricted funds.

18b RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2020 £	Income £	Amounts expended £	Transfers and investment gains £	Balance at 31 July 2021 £
Restricted funds					
Bursary fund	202,487	1,661	(1,661)	19,161	221,648
Other restricted funds	9,487	1,000	(1,000)	-	9,487
Development	1,421,549	209,237	(2,450)	-	1,628,336
School	<u>1,633,523</u>	<u>211,898</u>	<u>(5,111)</u>	<u>19,161</u>	<u>1,859,471</u>
Kingswood School Development Fund	-	-	-	-	-
Group	<u>1,633,523</u>	<u>211,898</u>	<u>(5,111)</u>	<u>19,161</u>	<u>1,859,471</u>

Kingswood School

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	Balance at 1 August 2019 £	Income £	Amounts expended £	Transfers and investment gains £	Balance at 31 July 2020 £
Restricted funds					
Bursary fund	213,732	37,296	(37,296)	(11,245)	202,487
Other restricted funds	9,487	500	(500)	-	9,487
Development	1,344,187	78,712	(1,350)	-	1,421,549
	<u>1,567,406</u>	<u>116,508</u>	<u>(39,146)</u>	<u>(11,245)</u>	<u>1,633,523</u>
School	1,567,406	116,508	(39,146)	(11,245)	1,633,523
Kingswood School Development Fund	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Group	<u>1,567,406</u>	<u>116,508</u>	<u>(39,146)</u>	<u>(11,245)</u>	<u>1,633,523</u>

Bursary fund

This fund represents monies given to the School specifically to invest for the provision of bursaries and gifts to support pupils.

Other restricted funds

These relate to several small restricted funds which have been donated during the year and are expended in accordance with the donor's wishes.

Kingswood Prep School (KPS) capital restricted fund.

This fund has received income from donations for the capital project at the new build at KPS.

A proportion of these donations were spent in the year with the balance to be used before the completion of the capital project in November 2018.

18c UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers and investment gains £	Balance at 31 July 2021 £
Unrestricted funds					
General reserve	9,025,229	18,800,527	(18,621,370)	1,649	9,206,035
Designated funds					
Bursary fund	300,000	-	-	-	300,000
	<u>9,325,229</u>	<u>18,800,527</u>	<u>(18,621,370)</u>	<u>1,649</u>	<u>9,506,035</u>
School	9,325,229	18,800,527	(18,621,370)	1,649	9,506,035
Kingswood Enterprises Ltd	3,596	112,379	(83,463)	-	35,512
Kingswood International Ltd	(23,155)	-	(39,319)	-	(62,474)
	<u>3,596</u>	<u>112,379</u>	<u>(83,463)</u>	<u>-</u>	<u>35,512</u>
	<u>(23,155)</u>	<u>-</u>	<u>(39,319)</u>	<u>-</u>	<u>(62,474)</u>
Group	<u>9,305,670</u>	<u>18,912,906</u>	<u>(18,744,152)</u>	<u>1,649</u>	<u>9,476,073</u>

Kingswood School

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for the year ended 31 July 2021

In the financial year 2012/13 the governors designated £300,000 for future bursaries to be given against school fees.

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers and investment gains £	Balance at 31 July 2020 £
Unrestricted funds					
General reserve	9,266,149	17,976,530	(18,217,271)	(179)	9,025,229
Designated funds					
Bursary fund	300,000	-	-	-	300,000
School	<u>9,566,149</u>	<u>17,976,530</u>	<u>(18,217,271)</u>	<u>(179)</u>	<u>9,325,229</u>
Kingswood Enterprises Ltd	121,091	159,553	(277,048)	-	3,596
Kingswood International Ltd	(9,529)	105,619	(119,245)	-	(23,155)
Group	<u>9,677,711</u>	<u>18,241,702</u>	<u>(18,613,564)</u>	<u>(179)</u>	<u>9,305,670</u>

19 PENSION SCHEMES

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 £1,342,932 (2020: £1,345,744) and at the year-end £0 (2020: £0) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

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

20 RELATED PARTY TRANSACTIONS

The key management personnel are deemed to be the Trustees, the Senior and Prep Headmasters, the Bursar, 4 deputy heads and 4 directors as listed on Page 5 of the accounts. Their total remuneration costs including employer's NI and pension in the year were £1,191,723 (2020: £1,230,669).

During the year the school received gift aid income from Kingswood Enterprises Ltd of £34,554 (2020: £182,144) relating to 19/20 and £37,760 has been accrued for gift aid relating to 20/21.

The school charged Kingswood Enterprises Limited £44,721 (2020: £39,947) for Minibus driving services, theatre and admin charges and Catering services. It paid £46,621 (2020: £41,847) to Kingswood Enterprises Ltd in respect of the supply of minibuses and other vehicles as well as the school shop. At the year-end £81,105 (2020: £37,305) was due to Kingswood Enterprises Ltd.

At the year-end £57,196 (2020: £44,945) was due to Kingswood School Ltd from Kingswood International Limited. There were no other transactions between Kingswood School Ltd and Kingswood International Ltd.

21 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and controlling party is Kingswood School Trustee Limited, of Lansdown Road, Bath BA1 5RG, a company incorporated in England and Wales.

Kingswood School

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22 NET DEBT RECONCILIATION

	Brought forward £	Cash flow £	Carried forward £
Cash at bank and in hand	-	272,480	272,480
Bank overdraft	(308,066)	308,066	-
	<u>(308,066)</u>	<u>580,546</u>	<u>272,480</u>
Finance leases	(36,057)	(160,791)	(196,848)
Debt due in more than one year	(7,654,013)	249,541	(7,404,472)
Debt due within one year	(574,762)	116,771	(457,991)
	<u>(8,572,898)</u>	<u>786,067</u>	<u>(7,786,831)</u>

23 RECONCILIATION OF GROUP NET INCOME TO NET CASH INFLOW FROM OPERATIONAL ACTIVITIES

	2021 £	2020 £
Net income	375,543	(294,500)
Adjustments for:		
Investment gains	(24,957)	15,130
Interest received	(101)	(355)
Net financing costs	273,250	327,552
Add back Endowment receipt (Investments additions)	-	-
Depreciation and amortisation	1,089,998	1,152,280
Loss on disposal of fixed assets	-	-
	<u>1,713,733</u>	<u>1,200,107</u>
Gain on disposal of fixed asset	-	(516,466)
Transfer from fixed assets to P&L	-	-
(Increase)/Decrease in stock	441	1,313
(Increase)/Decrease in debtors	148,246	4,488
Increase/(Decrease) in creditors	260,919	36,993
	<u>2,123,339</u>	<u>726,435</u>
Net cash provided by operating activities		

24 CONTINGENT LIABILITY

There remains a contingent liability for an additional mandatory school compliance matter, which will be confirmed in 2022. This matter relates to an ongoing estates issue, where the School are working diligently with outside agencies to mitigate any further risk. It is not clear at this stage whether there will be any financial cost to the School and if there is, how much the cost will be.

Kingswood School

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for the year ended 31 July 2021

25 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowed funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Charitable activities:						
School fees	3	16,240,087	(37,296)	-	16,202,791	16,726,602
Ancillary trading income	5	513,435	-	-	513,435	770,401
		<u>16,753,522</u>	<u>(37,296)</u>	<u>-</u>	<u>16,716,226</u>	<u>17,497,003</u>
Other trading activities:						
Fundraising trading		223,326	-	-	223,326	410,344
Other trading income	5	85,706	-	-	85,706	244,765
Investment income		355	-	-	355	338
Donations and grants	6	660,064	116,008	-	776,072	393,113
Other Income	10	518,729	-	-	518,729	1,762,630
Total income		<u>18,241,702</u>	<u>78,712</u>	<u>-</u>	<u>18,320,414</u>	<u>20,308,193</u>
Expenditure:						
Raising funds:						
Fundraising trading	8	415,590	-	-	415,590	694,647
Financing costs	8	327,552	-	-	327,552	325,681
		<u>743,142</u>	<u>-</u>	<u>-</u>	<u>743,142</u>	<u>1,020,328</u>
Charitable activities:						
Education and grant making	8	17,870,422	1,350	-	17,871,772	18,122,600
Total expenditure		<u>18,613,564</u>	<u>1,350</u>	<u>-</u>	<u>18,614,914</u>	<u>19,142,928</u>
Net income before investment gains		<u>(371,862)</u>	<u>77,362</u>	<u>-</u>	<u>(294,500)</u>	<u>1,165,265</u>
(Losses) / Gains on investments	12	(179)	(11,245)	(3,706)	(15,130)	4,958
Net (expenditure) / income		<u>(372,041)</u>	<u>66,117</u>	<u>(3,706)</u>	<u>(309,630)</u>	<u>1,170,223</u>
Net movement in funds		<u>(372,041)</u>	<u>66,117</u>	<u>(3,706)</u>	<u>(309,630)</u>	<u>1,170,223</u>
Fund balances brought forward	24	9,677,711	1,567,406	1,169,560	12,414,677	11,244,454
Fund balances carried forward		<u>9,305,670</u>	<u>1,633,523</u>	<u>1,165,854</u>	<u>12,105,047</u>	<u>12,414,677</u>