

The King's School Ely
(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the year ended 31 July 2023

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Directors and Governors

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Principal

John Attwater

Company Secretary

Roger Axworthy

Clerk to the Board of Governors

Roger Axworthy

Name and Registered Office of the Company

The King's School Ely, Barton Road, Ely, Cambridgeshire, CB7 4DB

Registered Charity Number

802427

Registered Company Number

2440509

Registered VAT Number

183012243

Bankers

Barclays Bank plc, 1 Churchill Place, Canary Wharf, London, E14 5HP

Solicitors

Veale Wasbrough Vizards, Narrow Quay House, Narrow Quay, Bristol BS1 4QA

Mills and Reeve LLP, Botanic House, 98-100 Hills Rd, Cambridge CB2 1PH

Peninsula Business Services Limited, The Peninsula, Victoria Place, Manchester, M4 4FB

Independent auditors

Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

Insurance Brokers

Hettle Andrews, Eleven Brindleyplace, 2 Brunswick Place, Birmingham, B12LP

Investment Managers

Cazenove Capital Management Limited, 12 Moorgate, London EC2R 6DA

CCLA Investment Management Limited, Senator House, 85 Queen Victoria St, London

EC4V 4ET

Buildings Consultants

Cheffins, 25 Market Pl, Ely CB7 4NP

Bidwell's LLP, Trumpington Road, Cambridge, CB2 2LD

Trustees and Governors

The trustee of the Charity is The King’s School Ely, a company limited by guarantee. The directors of that Company are the members of the Board of Governors as well as being members of the Company. As members of the Company each has given a guarantee not exceeding one pound whilst they are members of the Company and for one year after ceasing to be a member. The Governors who served during the financial year and up to the date of approving the financial statements were as follows:

Membership of Boards, Committees and Working Parties (Chair of Board indicated by #, Vice-Chair by ^ & Chair of Committee indicated by +)

	Board of Governors	Finance & General Purposes	Nomination & Governance	Education	Remuneration	Fairstead House Education	Pension Working Group	Audit Working Group
David Day	X#	X	X+	X	X		X+	X
Amanda East	X^	X	X	X	X		x	X
Gavin Acheson	X	X						
Mark Bonney	X		X					
Philip Cantwell	X		X	X+				
David Coston (elected 16.10.2023)	X	X						
Stephanie Lockwood	X			X				
Nicholas Longford (elected 6.8.2022)	X					X		
Fenella Martin-Redman	X	X					X	X
Chris Meddle	X			X				
Kathleen Milne (elected 6.8.2022)	X			X		X+		
Mark Myers	X	X+			X+		X	X+
Isobel Newport-Mangell	X	X						
Joseph Peake	X			X	X		X	
Michael Proctor	X		X					

The Co-opted Governors are appointed by the Board of Governors for the time being. The Chapter of Ely Cathedral is entitled to appoint two Governors (including the Dean of Ely who is normally an ex-officio Governor). The Ely Diocesan Education Board appoints one representative Governor. All other Governors are co-opted.

On 30 September 2022: Kathleen Milne was appointed Chair of the Fairstead House Education Committee and Nick Longford was appointed member of the Fairstead House Education Committee. The Fairstead House Education Committee was established in accordance with the merger of the King’s School Ely and Fairstead House School Trust Ltd. The first meeting of the Fairstead House Education Committee took place on 11 October 2022.

On 30 June 2023: David Day was re-elected as Chair of the Board of Governors for a second three-year term from June 2023 to June 2026. Amanda East was re-elected as Vice-Chair of the Board of Governors for a second three-year term from June 2023 to June 2026. Kathleen Milne was confirmed in the appointment as representative of the Ely Diocesan Board of Education.

On 14 June 2023: The Governance Working Party to review the business model and governance structure of The King's School Ely and Fairstead House School met for the first time. The Governance Working Party comprised the following Governor members of David Day, Amanda East and Mark Myers.

Governors' Report

Status and Structure

The King's School Ely is a Trust established in 970 AD. The sole trustee of the Trust is The King's School Ely, a separately constituted company limited by guarantee. The assets of the School are registered in the name of the Company as trustee, but ownership is retained by the Trust. Under a Charity Commission uniting direction dated 20 February 2003, the Trust's original charity registration number (311440) was changed to 802427 and the Charity was formally linked to its Trustee Company.

The Articles of Association of the Company were revised in July 2022. Under the Articles of Association only members of the Company shall be appointed governors of the School. The Governors acting as trustees on behalf of the Company are responsible for the financial statements of the Trust. The Trust has charitable status for taxation purposes.

The information on Governors, officers and advisers on pages 3 and 4 forms part of this Governors' Annual Report.

Object, Aims, Objectives and Policy

Charitable Object

The object, for which the Company is established, is to advance the education of the public including education in the teachings and practice of the Church of England.

Overall Purpose: King's Ely exists to give the very best education, opportunities and pastoral care to as diverse a community of children as we can. In doing so we aim to prepare each one to live positive, productive, successful and fulfilled lives, for the betterment of themselves and the world around them.

How we will achieve this: through the operation of a family of schools centred around a 2-18 co-educational day and boarding school in Ely, aiming to draw fully on our exceptional environment, history, physical, cultural, spiritual and human resources in doing so.

Public Benefit

Our immediate beneficiaries are the young people whose attendance can be funded by their parents or guardians, or else from bursaries or other forms of charitable grant support provided by the School under the Remissions Policy and external charitable organisations, or a combination of these. However, governors are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011, believing that society in general is the ultimate beneficiary of a King's Ely education and that the inculcation of sound social values and personal responsibility in our pupils will be of benefit to any community in which they live and work. In this connection, Governors have monitored closely the guidance on public benefit produced by the Charity Commission together with its supplemental guidance on fee charging.

Bursaries are awarded to pupils by the Bursaries Awards Committee on the basis of means-testing using an independent organisation, Bursary Awards Limited, and are overseen by the Governors' F&GP Committee. During the year King's Ely continued to work with Royal SpringBoard and other charities to identify recipients of transformational bursaries, as well as providing places for a number of refugees from the war in Ukraine who arrived in the UK under the Homes for Ukraine scheme and by other means. In addition to the means-tested bursaries and choral awards, the School is involved in a number of activities which benefit the local and wider communities, and the School maintains a public benefit register which lists many of the opportunities we offer. These activities included:

- enabling a daily choral tradition during term time at Ely Cathedral as well as special services, festivals and concerts, through the financial support and provision of education to Ely Cathedral Boys' and Girls' Choirs.
- providing, free of charge or at heavily subsidised rates, access to our facilities for sports, arts, academic and social events for children both locally and nationally, and to arts events for the community.
- as a founder member of the Cambridgeshire Education Trust (CET) in partnership with Cambridgeshire County Council, providing a platform and support for a wide range of staff training and partnership activities for children of primary and secondary age within and around Cambridgeshire;
- donating proceeds from musical productions to support other charities;
- community action projects run by our own staff and students, including local care and primary education providers;
- organisation of and contributions to academic events for children from across the region;
- providing support to several of our staff to be governors at local schools and to be involved in other charities;
- providing for the public, free of charge, tours of the Old Palace and other ancient buildings;
- donating homemade soup and scones for the homeless and vulnerable in the local area;
- enabling work experience for pupils from local schools;
- providing ESOL lessons to the refugees from the war in Ukraine who have arrived in the local area under the Homes for Ukraine scheme.

Close links between parents/guardians and our teachers, as well as Old Eleans, in addition to our monitoring and contributing to the development of national education initiatives, enable us to ensure that the schooling we provide is innovative, relevant and imaginative and thereby represents best practice. Well over half of our employees are actively involved in community and charity work outside school ranging from chairmanship of national charities to running Guide troops and raising thousands of pounds for charities. Active liaison with local organisations and the community at large enables us to maintain dynamic and relevant activities for the public benefit.

Enabling activities

To enable the school to fulfil its aims we seek to:

- manage school funds efficiently in order to ensure an appropriate and stimulating environment in which to live and learn; provide financial support to enable children whose parents are unable to afford the full fees to benefit from an education at King's Ely;
- provide clear and effective management capable of taking timely decisions and allocating resources appropriately and provide the necessary administrative and logistic framework to address the needs of members of staff and pupils alike. The aims and objectives set for the School's subsidiary are to facilitate the achievement of the School's aims and objectives as above.

Governance and Management

Board of Governors

The constitution of the Governing Body and particulars of the Governors who served during the year are given on page 4. The Governors are aware of the Charity Governance Code published in 2017 (and revised in March 2021) which sets out the principles and recommended practice for good governance within the sector. The Nomination and Governance Committee has reviewed the Charity's current governance arrangements against the principles within the code. The Trustees continue to seek to employ best practice to deliver the highest standards of governance for the Charity. Since 2021 the Committee has developed further the documentation of best practice in the Charity's governance, including production of a Governors' Handbook which is updated annually and conducts a skills audit of the Board of Governors every three years.

Recruitment and Training of Governors

New governors are appointed at a Board meeting on the recommendation of the Nomination and Governance committee, chaired by the Chair of the Board of Governors. Nominations and suggestions are invited from across the School community and beyond. The Nominations and Governance Committee considers these in accordance with the requirements detailed in the Articles of Association. Importance is placed on diversity, appointing new Governors who would attract support for the School both within the local community, among parents and staff, and on a national or international scale. Weight is also given to the specific experience and qualifications possessed by retiring Governors, and by those due to retire within two years, to ensure continuity of representation of a broad variety of Governors with a cross section of talents.

A formal induction is arranged for all new Governors. This ensures that they are familiar with the School, the way in which it operates, and the current issues which face Governors and the Senior Leadership Team. This involves provision of a comprehensive pack of relevant papers, followed by meetings and visits to familiarise the Governor with the School and the key personalities including: the Chair of the Board, the Principal, the COO, and the Heads of the four elements of the School, Heads of Departments, including Support Staff and the Clerk to the Governors. Training of Governors is carried out through the medium of internal seminars, presentations and Educare online courses. Governors are also encouraged to attend external seminars such as those run by AGBIS, ISC, HMC or ISBA.

Organisational Management

The Governors, as the charity Trustees, are legally responsible for the overall management and control of the School and normally meet four times a year. Much of the detailed work is carried out by the members of the Finance and General Purposes Committee (F&GP), who meet in advance of the full Board meetings and at other times as required. The Education Committee and the Nominations and Governance Committee normally meet three times a year. The Remuneration Committee meets once a year. Other committees of Governors are formed as required from time to time. All committees report to the full Board of Governors; the Chair of Governors is an ex-officio member of the F&GP Committee, the Education Committee and the Remuneration Committee, and is Chair of the Nominations and Governance Committee.

Fairstead House School, a Prep school in Newmarket, merged with the King's School Ely on 5th August 2022, further detail is included in the notes to the accounts.

The School has a unified organisation structure, The Principal is Chief Executive. During the year, the School had four elements: King's Ely Acremont (KEA), including the Nursery (KEAN), King's Ely Prep (KEP), King's Ely Senior (KES) and Fairstead House School (FHS) including Fairstead House Nursery. The Principal of the King's School Ely is Chief Executive of all four sections. KES, KEA, KEP and FHS each have a Head of Section under the direct oversight of the Principal. The Chief Operating Officer, who is responsible for all non-academic staff and functions needed to support the School's educational objects, reports directly to the Principal. The day-to-day running of the School is co-ordinated by the School Leadership Team and the affairs of each School managed by a committee chaired by the respective Head of Section and attended as necessary by the Principal, Chief Operating Officer and Chief Financial Officer.

In March 2023 the Secretary of State approved the School's increase in pupil roll to a maximum capacity of 1250.

Group Structure

The Charity has a wholly owned trading subsidiary which is incorporated in the United Kingdom, King's School Ely Enterprises Limited, whose activities and trading performance are discussed below and in note 3 of the financial statements.

A further wholly owned Trading Subsidiary, King's Ely Octagon Schools Ltd (KEOS) was incorporated in the United Kingdom on 23 August 2016. The company is not yet trading.

Employment policy

The King's School Ely is an equal opportunities employer. Full and fair consideration is given to all job applications and due consideration is given to their training and employment needs. All applicants for employment and existing employees are treated by reference to their particular aptitudes, abilities and relevant qualifications and receive equal treatment as provided by law regardless of gender, sexual orientation, marital status, race, colour, nationality, ethnic or national origins, religious belief, age or disability.

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. Regular meetings are held throughout the organisation in which all subjects, teaching and non-teaching, are discussed with the staff at all levels. Employees are made aware of the financial and economic performance of the School. Recruitment related child safeguarding aspects are rigorously adhered to and all employees receive

Child Protection and Safeguarding training. Pay is set by the Governors' Finance and General Purposes Committee. Individual staff may appeal for additional remuneration.

Volunteers

There is an active Old Eleans' association which supports the School. The Friends of the King's School Ely (FoKSE), an independent body operating under its own constitution, provides a focus for the parent body, ex-members of staff and those with close associations with the School enabling them all to continue to be part of our activities.

Remuneration

Remuneration is set by the Board on the recommendation of the F&GP Committee, with the objective of providing a remuneration package to attract, retain and motivate our excellent staff. The Board has also affirmed its commitment that the School be a National Living Wage employer. Pay is generally reviewed annually after the Board has considered any comparisons available within the sector (for example by taking part in sector wide benchmarking surveys), affordability and the need to remain competitive. Some staff have been additionally rewarded for exceptional performance and/or achieved internal progression at the discretion of the Principal. Remuneration of key management personnel is separately considered by the Governors' Remuneration Committee, usually annually. Delivery of the School's charitable vision and Objects is primarily dependent on our key management personnel and staff related costs are the largest single element of our charitable expenditure.

Governors' indemnities

As permitted by the Articles of Association, the Governors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The School also purchased and maintained throughout the financial year Governors' and officers' liability insurance in respect of itself and its Governors.

Statement of Governors' Accounting and Reporting Responsibilities

The Governors (who are also directors of The King's School Ely for the purposes of company law) are responsible for preparing the Governors' Annual Report, incorporating a directors' report and strategic report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Governors to prepare financial statements for each financial year. Under company law, Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Governors are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the School's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Directors, as members of the Governing Body, at the date of approval of this report is aware, there is no relevant audit information of which the School's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the School's auditor is aware of that information.

Strategic Report

Achievements and Performance

King's Ely has enjoyed another highly successful year. The School principally provided education in Ely and Newmarket to boys and girls from the ages of 2-18 in King's Ely Nursery, King's Ely Acremont, King's Ely Prep, King's Ely Senior, King's Ely International, Fairstead House School and Fairstead House Nursery. As noted above educational opportunities were made available to local children wherever possible. This year average attendance totalled 1,297 (2022: 1,036) and consisted of:

	Total Boarding 2023	Total Day 2023	Total Pupils 2023	Total Boarding 2022	Total Day 2022	Total Pupils 2022
King's Ely Senior	133	440	573	114	413	527
King's Ely Junior	28	386	414	39	329	368
King's Ely Acremont	-	80	80	-	81	81
King's Ely Nursery	-	40	40	-	40	40
King's Ely International	30	2	32	18	2	20
Fairstead House School	-	93	93	-	-	-
Fairstead House Nursery	-	65	65	-	-	-
Total	191	1,106	1,297	171	865	1,036

Heads of Section in KEA, KEP, KES and FHS, have continued to lead teachers and pupils to higher aspirations and measurably improved outcomes.

28.3 % of 2023 A Level grades were A*. 48% were A*/A grades; 73.4 % A *-B grade. Overall pass rate was 98.5%. Value added scores continued to improve. Most importantly, all students seeking university placements for 2023 were successful in securing places at a university of their choice.

GCSE outcomes were also strong. 10.7 % of passes were Grade 9; 26.5% were Grade 9-8, 46.1% at Grade 9-7; 94.8% at Grades 9-4.

The one-year International GCSE programme results continued to be strong with an average grade above 7, a remarkable achievement for them.

Each section of the School has reported its progress in academic attainment, sport, outdoor education, competitions of all kinds and the arts, in various publications including weekly newsletters from the Heads of each section of the school. We continue to hold the coveted International Schools Award and we are an accredited eTwinning School, receiving Quality Label awards in all four of our eTwinning projects. We continue as a National Holocaust Partner School and a growing number of our students achieve success in regional and national competitions across a wide range of disciplines.

Estate Strategies to achieve the School's aims

King's Ely continues to strive towards providing the best possible environment to enable our students to thrive whilst studying, forming friendships, and developing lifelong skills. During 2022/23 the focus for continual improvement has been directed in the following areas:

Improving the infrastructure of the school, notably a new hot water and heating boiler to Priory, one of our KEP boarding houses, new water heaters, storage tanks and pumps installed in Hereward Hall and Hill House, two of our KES boarding houses, a new wooden sprung floor to the School's Theatre after more than 40 years, as well as the refurbishment of several teaching areas. The Monastic Barn, the School's main catering outlet originally built circa 1575, has had a new walk-in refrigerator, and as always with a large campus such as King's Ely's, there have been several roofing repairs, including Hill House and the Old Palace, King's Sixth Form centre.

In line with our laboratory refurbishment program, we completed another Chemistry Lab to high standard, improving the experience for our senior students. The refurbishment of Acremont House, King's Pre-Prep home where our youngest children are educated, continued this summer with a complete refurbishment of all internal spaces. This followed on from last year's work which focussed on the external fabric of the beautiful property, as well as replacement bathrooms for pupils on each floor. In addition, we have created a magnificent, wooden roundhouse from the timber of a felled oak tree from the same location, which will be used as an outside classroom to enhance the learning experience.

Pre-enabling work for a new full-size Astro has continued this year, acquiring planning permission, completing archaeological works and collaborating with the local authority to re-direct public rights of way, to allow construction of this much needed facility.

With the leasing of Bishop Woodford House we have completed significant work creating five additional classrooms for our Year 8 students, as well as making way for a new medical centre facility, welfare and counselling areas, and office spaces.

Works to improve the Almhouses, our much-needed staff accommodation, has continued with infrastructure upgrades including roofing works, window replacements and additional electric heating. Security of the large campus has improved further with six additional CCTV cameras, a total of 40 cameras now covering the estate, including Fairstead House, supporting the Site Team in protecting the school.

Health, safety, and welfare improvements continue, with our students' wellbeing our top priority. At Fairstead House, improvements to systems and procedures have resulted in gaining the school safety award, matching the accreditation already held by King's Ely. Lockdown systems have been added to Acremont and Fairstead House and external lighting has been improved. Additional safe walkways have been introduced around our sports facilities and at Bishop Woodford House.

Future developments

King's will continue to build on our success and popularity in the local market and internationally by maintaining effective marketing and continuous improvement to the education we provide. Careful cost control together with organic change to create greater efficiency where possible, continues to consolidate the business model, building up capacity for future investment and means-tested bursary awards while maintaining restraint in fee rises and demonstrating value for money.

In 2023/24, we will continue to plan for future investment while being cognisant of challenges from future government policy to the operation of independent schools and aiming to mitigate increased costs to parents where possible.

The School aims to continue its sports investment programme as above, as well as providing additional facilities in the light of growing School numbers.

In the coming years we will continue to focus on creating and ensuring a diverse pupil and staff community in line with our ethos of holistic education and the best preparation for life for our children in a global workplace.

Remissions policy

The policy is reviewed annually by the Board of Governors during the School's budgeting process. The Governors are committed to broadening access to the School and they authorise a percentage of the gross fee income (less staff discounts) to be allocated for allowances, bursaries, choral awards and scholarships. Such awards are at the discretion of the Principal and confirmed by Governors. Full details of the Remissions Policy are published on the School's website, and advice is freely available from the School. In the year to 31 July 2023, the value of allowances, bursaries, choral awards and discounts made to pupils was £2,549,369 (2022: £2,185,845).

Governors offer means-tested financial support for a number of eligible children who would not otherwise be able to take advantage of the education offered. These bursaries may apply to new applicants on entry to the School or to existing pupils in the event of changed circumstances and all awards are reviewed annually.

As the School does not have an endowment for funding bursary awards, Governors are mindful that a balance be achieved between those parents who make considerable personal sacrifices to fund their children's school fees and those benefiting from bursary assistance.

Governors support the education of the Boy and Girl Choristers of Ely Cathedral by providing Choral awards and provide allowances for families of the Armed Forces of the Crown, eligible members of the Foreign and Commonwealth Office and the Clergy serving the Christian faith within the Anglican Communion. Families with three or more children attending the School concurrently, receive a sibling discount.

Scholarships and exhibitions with a fixed remission on tuition fees of between 5% and 10% are awarded to talented pupils to promote the continuation of excellence. In order to attract and retain the very best academic and support staff, the School operates a discount scheme for all staff members who choose to educate their children at the School.

Financial Review and Results for the Year

The results for the financial year are set out in the Consolidated Statement of Financial Activities on page 24. Excluding the exceptional income arising in the year through the merger with Fairstead House School, there was net income for the year of £2,368,813 as compared with £820,057 in the previous year, and an overall net increase in funds of £2,477,311 compared with £904,742 in the previous year. The addition of Fairstead House School's assets, valued at £2,613,638, is reflected as exceptional income. Fee income in the year was £25,967,064, an increase of £5,744,813 over the previous year, reflecting the boarding/day mix of pupils, change in fee level and merger with Fairstead House School. Expenditure on projects has totalled £1,930,556 of which £1,368,506 has been capitalised, including the continued investment in boarding and day facilities, and the overall estate to meet health and safety requirements. It is of note that some unfilled Support Staff positions through the year and purchasing of utilities in advance led to lower expenditure than budgeted. These are not expected to be annual savings.

Performance of subsidiary company

During the year King's School Ely Enterprises Limited accrued £80,525 (2022: £48,985) for a gift aid payment to the School, thereby transferring all its taxable profits to the School. The activity in the subsidiary company is expected to decrease in 2023-24 from this year's level of activity.

Taxation

The School is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the School's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Fundraising performance

The majority of the School's income is from school fees and other associated income. The School has not engaged with third parties to raise funds and any direct approach to members of the public for funding has been limited to parents of pupils and alumni. No complaints were received in relation to our fundraising activities.

Grants and donations totalled £230,048 during the year to 31st July 2023.

Reserves Policy

The School's total reserves stood at £18.3m at the year-end, including £537k of unspent restricted income and £17.7m unrestricted income including the pension fund deficit of £18k.

The School's policy, which is reviewed annually by Governors, is to protect and build reserves to ensure the School's continuing ability to provide first class educational services; through steady recruitment of pupils at all stages of the School and by prudent budgetary control. The target is to hold three months' operating reserves within Cash and Investments. Due to the policy of reinvestment into fixed assets and the running of the school, there are no free reserves at the year end.

Going Concern

The Governors have considered the School's cash position, sources of income, funds available to the School and planned expenditure, and modelled several scenarios and stress tests including the current global political

situation, the rising cost of living, and increasing inflation. These scenarios consider reduced pupil numbers, delayed fee payment, increased utility costs and potential bad debts as well as impact on costs from the measures taken so far and mitigations that might be taken in future. Sensitivity around these assumptions has also been considered in their forecasting. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Additionally, despite the wider uncertainty in the economy, the strength of the School's balance sheet is such that the Governors consider there is no material uncertainty over the School's financial viability.

Having regard to the above, the Governors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Investment Policy and Objectives

Governors' powers of investment are unfettered. Funds donated for specific scholarships and school prizes continue to be invested through the Charities Official Investment Fund. Other undesignated funds are invested through and managed by Schroder & Co Limited, Cazenove Capital Management who report to the Board of Governors on a regular basis. The larger unrestricted funds, totalling £3,808,590, are held in a Multi-Asset Fund with appropriate investment targets. The investment objective is to deliver a real return plus 3% net of fees. The value of the investment has increased by 2.1% over the year.

Note 9 to the financial statements shows the movements on these funds during the year and, where relevant, give a description of the terms on which the funds are held. The investments are sufficient to meet the School's obligations on a fund by fund basis. Governors review the policy annually.

Capitalisation Policy

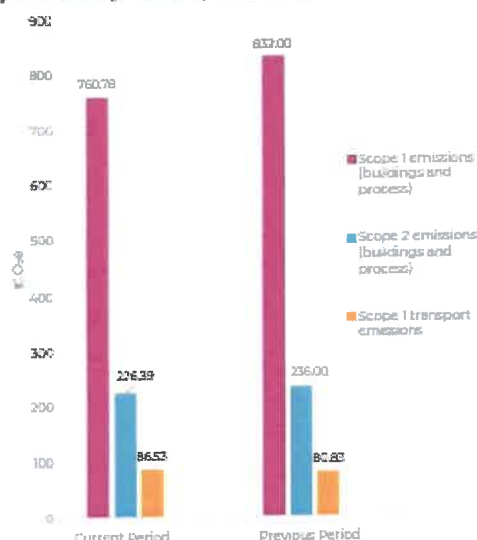
The School's policy is to capitalise any tangible assets (individual or grouped) or infrastructure/estate enhancements projects in excess of £1,000.

Statement of Streamlined Energy and Carbon Reporting (SECR)

SECR disclosures are mandatory for listed and large unlisted UK companies with reporting cycles beginning on or after 1st April 2019. This report summarises The King's School, Ely's (King's Ely) energy usage, associated emissions, energy efficiency actions and energy performance under the government policy Streamlined Energy & Carbon Reporting (SECR). This is implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Mandatory information for compliance is detailed on pages 14 to 16 of this report. Under the legislation, King's Ely must disclose its energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented for all UK operations. King's Ely is a UK-incorporated business. An operational boundary has been applied for the purposes of the reporting. A total of 3.00% of consumption data used for SECR has been estimated to achieve 100% data coverage.

Reporting Year: August 2022 – July 2023 King's Ely Scope 1 direct emissions (combustion of natural gas and transportation fuels) for this reporting year are 847.31 tCO₂e, resulting from the direct combustion of 4,520,821 kWh of fuel. This represents a carbon reduction of -7.18% from last year ending July 2022 (Figure 1).

Figure 1: Scope 1 and 2 emissions (tCO₂e): this reporting period vs the previous reporting period.



Scope 2 indirect emissions (purchased electricity) for this reporting year are 226.39 tCO₂e, resulting from the consumption of 1,093,278 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon reduction of -4.07% from last year ending July 2022 (Figure 1). King's Ely's operations have an intensity metric of 0.86 tCO₂e per Pupil for this reporting year. This represents a reduction in the operational carbon intensity of -22.79% from last year ending July 2022.

Annual Reporting Figures: Consumption and Location-Based Emissions

The following tables show the consumption and associated emissions for financial years ending July 2023 and July 2022 for all operations. Total consumption and location-based emissions are reported in Tables 2 and 3. Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, for example, company vehicle fleets. Scope 2 consumption and emissions cover indirect emissions related to the consumption of purchased electricity in day-to-day business operations.

Table 1: The King's School, Ely Total Emissions Intensity Metric.

Intensity Metric	Location-based tCO ₂ e		Market-based tCO ₂ e	
	2022/23	2021/22	2022/23	2021/22
Total Pupils	1,254	1,036	1,254	1,036
All Scopes tCO ₂ e per Pupil	0.86	1.11	0.68	N/A*
Percentage change	-22.79%		N/A*	

*Market-based emissions were not reported in the prior year. As such there are no figures available for comparison.

Table 2: The King's School, Ely 2022/23 Total Energy Consumption (kWh).

Utility and Scope	2022/23 Consumption kWh		2021/22 Consumption kWh	
	UK	Total	UK	Total
Scope 1 Total	4,520,821	4,520,821	4,895,543	4,895,543
Gasous and Other Fuels (Scope 1)	4,158,905	4,158,905	4,580,367	4,580,367
Transportation (Scope 1)	361,916	361,916	315,176	315,176
Scope 2 Total	1,093,278	1,093,278	1,222,545	1,222,545
Grid-Supplied Electricity (Scope 2)	1,093,278	1,093,278	1,222,545	1,222,545
Total	5,614,099	5,614,099	6,118,088	6,118,088

Table 3: The King's School, Ely 2022/23 Total Location-based Emissions (tCO₂e).

Utility and Scope	2022/23 Consumption tCO ₂ e		2021/22 Consumption tCO ₂ e	
	UK	Total	UK	Total
Scope 1 Total	847.31	847.31	912.83	912.83
Gasous and Other Fuels (Scope 1)	760.78	760.78	832.00	832.00
Transportation (Scope 1)	86.53	86.53	80.83	80.83
Scope 2 Total	226.39	226.39	236.00	236.00
Grid-Supplied Electricity (Scope 2)	226.39	226.39	236.00	236.00
Total	1,073.70	1,073.70	1,148.83	1,148.83

Annual Reporting Figures: Year-on-Year Changes

Natural gas consumption decreased year-on-year by -8.80%. This can be attributed in part to the introduction of more efficient gas boilers and the implementation of additional BMS controls. Transportation fuel consumption increased year-on-year by +7.98%. This can be attributed to the increase in pupils enrolled alongside the introduction of additional pick-up routes (which has a by-effect of fewer cars coming to the school). Electricity consumption decreased year-on-year by -10.57%. This can be attributed to the increase in efficiency across operations (LED fittings, BMS controls, and improved environmental awareness).

Annual Reporting Figures: Voluntary Market-Based Emissions

King's Ely dual-report on location-based and market-based emissions factors. Market-based emissions demonstrate the carbon reduction achieved by renewable electricity procurement. Total market-based emissions are reported in Table 4. The market-based approach captures scope 2 emissions in more detail by factoring in the assessment of the residual energy mix of King's Ely's supplier. The supplier contract in place for the FY22/23 period delivers 100% of electricity from renewable sources, and thus scope 2 emissions equate to zero tCO₂e under the market-based approach.

Table 4: The King's School, Ely Total Market-Based* Emissions (tCO₂e).

Utility and Scope	2022/23 Consumption tCO ₂ e		2021/22 Consumption tCO ₂ e	
	UK	Total	UK	Total
Scope 1 Total	847.31	847.31	N/A**	N/A**
Gaseous and Other Fuels (Scope 1)	760.78	760.78	N/A**	N/A**
Transportation (Scope 1)	86.53	86.53	N/A**	N/A**
Scope 2 Total	0.00	0.00	N/A**	N/A**
Grid-Supplied Electricity (Scope 2)	0.00	0.00	N/A**	N/A**
Total	847.31	847.31	N/A**	N/A**

*Market-based emissions are reported in tCO₂e only, and reflect the specific emissions associated with a REGO-backed electricity contract. Please see the Methodology in the appendix for further details.
**Market-based emissions were not reported in the prior year. As such there are no figures available for comparison.

Energy Efficiency Narrative

Energy Efficiency Improvements

King's Ely is committed to year-on-year improvements in its operational energy efficiency. A register of energy efficiency measures has been compiled, with a view to maintaining these measures over the next five years.

Measures ongoing and undertaken through 2022/23:

LED Fitting Programme

Over a 10-year period, King's Ely has committed to making year-on-year upgrades to its lighting infrastructure. The project is currently in its third year of implementation and is projected to contribute to further reductions in scope 2 emissions and offer financial savings over the lifetime of each LED installation.

Gas Efficiency Improvements

King's Ely introduced more efficient gas boilers over the reporting period. This has contributed to an 8.56% absolute emission reduction observed relative to the prior reporting period. The project is expected to deliver substantial cost savings over its lifetime, in addition to improved environmental performance.

Building Efficiency

King's Ely introduced Building Management Systems (BMSs) to improve the efficiency of heating and cooling across its portfolio of properties operated. The result is a dynamic control system able to respond to changes in real-time at peak efficiency. The BMS systems are currently adopted in The Old Palace, The Prep School, The Hayward Theatre, Priory, Hill House, School House, Gibson Music School, Hereward Hall, Etheldreda and Wendreda.

Environmental Awareness

King's Ely conducted a seasonal environmental awareness campaign to manage fuel and electricity consumption during peak winter months. The campaign enforced core messaging around thermostat controls, switching off lights, and the importance layering up. In festive spirits, rewards were placed in the form of chocolates to motivate our pupils and further incentivise good environmental practice.

Measures prioritised for implementation in 2023/24:**LED Fitting Programme**

The 2023/24 reporting period will coincide with the 4th year of the King's Ely LED Fitting Programme. During this period, King's Ely aims to deliver a full LED re-fit to our Astroturf pitch lighting infrastructure.

Risk Management

The Board of Governors is responsible for the management of the risks faced by the School. The management of risk is a routine part of all school activities and appropriate procedures are in place to mitigate those risks so far as is reasonably possible.

The major risks to which the School are exposed, as identified by the Governors, are monitored through a regular review of the Risk Register which records details of the identified risk, assessment, and mitigating actions. These are coordinated at regular meetings of the Board of Governors and its Committees, School Leadership Team, and the School's Health and Safety Committee, at which the Board of Governors, all parts of the School and principal departments are represented. The Governors have delegated to the Principal and Senior Leadership Team all aspects of risk management, including the day-to-day operation of the approved Risk Management Protocol, the identification, assessment, and control of risk; and the provision of adequate information to the Board of Governors to enable it to make sound risk decisions. The school has a full-time Health and Safety Coordinator.

The key risks identified include Governance and Management (including compliance and insurance), legal and regulatory (including education, employment, and child protection), financial management and fiscal, communications (including public relations), operational (including health and safety) and political. Examples of potential risk identified and addressed by a risk assessment in the year arose from political threat and landscape such as VAT on school fees, loss of charitable status; risks that are unforeseen, such as substantial reduction in pupil numbers for any reason, most particularly affordability; and breakdown or cyber-attacks of ICT systems in their support of key functions, such as data storage, financial management and Human Resources.

The key controls used by the School include formal agendas for all Committee and Board activity; detailed terms of reference for all Committees; comprehensive strategic planning, budgeting, and management accounting; formal written policies; clear authorisation and approval levels, and vetting procedures as required by law for the protection of the vulnerable. All staff are given induction training in health and safety and safeguarding. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. Compliance in all areas of child protection, education, business, health and safety, employment, and charity law continues to be a high priority.

Section 172 Statement

The Board of Governors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the charitable objects of the Company. In making this assessment the Governors have considered the following:

a) The likely consequences of any decision in the long term

The long-term sustainability of the operating model is considered by the Governors as set out in the going concern section of the Annual Report. Specifically, the Governors consider both short- and longer-term financial projections and the key risks that could negatively impact the sustainability of King's Ely. The Governors review management information, budgets, forecasts, cashflow projections and progress against the financial plan on a regular basis. Risk management is embedded at all levels across the Company. The most significant risks are discussed at the appropriate Governors' Committee meeting and each Board meeting.

b) The interests of the Company's employees

In relation to employee engagement, the Governors receive regular reports from the Principal and the senior school management on the perspectives of staff. With regards to Board Diversity, there are five women and ten men. King's Ely has complied with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The 2022 report is available on the King's Ely website.

c) The need to foster the Company's business relationships with suppliers, customers and others.

The immediate beneficiaries of the School are its pupils and parents. In relation to key stakeholder engagement, the Governors actively promote regular activities and are committed to ensuring that the School's mission and values are reflected in its approach to buying goods and services. The School is transparent with information and is keen to build mutually beneficial relationships. Communication with parents is by weekly newsletter, periodic update letters from the Principal, virtual or in person year group parental coffee mornings and individual contacts with tutors and pastoral/teaching staff. The individual and collective "Pupil Voice" is encouraged and listened to, whether via Forums/Committees, questionnaires, or tutor groups. A "you said, we did" culture exists to communicate and record any changes within the pupil community back to the pupil body.

d) The impact of the Company's operations on the community and the environment

The Company has completed the Energy Savings Opportunity Scheme (ESOS) reporting requirements and is now reporting under the Streamlined Energy and Carbon Reporting (SECR) see page 13.

The School's considerable contribution to the local community is set out at page 6. Such activities included partnership work and support to local state funded schools, voluntary service, and community action projects, and offering use of facilities to NHS services.

e) The desirability of the company maintaining a reputation for high standards of business conduct

King's Ely's Procurement Process and the King's Ely Bribery Policy have been approved by the Board of Governors. The Board of Governors seeks to promote best practice in the procurement processes that demonstrate fairness and integrity, compliance with relevant laws and regulations, and confidentiality. To this end the School applies the highest standards of business conduct, including adherence to all applicable laws and regulations relating to fraud, bribery and corruption wherever it operates (including the UK Fraud Act 2006 and Bribery Act 2010 which applies to the School's operations both in the UK and globally). The School's Whistleblowing Policy supports staff in delivering this approach.

f) The need to act fairly as between members of the company.

The Board of Governors has a conflicts of interest policy contained in their working rules. All Governors and Company Officers make an annual declaration of business interests and the Governors and Company Officers declare if there is any conflict of interest relating to any item on the agenda at each meeting.

Independent Auditors

Haysmacintyre LLP are the appointed auditors for the School. This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors on 8th December 2023, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Mr David Day
Chairman of the Board of Governors



Mr Mark Myers
Chairman of Finance & General Purposes

Independent Auditor's Report to the Members of The King's School, Ely

Opinion

We have audited the financial statements of The King's School, Ely for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, the Group and School Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group'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 Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we

identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report (which incorporates the strategic report and the directors' report).

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 9 and 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to The Education (Independent School Standards) Regulations 2014, 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 Companies Act 2006 and the Charities Act 2011, and 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 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 with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

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

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

Use of our report

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



Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

23 February 2024

10 Queen Street Place
London
EC4R 1AG

Consolidated Statement of Financial Activities

Incorporating an Income and Expenditure account for the year ended 31 July 2023

	Note	Unrestricted Funds	Restricted Funds	Total 31 July 2023	Total 31 July 2022
		£	£	£	£
Income					
Charitable activities					
Fees receivable	2	25,684,340		25,684,340	20,222,251
Ancillary trading income	4	1,494,967	83,453	1,578,420	1,097,952
Other trading activities					
Non ancillary trading income	3	162,707	-	162,707	63,061
Investments					
Investment income	5	152,375	-	152,375	11,444
Voluntary Sources					
Donations, grants and legacies		230,048	-	230,048	68,548
<i>Transfer from Fairstead classed as exceptional income</i>		2,613,638	-	2,613,638	-
Total income		30,338,075	83,453	30,421,528	21,463,256
Expenditure on:					
Raising funds					
Non-ancillary trading	3	40,855	-	40,855	14,076
Financing costs		192,439	-	192,439	287,806
Investment management costs		39,656	-	39,656	37,987
Fundraising & development		26,987	-	26,987	760
Total costs of raising funds		299,937	-	299,937	340,629
Charitable activities					
Education	6	25,055,687	83,453	25,139,140	20,302,570
Total expenditure		25,355,624	83,453	25,439,077	20,643,199
Net Income before investment gains/ (losses)		4,982,451		4,982,451	820,057
Gains/(losses) on investments		122,403	(1,701)	120,702	6,371
Transfers between funds		-	-	-	-
Pension Actuarial Gain		(12,204)	-	(12,204)	78,317
Net movement in funds for the year		5,092,650	(1,701)	5,090,949	904,745
Net movement in funds for the year excluding exceptional income		2,479,012	(1,701)	2,477,311	904,745

The notes on pages 28 to 49 form part of these financial statements.

Consolidated Statement of Financial Activities

For the year ended 31st July 2023 (continued)

Reconciliation of Funds

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2023</u> £	<u>Total</u> <u>2022</u> £
Net (Expenditure)/Income for the year	5,092,650	(1,701)	5,090,949	904,745
Funds balances brought forwards at 1 August 2022	<u>12,619,673</u>	<u>539,470</u>	<u>13,159,143</u>	<u>12,254,398</u>
Fund balances carried forward at 31 July 2023	<u>17,712,323</u>	<u>537,769</u>	<u>18,250,092</u>	<u>13,159,143</u>

All activities are classed as continuing.

The notes on pages 28 to 49 form part of these financial statements.

Balance Sheet as at 31 July 2023

	Note	Group		School	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		£	£	£	£
Fixed assets					
Tangible assets	8	18,037,782	15,541,891	18,037,782	15,541,891
Investments	9	4,092,978	4,012,084	4,093,078	4,012,184
Total fixed assets		<u>22,130,760</u>	<u>19,553,975</u>	<u>22,130,860</u>	<u>19,554,075</u>
Current assets					
Stocks	10	44,832	35,768	44,832	35,768
Debtors: amounts due within one year	11	1,129,230	556,835	1,312,250	619,737
Cash at bank and in hand		<u>5,900,711</u>	<u>3,646,190</u>	<u>5,710,091</u>	<u>3,576,800</u>
Total current assets		<u>7,074,773</u>	<u>4,238,793</u>	<u>7,067,173</u>	<u>4,232,305</u>
Creditors: payable within one year	12	<u>(5,975,433)</u>	<u>(5,197,910)</u>	<u>(5,967,933)</u>	<u>(5,191,522)</u>
Net current assets/(liabilities)		<u>1,099,340</u>	<u>(959,117)</u>	<u>1,099,240</u>	<u>(959,217)</u>
Total assets less current liabilities		<u>23,230,100</u>	<u>18,594,858</u>	<u>23,230,100</u>	<u>18,594,858</u>
Long term liabilities					
Creditors: payable after one year	13	<u>(4,980,008)</u>	<u>(5,435,715)</u>	<u>(4,980,008)</u>	<u>(5,435,715)</u>
Net assets		<u>18,250,092</u>	<u>13,159,143</u>	<u>18,250,092</u>	<u>13,159,143</u>
Represented by:					
Restricted: Income funds	15	537,769	539,470	537,769	539,470
Unrestricted Funds	16	17,694,180	12,589,326	17,694,180	12,589,326
Pension Reserve	17	18,143	30,347	18,143	30,347
Total charity funds		<u>18,250,092</u>	<u>13,159,143</u>	<u>18,250,092</u>	<u>13,159,143</u>

Net income / (Expenditure) for the year for the parent charity was £2,408,011 when excluding the exceptional income arising on the merger with Fairstead House School, and £5,021,649 when the exceptional income is included (2022: £904,745)

These financial statements were approved by the Board of Governors (as Trustees) on 8 December 2023 and signed on its behalf by **Mr David Day**:

The notes on pages 28 to 49 form part of these financial statements.

Consolidated Cash Flow Statement
for the year ended 31 July 2023

	Note		<u>2023</u>		<u>2022</u>
		£	£	£	£
Net cash inflow from operating activities	19		3,687,518		2,201,860
Cash flows from investment activities:					
Purchase of tangible fixed assets	8	(1,435,718)		(1,518,763)	
Withdrawals from securities within investment portfolio	9	54,782		333,459	
Movement in investment cash		6,281		(66)	
Dividends and interest		152,375		11,444	
Bank and loan interest paid		(142,121)		(287,806)	
Cash received on merger with Fairstead House School Trust Limited		196,779			
Net cash used in investing activities			(1,167,622)		(1,461,732)
Cash Flows from financing activities					
Repayment of bank loans		(265,375)		(1,260,266)	
			(265,375)		(1,260,266)
Change in cash and cash equivalents in the reporting year			2,254,521		(520,138)
Cash and cash equivalents at 1 August 2022			<u>3,646,190</u>		<u>4,166,328</u>
Cash and cash equivalents at 31 July 2023			<u>5,900,711</u>		<u>3,646,190</u>

The notes on pages 28 to 49 form part of these financial statements.

1. Accounting policies

Charitable Status

The Charity is a company limited by guarantee (company registration number 2440509) and is a registered charity in England and Wales (802427). The address of the registered office is Barton Road, Ely, Cambridgeshire, CB7 4DB.

Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the 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) - Second Edition (effective 1 January 2019).

The individual entity accounts of the King's School, Ely has taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

The Governors have considered the School's cash position, sources of income, funds available to the School and planned expenditure, and modelled several scenarios and stress tests including the current global political situation, the rising cost of living, and increasing inflation. These scenarios consider reduced pupil numbers, delayed fee payment, increased utility costs and potential bad debts as well as impact on costs from the measures taken so far and mitigations that might be taken in future. Sensitivity around these assumptions has also been considered in their forecasting. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Additionally, despite the wider uncertainty in the economy, the strength of the School's balance sheet is such that the Governors consider there is no material uncertainty over the School's financial viability. Having regard to the above, the Governors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in the note below, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Accounting policies (continued)

Basis of consolidation

The financial statements consolidate those of the School and its wholly owned non-charitable subsidiary trading company: The King's School Ely Enterprises Limited. In accordance with section 408 of Companies Act 2006, no separate Statement of Financial Activities has been presented for the School alone. The Consolidated Statement of Financial Activities (SOFA), the Consolidated Balance Sheet and the Consolidated Cash Flow Statement include the results of the School and its subsidiary undertaking made up to 31 July 2023 and consolidated on a line by line basis. Intra-group transactions and profits are eliminated fully on consolidation. Uniform accounting policies have been adopted across the Group.

Income

All income is recognised in the Consolidated Statement of Financial Activities when the conditions for receipt have been met and receipt is probable. Where a claim for repayment of income tax has or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income:

Fees and other educational activities

Fees receivable and charges for use of premises are accounted for in the year in which the service is provided. Registration fees are accounted for on receipt. 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. Payments received in respect of future fees are deferred in creditors and are released to the Statement of Financial Activities in the relevant term.

Fees in advance

Future school fees may be paid to the School in accordance with a written contract. Deposits are held in creditors and are released to the Consolidated Statement of Financial Activities in the appropriate term for which school fees have been provided. Such deposits may be returned to the payer, subject to specific conditions.

Acceptance deposits

Acceptance deposits are deposits placed when pupils join the School and are refunded at the end of the final term after deducting any outstanding debts. Deposits are held in creditors until refunded. The Governors have reviewed the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the School, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2023 have been included within current liabilities. The prior year Pupil fee deposits balance has been similarly represented.

Other trading activities

Charges for non-educational services and use of premises and rentals are accounted for in the year in which the service is provided. Charges for services provided by the King's School Ely Enterprises Limited are accounted for in the year in which the service is provided.

Investment income

Investment income is accounted for when receivable.

Accounting policies (continued)

Donations

Donations and all other receipts from fund-raising are reported gross and the related fund-raising costs are reported in expenditure. Donations receivable for the general purposes of the School are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Governors of The King's School Ely.

Grants received

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Expenditure is allocated to expense headings on a direct cost basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Raising funds comprise the cost of sales of the trading subsidiary, King's School Enterprises Limited, unrecovered debts for school fees and interest and charges in respect of the banking facility, loans, finance arrangements and the investment portfolio. Expenditure is accounted for on an accrual basis.

Charitable activities include all expenditure directly related to the objects of the School, and is accounted for on an accrual basis.

Governance costs comprise the costs of running the School, including strategic planning for its future development, also external audit, and any legal advice for the Governors of The King's School Ely and all the costs of complying with constitutional and statutory requirements.

Fund accounting

The School maintains various types of funds as follows:

a) Restricted Funds

Restricted funds represent grants, donations and legacies received which are given by the donor for specific purposes. Income on these investments is also restricted by the donor.

b) Unrestricted Funds

Designated funds comprise amounts set aside by the Governors for specific purposes. General unrestricted funds represent funds which are expendable at the discretion of the Governors in the furtherance of the objects of the School. Such funds may be held in order to finance both working capital and capital investment.

Accounting policies (continued)**Tangible fixed assets**

Tangible fixed assets are stated at historic cost less accumulated depreciation which is provided in equal annual instalments over the estimated useful lives of the assets. Properties are maintained throughout the year and an impairment review is carried out on an annual basis. Cost includes the original purchase price of the assets and the costs attributable to bringing the asset into its working condition for its intended use.

No depreciation is charged on freehold land or assets in the course of construction.

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives as follows unless the period of any lease is shorter:

Land	-	nil
Freehold property	-	2% on cost
Long leasehold property	-	2% - 10% on cost
Equipment:		
Fixtures, fittings, furniture and equipment	-	15% on cost
Catering equipment, teaching aids, mowers and implements	-	20% on cost
Plant and musical instruments	-	10% on cost
Motor vehicles	-	25% on cost
Computer equipment	-	33% on cost

Investments

Listed investments are stated at the market closing price on 31 July 2023. Gains and losses are taken to the consolidated Statement of Financial Activities and are in accordance with the Governors' investment policy explained in the Annual Report. Investments in subsidiary undertakings are stated at cost. Impairment reviews are performed where there has been an indication of impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Pension costs

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the scheme actuary and advised to the Governors by the Scheme Administrator. The School also contributed to a defined contribution money purchase schemes for non-teaching staff. Contributions to both schemes are recognised in the consolidated Statement of Financial Activities. In addition, the School participates in the Pensions Trust Growth Plan scheme for non-teaching staff. Further details of pension costs are set out in note 17.

Operating lease agreements

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Accounting policies (continued)

Finance lease agreements

Assets held under finance lease agreements are capitalised and disclosed under tangible fixed assets at cost less depreciation. The capital element of the future payments is treated as a liability and the interest is charged to the Consolidated Statement of Financial Activities on a reducing balance basis.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities held on the balance sheet are translated at that date and any resulting gain or loss transferred to the Consolidated Statement of Financial Activities.

Financial instruments

The King's School Ely has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors, and accrued income. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other accruals.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

2. Fees receivable	<u>2023</u>	<u>2022</u>
The School's fee income comprised:	<u>£</u>	<u>£</u>
Gross fees	28,515,051	22,575,342
less: scholarships	(319,766)	(288,308)
less: bursaries and allowances	(2,229,603)	(1,897,537)
less: commission	(282,724)	(168,628)
	25,682,958	20,220,869
Add back: scholarships and bursaries paid for by Restricted Funds	<u>1,382</u>	<u>1,382</u>
	<u>25,684,340</u>	<u>20,222,251</u>
Grants, awards and prizes from Restricted Funds comprised:		
Scholarships and bursaries	919	919
Prizes	<u>463</u>	<u>463</u>
	<u>1,382</u>	<u>1,382</u>

The above educational awards were made to 380 individuals (2022: 311). Scholarships 204 (2022: 236). Bursaries and allowances 245 (2022: 224).

3. Trading activities of subsidiary

The School Company Registration Number 2440509, has a wholly owned trading subsidiary which is incorporated in England and Wales, Company Registration Number 3561879, and Registered Office: The King's School Ely, Barton Road, CB7 4DB. King's School Ely Enterprises Limited provides catering and conference services. The Company donates its taxable profits under Gift Aid to The King's School Ely. A summary of its trading results for the year, as extracted from the audited financial statements, is shown below, together with the School's own results for the year to distinguish them from the group results in the consolidated Statement of Financial Activities. Audited financial statements will be filed with the Registrar of Companies.

	Subsidiary		School	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Turnover	162,707	63,061	29,876,398	21,271,218
Cost of sales:				
KSE Enterprises Ltd	(22,823)	(12,127)	-	-
Gross profit: KSE Enterprises Ltd	139,884	50,934	29,876,398	21,271,218
Administration: KSE Enterprises Ltd	(59,359)	(1,703)		
Tax charge	-	(246)	-	-
Other Income	-	-	230,048	68,548
Investment income receivable	-	-	152,375	11,444
Net income for the year	80,525	<u>48,985</u>	30,258,821	<u>21,351,210</u>
Gift aid donation to The School	(80,525)	<u>(48,985)</u>	80,525	<u>48,985</u>
Gross income: School	-	-	30,339,346	21,400,195
Costs of charitable activities	-	-	(25,088,507)	(20,265,474)
Governance costs of the School	-	-	(36,751)	(26,858)
Costs of raising funds: School	-	-	(192,439)	<u>(287,806)</u>
Net movement in funds	-	-	5,021,649	<u>820,057</u>
Total assets of subsidiary	204,866	96,891		
Total liabilities of subsidiary	(204,766)	<u>(96,791)</u>		
Total net assets of subsidiary	100	<u>100</u>		

4. Other income

	<u>2023</u>	<u>2022</u>
	£	£
Ancillary trading activities		
Registration fees	92,238	67,824
Trips and minibus income	751,397	562,671
Surcharge on late payment of fees	-	369
Rental income	80,290	36,596
Sundry income	571,042	401,811
Erasmus Grant	<u>83,453</u>	<u>28,681</u>
Group total	<u>1,578,420</u>	<u>1,097,952</u>
Donations	<u>230,048</u>	<u>49,758</u>
Grants received		
(includes amounts payable under the Coronavirus Job Retention Scheme and Business Interruption Payments)	=	<u>18,790</u>

5. Investment income

	<u>2023</u>	<u>2022</u>
	£	£
Income from investments	2,289	154
Bank interest receivable for the School	150,086	11,290
Total Group	<u>152,375</u>	<u>11,444</u>

6. Analysis of expenditure

	<u>Staff costs</u>	<u>Other</u>	<u>Depreciation</u>	<u>Total</u>	<u>Total</u>
	£	£	£	2023	2022
				£	£
Costs of raising funds					
Financing costs for the School	-	192,439	-	192,439	287,806
Financing costs for the subsidiary	-	52	-	52	53
Total for the School	-	<u>192,491</u>	=	<u>192,491</u>	<u>287,859</u>
Trading costs for the subsidiary	=	40,803	-	40,803	14,023
Total for the Group	=	<u>233,294</u>	=	<u>233,294</u>	<u>301,882</u>
Fundraising & Development	=	<u>26,987</u>	=	<u>26,987</u>	<u>760</u>
Investment Management Fee	=	<u>39,656</u>	=	<u>39,656</u>	<u>37,987</u>
Educational activities					
Teaching	11,897,670	1,544,254	-	13,441,924	10,376,323
Welfare	100,275	868,141	-	968,416	2,130,464
Premises	483	2,263,936	421,458	2,685,877	4,407,719
Support costs of schooling	<u>5,344,937</u>	<u>1,862,830</u>	<u>751,703</u>	<u>7,959,470</u>	<u>3,367,544</u>
School's operating costs	<u>17,343,365</u>	<u>6,539,161</u>	<u>1,173,161</u>	<u>25,055,687</u>	<u>20,282,050</u>
Grants, awards and prizes	=	<u>83,453</u>	=	<u>83,453</u>	<u>20,520</u>
Total for the Group	<u>17,343,365</u>	<u>6,622,614</u>	<u>1,173,161</u>	<u>25,139,140</u>	<u>20,302,570</u>

Analysis of expenditure (continued)

Included within the support costs above are Governance costs of:

	<u>2023</u>	<u>2022</u>
	£	£
External Audit and Accountancy services School	36,701	26,755
External Audit and Accountancy services Subsidiary	6,300	1,200
Governors' expenses for the School	1,920	103
Total School	<u>38,621</u>	<u>26,858</u>
Total Group	<u>44,921</u>	<u>28,058</u>

7. Employee information

	<u>2023</u>	<u>2022</u>
	£	£
Total staff costs comprises:		
Wages and salaries	13,752,154	11,249,557
Social security costs	1,361,315	1,104,609
Other pension costs	2,229,896	<u>1,945,418</u>
Subtotal	17,343,365	14,299,584
Employee benefits in kind paid	<u>89,232</u>	<u>49,274</u>
Total Staff Costs	<u>17,432,597</u>	<u>14,348,858</u>

The average number of employees in the year was:

	<u>2023</u>	<u>2022</u>
Teaching and support	274	214
Welfare	82	63
Premises	72	71
Support staff	<u>41</u>	<u>39</u>
Total for the School and Group	<u>469</u>	<u>387</u>

The number of employees employed by the subsidiary was nil (2022: nil).

Neither the Governors of The King's School Ely nor persons connected with them received any remuneration or other benefits from the School. Expenses totalling £50 (2022: £103) incurred in performing their duties were reimbursed to one (2022: one) Governor.

During the year redundancy payments of £11,270 (2022: nil) and payments under settlement agreements of £87,181 (2022: £40,000) were made.

Employee information (Continued)

The number of higher paid employees was:	<u>2023</u>	<u>2022</u>
	<u>No.</u>	<u>No.</u>
Taxable emoluments band:		
£ 60,000 - £ 69,999	10	5
£ 70,000 - £ 79,999	3	2
£ 80,000 - £ 89,999	5	2
£160,000 - £169,999	-	1
£170,000 - £179,999	1	-

Total remuneration paid to key management personnel 2023: £1,771,288 (2022: £1,373,445)

Total pension contributions paid on behalf of key personnel 2023: £290,247 (2022: £227,051)

	<u>2023</u>	<u>2022</u>
	<u>No.</u>	<u>No.</u>
The number with retirement benefits accruing in:		
- Money purchase schemes was	243	187
for which the contributions amounted to	£580,278	£519,352
- Defined benefit scheme was	168	139
for which the contributions amounted to	£1,689,920	£1,438,130

8. Tangible fixed assets

In March 2011 the current market value of the leased and freehold properties, excluding the freehold and refurbishment costs of the Old Palace, was £20,875,000. The net book value of assets used for the administration of the charity is insignificant.

	<u>Freehold</u> <u>property</u>	<u>Leasehold</u> <u>property</u>	<u>Equipment</u>	<u>School</u> <u>total</u>
Cost or valuation	£	£	£	£
At 1 August 2022	12,735,363	8,283,192	8,571,440	29,589,995
Additions	406,292	583,441	445,985	1,435,718
Disposals	-	-	(46,830)	(46,830)
Transfer from Fairstead	<u>2,000,000</u>	<u>55,104</u>	<u>547,382</u>	<u>2,602,486</u>
At 31 July 2023	<u>15,141,655</u>	<u>8,921,737</u>	<u>9,517,977</u>	<u>33,581,369</u>
Accumulated depreciation				
At 1 August 2022	5,636,179	2,595,470	5,816,455	14,048,104
Charge for the year	295,103	167,947	710,111	1,173,161
On disposals	-	-	(46,830)	(46,830)
Transfers	-	<u>53,629</u>	<u>315,524</u>	<u>369,153</u>
At 31 July 2023	<u>5,931,282</u>	<u>2,817,046</u>	<u>6,795,260</u>	<u>15,543,588</u>
Net book value				
At 31 July 2023	<u>9,210,373</u>	<u>6,104,692</u>	<u>2,722,717</u>	<u>18,037,782</u>
At 31 July 2022	<u>7,099,184</u>	<u>5,687,722</u>	<u>2,754,985</u>	<u>15,541,891</u>

Included in fixed assets above are assets purchased on finance lease costing £453,954 (2022: £453,954), with a net book value of £91,567 (2022: £169,322) after charging depreciation of £362,387 (2022: £284,632).

9. Fixed Asset investments group

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>Funds</u> £
Valuation at 1 August 2022	<u>3,930,737</u>	<u>81,347</u>	<u>4,012,084</u>
Additions at cost	-	-	-
Disposals at carrying value	(15,126)	-	(15,126)
Investment managers fees deducted directly from portfolio	(39,656)	-	(39,656)
Net increase in cash	6,281	-	6,281
Net gains	102	-	102
Net unrealised revaluations/(losses)	<u>130,994</u>	<u>(1,701)</u>	<u>129,293</u>
Valuation at 31 July 2023	<u>4,013,332</u>	<u>79,646</u>	<u>4,092,978</u>
Historical cost at 31 July 2023	<u>3,889,636</u>	<u>11,963</u>	<u>3,901,599</u>

School

The School also has a 100% holding of 100 ordinary shares of £1 each in King's School Ely Enterprises Limited, a limited company incorporated and registered in England and Wales.

10. Stocks

	<u>2023</u> £	<u>2022</u> £
Teaching resources	24,321	17,906
Catering and domestic provisions	<u>20,511</u>	<u>17,862</u>
	<u>44,832</u>	<u>35,768</u>

11. Debtors

	<u>Group</u> <u>2023</u>	<u>School</u> <u>2023</u>	<u>Group</u> <u>2022</u>	<u>School</u> <u>2022</u>
Amounts falling due within one year:	£	£	£	£
School fees	332,343	332,343	75,014	75,014
Amounts due from Subsidiary	-	197,267	-	90,403
Trade debtors	75,111	64,985	27,501	-
Rent foregone on Capitular Properties	-	-	21,632	21,632
Prepayments and accrued income	<u>721,776</u>	<u>717,655</u>	<u>432,688</u>	<u>432,688</u>
	<u>1,129,230</u>	<u>1,312,250</u>	<u>556,835</u>	<u>619,737</u>

In 1989 an agreement was entered into between the School and the Dean and Chapter of the Ely Cathedral whereby the finance required to renovate the four capitular properties occupied for many years by the School would be provided to the Dean and Chapter by the School. This advance, and the interest costs borne by the School of the bank loan to finance it, was repayable by the Dean and Chapter by it foregoing annual rent and under a term of the agreement, any part of the advance not repaid by August 2024 would be forgiven by the School. In July 2011 under a Letter of Agreement it was agreed that the School reduce Chapter's liability to repay the loan by reducing the balance by 40% in September 2011, a further 40% in September 2015 and to expunge the remaining 20% in September 2024, in consideration of any rent reviews being waived and the annual rent being agreed until 2024. The net benefit of the reduced rents to the School is shown as rent foregone on capitular properties.

12. Creditors: amounts falling due within one year

	<u>Group</u> <u>2023</u>	<u>School</u> <u>2023</u>	<u>Group</u> <u>2022</u>	<u>School</u> <u>2022</u>
	£	£	£	£
Bank loans	275,012	275,012	264,666	264,666
Obligations under finance leases	91,567	91,567	88,739	88,739
Trade creditors	301,165	301,165	113,522	113,522
Other taxation and social security	336,189	336,189	289,665	289,665
Payments received on account of future fees	640,072	640,072	897,547	897,547
Pension contributions payable	281,016	281,016	244,264	244,264
Acceptance deposits	3,166,751	3,166,751	2,636,078	2,636,078
Other creditors and accruals	525,569	518,069	332,904	326,516
Advance fees	<u>359,092</u>	<u>359,092</u>	<u>330,525</u>	<u>330,525</u>
	<u>5,975,433</u>	<u>5,967,933</u>	<u>5,197,910</u>	<u>5,191,522</u>

13. Creditors: amounts falling due after more than one year

	<u>2023</u>	<u>2022</u>
	£	£
Bank loans	4,521,800	4,797,521
Obligations under finance leases	-	91,567
Advance fees	440,065	516,280
Pensions scheme deficit	<u>18,143</u>	<u>30,347</u>
	<u>4,980,008</u>	<u>5,435,715</u>

Following the Bank loan restructure in August 2017 the following agreements have been entered into:
Two agreements at £2.75m each at a fixed interest rate of 2.94% over 10 years on the basis of a 20 year repayment profile payable quarterly (£183,312 per annum per loan).

One agreement of £686,425 at a fixed interest rate of 2.66% over 10 years on the basis of a 20 year repayment profile payable quarterly (£45,832 per annum).

The loans are secured by legal charges on a number of owned properties to ensure loan security of £11,000,000.

	<u>Group</u>	<u>Group</u>
	<u>2023</u>	<u>2022</u>
	£	£
Bank Loans Capital		
Due after five years	3,945,766	3,945,766
Due within two to five years	292,199	576,034
Due within one to two years	<u>283,835</u>	<u>275,721</u>
	4,521,800	4,797,521
Due within one year	<u>275,012</u>	<u>264,666</u>
	<u>4,796,812</u>	<u>5,062,187</u>
Obligations under finance leases	£	£
Due within one to two years	-	<u>91,567</u>
	-	91,567
Due within one year	<u>91,567</u>	<u>88,739</u>
Total	<u>91,567</u>	<u>180,306</u>

Fees in advance under contract

	<u>2023</u>	<u>2022</u>
	£	£
Due after five years	79,170	107,574
Due within two to five years	176,308	199,953
Due within one to two years	<u>184,587</u>	<u>208,753</u>
	440,065	516,280
Due within one year	<u>359,092</u>	<u>330,525</u>
	<u>799,157</u>	<u>846,805</u>
The movements during the year were:		
Balance at 1 August 2022	846,805	917,088
New deposits	707,347	586,496
Amount of discount given	<u>10,999</u>	<u>13,366</u>
	1,565,151	1,516,950
Refunds	(23,769)	(58,636)
Amounts utilised in school fees to the School	<u>(742,225)</u>	<u>(611,509)</u>
Balance at 31 July 2023	<u>799,157</u>	<u>846,805</u>

14. Net assets of the funds of School and Group

The School's net assets relate to the various funds as follows:

As at 31 July 2023:	Tangible fixed assets	Investments	Net current assets/ (liabilities)	Net long term assets/ (liabilities)	Fund balances
	£	£	£	£	£
Restricted funds	-	79,646	458,123	0	537,769
Unrestricted funds	<u>18,037,782</u>	<u>4,013,432</u>	<u>641,117</u>	<u>(4,980,008)</u>	<u>17,712,323</u>
	<u>18,037,782</u>	<u>4,093,078</u>	<u>1,099,240</u>	<u>(4,980,008)</u>	<u>18,250,092</u>
					0
School	18,037,782	4,093,078	1,099,240	(4,980,008)	18,250,092
Subsidiary's reserves	=	<u>(100)</u>	<u>100</u>	=	=
Group	<u>18,037,782</u>	<u>4,092,978</u>	<u>1,099,340</u>	<u>(4,980,008)</u>	<u>18,250,092</u>

As at 31 July 2022:	Tangible fixed assets	Investments	Net current assets/ (liabilities)	Net long term assets/ (liabilities)	Fund balances
	£	£	£	£	£
Restricted funds	-	81,347	458,123	-	539,470
Unrestricted funds	<u>15,541,891</u>	<u>3,930,837</u>	<u>(1,417,340)</u>	<u>(5,435,715)</u>	<u>12,619,673</u>
	15,541,891	4,012,184	(959,217)	(5,435,715)	13,159,143
School	15,541,891	4,012,184	(959,217)	(5,435,715)	13,159,143
Subsidiary's reserves	=	<u>(100)</u>	<u>100</u>	=	=
Group	<u>15,541,891</u>	<u>4,012,084</u>	<u>(959,117)</u>	<u>(5,435,715)</u>	<u>13,159,143</u>

15. Movement in restricted funds

Restricted funds comprise the following unexpended donations and grants given for specific purposes:

	<u>1 August</u> <u>2022</u>	<u>Income</u>	<u>Gains</u>	<u>Transfers</u>	<u>Expenditure</u>	<u>31 July</u> <u>2023</u>
	£	£	£		£	£
Restricted donations	211,935	-	-	-	-	211,935
Scholarships and bursaries	171,502	-	(950)	-	-	170,552
Erasmus	98,919	83,453	-	-	(83,453)	98,919
Clara Taylor	20,877	-	1,421	-	-	22,298
School prizes	<u>36,237</u>	-	<u>(2,172)</u>	-	-	<u>34,065</u>
	<u>539,470</u>	<u>83,453</u>	=	=	<u>(83,453)</u>	<u>537,769</u>

School prizes and scholarship funds represent a number of individually low value funds donated to the School for use towards prizes and scholarships. These funds are represented by investments in the Charities Official Investment Fund income shares. Income from these shares is brought into the Statement of Financial Activities as restricted income.

A generous donation in memory of Clara Taylor was received 2011 and 2012. The Clara Taylor Music Award is given to enable talented pupils with musical excellence the opportunity to extend their studies.

For comparison, the prior year restricted funds comprised the following:

	<u>1 September</u> <u>2021</u>	<u>Income</u>	<u>Gains</u>	<u>Transfers</u>	<u>Expenditure</u>	<u>31 July</u> <u>2022</u>
	£	£	£		£	£
Restricted donations	386,956	-	-	(175,021)	-	211,935
Scholarships and bursaries	165,732	1,268	(259)	5,680	(919)	171,502
Erasmus	89,376	28,681	-	-	(19,138)	98,919
Clara Taylor	20,877	-	-	-	-	20,877
School prizes	<u>31,839</u>	<u>1,004</u>	<u>(640)</u>	<u>4,497</u>	<u>(463)</u>	<u>36,237</u>
	<u>694,780</u>	<u>30,953</u>	<u>(899)</u>	<u>(164,844)</u>	<u>(20,520)</u>	<u>539,470</u>

16. Movement in unrestricted funds

Unrestricted funds comprise the following:

	<u>1 August 2022</u>	<u>Income</u>	<u>Gains</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>31 July 2023</u>
	£	£	£	£	£	£
Fees in advance	846,805	718,346	-	(765,994)	-	799,157
General fund	<u>11,772,868</u>	<u>29,457,022</u>	<u>110,199</u>	<u>(25,507,448)</u>	<u>80,525</u>	<u>16,913,166</u>
Total school	12,619,670	30,175,368	110,199	(25,273,442)	-	17,712,323
Non-charitable	-	<u>162,707</u>	-	<u>(82,182)</u>	<u>(80,525)</u>	-
Total group	<u>12,619,670</u>	<u>30,338,075</u>	<u>110,199</u>	<u>(25,355,624)</u>	-	<u>17,712,323</u>

For comparison, the prior year unrestricted funds comprised the following:

	<u>1 September 2021</u>	<u>Income</u>	<u>Gains</u>	<u>Expenditure</u>	<u>Transfers</u>	<u>31 July 2022</u>
	£	£	£	£	£	£
Fees in advance	917,088	599,862	-	(670,145)	-	846,805
Fee donations	68,709	-	-	(68,709)	-	-
General fund	<u>10,573,821</u>	<u>20,769,380</u>	<u>85,584</u>	<u>(19,869,749)</u>	<u>213,829</u>	<u>11,772,865</u>
Total school	11,559,618	21,369,242	85,584	(20,608,603)	213,829	12,619,670
Non-charitable	-	<u>63,061</u>	-	<u>(14,076)</u>	<u>(48,985)</u>	-
Total group	<u>11,559,618</u>	<u>21,432,303</u>	<u>85,584</u>	<u>(20,622,679)</u>	<u>164,844</u>	<u>12,619,670</u>

17. Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,698,744 (2022: £1,438,130) and at the year-end £202,160 (2022 - £173,238) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefit become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution of 28.68%.

The Pensions Trust – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m.

To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:

£ 3,312,000 per annum (payable monthly)

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

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

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

Present Value of Provision

	2023 £000s	2022 £000s	2021 £000s
Present value of provision	18	30	137

Reconciliation of Opening and Closing Provisions	2023 £000s	2022 £000s
Provision at start of year	30	137
Unwinding of the discount factor (interest expense)	1	1
Deficit contribution paid	(12)	(30)

Remeasurements - impact of any change in assumptions	(1)	(1)
Remeasurements - amendments to the contribution schedule	-	(77)
Provision at end of year	18	30
Income and Expenditure Impact	2023	2022
	£000s	£000s
Interest expense	1	1
Remeasurements – impact of any change in assumptions	(1)	(78)

Assumptions	31 July 2023 % per annum	31 July 2022 % per annum	31 August 2021 % per annum
Rate of discount	5.98	3.15	0.57

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

18. Financial commitments

At 31 July 2023, the School and Group had total commitments under non-cancellable operating leases as follows:

	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>Land and</u>	<u>Other</u>	<u>Land and</u>	<u>Other</u>
	<u>Buildings</u>	<u>equipment</u>	<u>buildings</u>	<u>Equipment</u>
	£	£	£	£
Falling due within one year	241,369	168,877	198,802	155,929
Falling due one to two years	241,369	104,104	98,802	91,156
Falling due two to five years	716,106	74,098	280,406	82,139
Falling due after than five years	<u>5,536,892</u>	<u>6,781</u>	<u>2,428,418</u>	<u>27,130</u>
Total	<u>6,735,736</u>	<u>353,860</u>	<u>3,006,428</u>	<u>356,354</u>

The total rentals under operating leases, charged as an expense in the Statement of Financial Activities, were:

	<u>2023</u>	<u>2022</u>
	£	£
Land and buildings	163,809	202,899
Equipment	<u>99,310</u>	<u>122,455</u>
Total	<u>263,119</u>	<u>325,354</u>

At 31 July 2023, the School and Group had contracted capital expenditure of £1,229,929 (2022: £384,324).

19. Reconciliation of net incoming resources to net cash inflow from operating activities

	<u>2023</u>	<u>2022</u>
	£	£
Net income	4,982,451	820,057
Elimination of non-operating cash flows		
- Rent foregone by landlord	-	39,000
- Investment income	(152,375)	(11,444)
- Finance costs	192,439	287,806
Defined pension scheme adjustment	(11,857)	(28,716)
Depreciation charge	1,173,161	974,411
Loss/(Profit) on disposal of assets	-	120,200
Decrease/(increase) in debtors & stock	(581,460)	(275,984)
Increase/(decrease) in creditors (excluding FIA)	746,445	346,813
(Decrease)/increase in F.I.A creditors	(47,648)	(70,283)
Transfer of assets and liabilities as a result of merger (less cash transferred)	<u>(2,613,638)</u>	-
Net cash inflow from operating activities	<u>3,687,518</u>	<u>2,201,860</u>

20. Movement in net (debt)/cash

	<u>1 August</u>	<u>Cash flow</u>	<u>31 July 2023</u>
	<u>2022</u>		
	£	£	£
Cash at bank and in hand	<u>3,646,190</u>	<u>2,254,521</u>	<u>5,900,711</u>
Debt due after one year	(4,797,521)	275,721	(4,521,800)
Debt due within one year	<u>(264,666)</u>	<u>(10,346)</u>	<u>(275,012)</u>
Total debt	(5,062,187)	265,375	(4,796,812)
Net debt	<u>(1,415,997)</u>	<u>2,519,896</u>	<u>1,103,899</u>

21. Related party transactions

The School has a number of related party transactions with the Chapter of Ely Cathedral. In the year the Chapter contributed £157,409 (2022: £165,211) towards the cost of educating the Cathedral Choristers. The School supported Choristers and ex Choristers with £434,408 (2022: £302,289) of bursary assistance towards school fees.

The School paid to the Chapter £39,102 (2022: £39,102) in rents, including rent for the capitular properties. The Dean of Ely is an ex-officio member of the Board of Governors and there are two additional Chapter of Ely Representative Governors.

During the year the School held investments with Cazenove Capital Management Limited, of which Governor of King's Ely David Day is a private client.

Chris Meddle, a Governor of King's Ely, has declared his son and his son's partner were both employed by the School as a Teacher of Sport and a Teacher of Art respectively before he started as a Governor. Their contracts and remuneration are aligned with the standards for the roles undertaken.

The School charged £41,327 (2022: £nil) to Enterprises for the provision of facilities and administrative services. The balance owed to the School as at 31 July 2023 was £197,267 (2022 £90,403).

23 . Transfer of assets and liabilities

On the 5 August 2022 Fairstead House School Trust Limited (Registered Company Number 01391805, Charity Number 276787) transferred all assets and liabilities over to The King's School Ely.

The following table shows the fair value of assets and liabilities transferred to The King's School, Ely from Fairstead House School Trust Limited:

	2022
	£
Fixed Assets	
Fixed Asset	2,233,333
Investments	<u>324,977</u>
	<u>2,558,310</u>
Current Assets	
Cash at Bank	196,779
Debtors	<u>124,125</u>
	<u>320,904</u>
Creditors Amount Falling Due Within One Year	<u>(265,576)</u>
Net current assets	<u>55,328</u>
Total Net Assets	<u>2,613,638</u>

23 . Comparative information

Consolidated Statement of Financial Activities

Incorporating an Income and Expenditure account for the period ended 31 July 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income					
Charitable activities					
Fees receivable	2	20,222,251	-	20,222,251	18,202,901
Ancillary trading income	4	1,069,271	28,681	1,097,952	612,009
Donations and Legacies		68,548	-	68,548	776,829
Other trading activities					
Non ancillary trading income	3	63,061	-	63,061	20,131
Other income	4	-	-	-	9,005
Investments					
Investment income	5	9,172	2,272	11,444	28,804
Total income		<u>21,432,303</u>	<u>30,953</u>	<u>21,463,256</u>	<u>19,649,679</u>
Expenditure on:					
Raising funds					
Non-ancillary trading	6	14,076	-	14,076	12,308
Financing costs	6	287,806	-	287,806	245,482
Investment management costs	6	37,987	-	37,987	40,567
Fundraising & development	6	<u>760</u>	-	<u>760</u>	<u>1,346</u>
Total deductible costs		340,629	-	340,629	299,703
Charitable activities					
Education	6	<u>20,282,050</u>	<u>20,520</u>	<u>20,302,570</u>	<u>19,133,599</u>
Total expenditure	6	<u>20,622,679</u>	<u>20,520</u>	<u>20,643,199</u>	<u>19,433,302</u>
Net (Expenditure)/Income before investment (losses)/gains		809,624	10,433	820,057	216,377
Gains/(losses)/on investments	9	7,720	(899)	6,371	622,874
Transfers between funds	16	<u>164,844</u>	<u>(164,844)</u>	-	-
Net (Expenditure)/Income for the year		<u>1,060,055</u>	<u>(155,310)</u>	<u>904,745</u>	879,251

Resources expended

	<u>Staff costs</u>	<u>Other</u>	<u>Depreciation</u>	<u>Total</u> <u>2022</u>	<u>Total</u> <u>2021</u>
	£	£	£	£	£
Costs of generating funds					
Financing costs for the School	-	287,806	-	287,806	245,482
Financing costs for the subsidiary	-	53	-	53	56
Trading costs for the subsidiary	-	<u>14,023</u>	-	<u>14,023</u>	<u>12,252</u>
Total for the Group	-	<u>301,882</u>	-	<u>301,882</u>	<u>257,790</u>
Fundraising & Development	-	<u>760</u>	-	<u>760</u>	<u>1,346</u>
Investment Management Fee	-	<u>37,987</u>	-	<u>37,987</u>	<u>9,795</u>
Educational activities					
Teaching	9,521,783	708,984	145,556	10,376,323	9,932,050
Welfare	1,379,045	729,684	21,735	2,130,464	1,890,659
Premises	1,604,910	2,063,017	739,792	4,407,719	4,158,313
Support costs of schooling	<u>1,793,846</u>	<u>1,506,370</u>	<u>67,328</u>	<u>3,367,544</u>	<u>3,152,986</u>
School's operating costs	<u>14,299,584</u>	<u>5,008,055</u>	<u>974,411</u>	<u>20,282,050</u>	<u>19,134,008</u>
Grants, awards and prizes	-	<u>20,520</u>	-	<u>20,520</u>	<u>(409)</u>
Total for the Group	<u>14,299,584</u>	<u>5,028,575</u>	<u>974,411</u>	<u>20,302,570</u>	<u>19,133,599</u>

Included within the support costs above are Governance costs of:

	<u>2022</u>	<u>2021</u>
	£	£
External audit and Accountancy services 2021-22 School:	26,755	31,440
Audit fee and Accountancy service Subsidiary:	1,200	2,220
Governors' expenses for the School:	103	1,779
Professional Fees School:	-	-
Professional Fees Subsidiary:	-	-
Total School	<u>26,858</u>	<u>33,219</u>
Total Group	<u>28,058</u>	<u>35,439</u>