
THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditor's report on the financial statements	18 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24
Balance sheet	25 - 26
Statement of cash flows	27
Notes to the financial statements	28 - 57

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J Rowe Mr J Dover Mr A Berkeley Mr G Stemmer
Trustees	Mr J Rowe, Chair Mr J Dover, Vice Chair Mr G Stemmer Mrs M Rowe Mr L Fruhman Mr N Handler Mr D Landes Miss C Downes Mr J Dalziel, Executive Head Teacher Mr B Levy, Head Teacher Mr C Glaskie Mr A Berkeley, Treasurer Mrs S Rosenberg Mr D Lopian Mrs S Gottlieb Mrs S Pinkus Mr A Saipe
Company registered number	07716057
Company name	The King David High School
Principal and registered office	The King David High School Eaton Road Manchester M8 5DY
Senior management team	Mr B N Levy, Headteacher Mr J Dalziel, Executive Headteacher Mrs T Basger, Deputy Headteacher Mr J Pitt, Assistant Headteacher
Independent auditor	Crowe U.K. LLP 3rd floor The Lexicon Mount Street Manchester M2 5NT
Bankers	The Co-operative Bank 1 Balloon Street Manchester M60 4EP

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors

Hill Dickinson LLP
No1 St Paul's Square
Liverpool
L3 9SJ

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2020 to 31 August 2021. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The trust operates a secondary academy and sixth form for pupils aged 11 to 18, primarily serving a catchment area in North Manchester. It had a roll of 783 in the school census in October 2019.

The trust operates an admission policy in order to fulfil its objectives as per the "Objectives and Aims" listed below.

Full details of the admission policy can be found at <http://www.kdhs.org.uk/applications.html>.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy. The King David High School (The Academy) was formed on 25th July 2011. The Academy took over the management of The King David High School on 17th August 2011.

The Trustees of The King David High School are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

c. Governors' indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover of up to £5,000,000 on any one claim.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Governors

Foundation governors are appointed by The King David Schools (Manchester) Charitable Trust, normally for a term of 4 years. In addition, there are local authority governors, parent governors and staff governors. Parent governors are elected by parents.

The Articles of Association require there to be a minimum of 3 governors to be responsible for the management of the Academy. The Articles of Association contain provisions for the appointment of additional governors including staff governors and parent governors. There is no maximum number of governors.

The Governing Body comprises 16 Governors, including the head teacher, 2 staff Governors and 2 Parent Governors.

e. Policies adopted for the induction and training of Governors

New Governors have induction training and support available to them, via the Clerk to the Governing Body and through training courses provided by the Local Education Authority.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

f. Organisational structure

The structure consists of a number of levels: the Members, Trustee of King David Schools (Manchester), Governors and Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustee of King David Schools (Manchester) Trust, KDS Trustees Limited is responsible for the overall direction, religious content and appointing its foundation governors. This Trust is controlled by the Directors of the trustee company (the KD Foundation), Joshua Rowe (Chair), Andrew Berkeley and Stephen Elias. The Trustee Company is responsible for the appointment of Foundation Governors and the Articles of Association may not be amended without the agreement of the Trustee.

Members of the King David High School Academy are the subscribers to the trust's memorandum of association. The current Members are Joshua Rowe (Chair), Jonathan Dover, Gidon Stemmer and Andrew Berkeley. These same individuals are also the Directors of the Academy under company law.

The Governors are responsible for setting general policy, adopting a Strategic School Development Plan and setting the budget. They also monitor The King David High School by the use of financial reports and examination results and make major decisions about the direction of The King David High School, capital expenditure and senior staff appointments.

The School's Senior Management Team control The King David High School at an executive level implementing the policies laid down by the Governors and are accountable to them for the performance of the school.

The governors have sub committees responsible for specific areas (Staff Disciplinary, Pupil Disciplinary, Sixth Form, Staffing, Ofsted Monitoring etc). Each sub committee has its own terms of reference and the governors review the remit of the sub groups and the frequency of meeting. The Finance Committee meet at least once per term and the other committees meet as required.

The governing board has determined that it is able to convene on a termly basis and maintain effective oversight, particularly as the Chair of the Board meets regularly with the Headmaster and SLT to monitor progress and is kept informed of any pertinent matters which may arise from time to time. Governors receive regular reports relating to the financial position and are provided with other relevant reports relating to matters at the School. Email communications have continued to prove to be an effective way in which to keep Governors informed between meetings. Where urgent matters arise, additional meetings are held. Governors are also encouraged to visit the School at any time to meet with Headmaster, SLT, other employees, pupils and / or simply to observe aspects of the school

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

g. Pay policy for key management personnel

The pay policy for key management personnel is in accordance with the school Pay Policy and national scale.

Objectives and activities

a. Objects and aims

The principal object and activity of the Charitable Company is the operation of The King David High School. The King David High School's principal activity is the provision of secondary school education with a designated Jewish religious character (in accordance with the religious authority of the Chief Rabbi of the United Hebrew Congregation of the British Commonwealth) offering a broad and balanced curriculum.

In accordance with the Articles of Association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy and that the curriculum should comply with the substance of the National Curriculum.

The main objectives of the Academy during the period ended 31 August 2021 are:

- Academic – The School aims to achieve the highest academic standards and ensure that every pupil realises their full potential.
- Welfare – The school has a warm and caring approach and aims to ensure the well being and happiness of every child.
- Religious – The school promotes the values, standards and discipline of the faith. It provides a strong Jewish education which imbues children with the knowledge of, and pride in, their heritage and identity.

The excellent results that the School achieves as reflected in the published Government tables is testimony to the fulfilment of the Academy Trust objectives.

b. Objectives, strategies and activities

The objectives of the school are to provide the highest quality of education for each and every child, whilst maintaining the warm and welcoming atmosphere of the school and enhancing the pupils' knowledge of, and pride in, their faith and tradition.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

c. Public benefit

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

a. Key performance indicators

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence. In its last OFSTED inspection in May 2015, OFSTED assessed the Academy as "Outstanding" in every category.

The Academy is also monitored through the completion and submission to the ESFA of

- The annual accounts return;
- Budget Forecast Return outrun
- Budget Forecast Return
- Accounts Return.
- The annual financial Management and Governance Evaluation.

The Governors received reports on the financial performance & management at each meeting. Key information reported includes:

- Budgets
- Income and expenditure

Other key non financial performance information includes:

- **Attainment** Students attainment improved at the Academy in the period of the accounts. At GCSE 95.24% of all grades achieved were A* C. 50.3% of all grades achieved were A* + A. 31.35% of all grades achieved were A*.
- **At A level** the pass rate was 100%. 89.21% of all grades achieved were A* B.
- **Pupil Recruitment** The Academy remains a popular choice for students and continues to achieve its forecast number of pupils and is fully subscribed.
- **Attendance** Attendance at the Academy was 95+%. Our target is to be better than the national average for attendance and was achieved through strict virus control measures surrounding hygiene, social distancing and wearing of masks.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future.

However, the governors note the following deficits within the accounts:

- A pension fund deficit of £1,219,000 (see note 23)

To mitigate the impact of the reduction of funding from ESFA upon which the academy is heavily reliant, the academy is attempting to derive income from alternative sources. Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.

In assessing going concern the Governors have considered the effects of the Covid 19 pandemic. Although this has had an immediate impact on day to day operations with some teaching being delivered remotely and the implementation of safety measures surrounding hygiene, social distancing and wearing of facemasks, the pandemic has had very little financial impact. Funding from the ESFA has been received as planned and this was supplemented by donations from King David Schools (Manchester) and other extremely generous donors.

The Governors, in conjunction with the Charity Trustees, are considering a number of fundraising opportunities to recover the deficits going forward. In addition, the governors will review the cost base in the medium term. As a result of the above and their forecasts, the Governors have a reasonable expectation that the Academy will have adequate resources to continue for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review

a. Financial review

The main sources of income are from ESFA (GAG) and from Manchester City Council for Block Funding.

During the current year the Academy has had a total income of £5,084,942 (2020: £4,761,856), (excluding the rental donation and capital grants) of which £4,237,795 (2020: £3,848,179) was from ESFA (GAG) and total expenditure of £5,966,881 (2020: £5,772,390) (excluding depreciation, rental expense and LGPS pension adjustments). As at 31 August 2021 reserves excluding restricted fixed asset fund and pension fund were £114,332 in comparison to £127,176 deficit as reported in the 2020 financial statements.

Over the past seven years or so, the government has reduced the school's income by around £1,000,000 per annum. During the same period the school has had to absorb mandatory cost increases (inflation / spine points / promotions / etc) as well as the costs of SEND (previously funded by LAs) which amount to around £600,000 per annum. This means that the school's budget has effectively been reduced, over the past seven years, by around £1,600,000 per annum.

Government funding (of around £4,800 per pupil) is adequate to provide 'bog-standard' education but is entirely inadequate for the provision of excellence. The Trustees and Governors are determined to provide standards of excellence more commonly associated with schools in the independent sector and this is the reason the Trustees raise and provide funds for the school – to pay for what the government does not.

b. Reserves policy

The academy has a target level of reserves set to be just below £1 million of restricted income which equates to 3 months expenditure by the Academy. The academy has free reserves £114,332 (2020: £169,771).

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

c. Principal risks and uncertainties

The Academy keeps up the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

A risk register is maintained at the Academy level which is reviewed at least annually by the Governors and more regularly when necessary. The risk register identifies key risks, the likelihood of these risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This is supported by an action plan which sets out a set of procedures to follow if risks on the risk register occur.

Outlined below is a description of the principal risk factors which may affect the Academy. Not all factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Government Funding

The Academy is reliant on continued Government funding through the ESFA. Over the past 6 years, the government has slashed the funding available to schools of excellence, such as King David – diverting funds instead to support failing schools. As a result in 2020/2021, the government funded less than 75% of the school's needs. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or in the same terms.

This risk is mitigated in a number of ways:

- Tight controls on expenditure with cuts (which do not affect education) wherever possible;
- Funding is derived from the charity/foundation who raise money to cover the school deficits;

2. Maintain adequate funding of pensions liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of Financial Reporting Standard 102. This deficit relates to non teaching staff who are members of Greater Manchester Pension Fund. At August 31 2021 the deficit amounted to £1,219,000 (2020: £1,022,000).

The pension scheme liability is an on going liability which is not expected to materialise until the retirement of the employees in the scheme. The Academy makes contributions to the scheme on behalf of its employees.

During the period, the Academy made contributions of £xxx (2020: £77,000). These contributions are determined by the scheme's Actuaries and are designed to eliminate the deficit over the estimated future working lives of the employees in the scheme.

Additionally, government has repeatedly assured schools that these deficits will be covered by government.

Fundraising

The academy had no fundraising activities requiring disclosure under the provision of the Charities (Protection and Social Investment) Act 2016.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The academy will continue to strive to achieve the highest academic standards, ensuring that every pupil realises their full potential. It will also maintain its efforts to ensure the well being and happiness of each and every child.

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 21 December 2021 and signed on its behalf by:



Mr J Rowe

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that The King David High School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The King David High School and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Governors has formally met 3 times during the year.

Attendance during the year at meetings of the board of Governors was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Rowe, Chair	3	3
Mr J Dover, Vice Chair	3	3
Mr G Stemmer	2	3
Mrs M Rowe	3	3
Mr L Fruhman	0	3
Mr N Handler	3	3
Mr D Landes	3	3
Miss C Downes	0	3
Mr J Dalziel, Executive Head Teacher	0	0
Mr B Levy, Head Teacher	3	3
Mr C Glaskie	1	3
Mr A Berkeley, Treasurer	3	3
Mrs S Rosenberg	2	3
Mr D Lopian	2	3
Mrs S Gottlieb	3	3
Mrs S Pinkus	3	3
Mr A Saipe	2	3

The governing board has determined that it is able to convene on a termly basis and maintain effective oversight. In addition to these meetings, the finance committee aims to meet at least three times a year whilst receiving monthly reports relating to the financial position and, from time to time, are provided with other relevant reports relating to matters at the School. Other subcommittees also meet throughout the year as required.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

The Governors (through the Chair, Treasurer, Accounting Officer and the Financial Administrator) have responsibility for ensuring that the academy delivers good value in the use of public resources.

The Governors consider how the academy's use of its resources has provided good value for money during each academic year.

The Governors for the academy has delivered improved value for money during the year by:

- maintaining the tight control over expenditure
- efficient use of staff
- continuing to prioritise scarce resources to teaching (as opposed to Administration)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The King David High School for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

The risk and control framework

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ One Education as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- A review of VAT reconciliations
- A review of the adequacy of the fixed asset register

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On an annual basis, the internal auditor reports to the board of Governors through the finance committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

Review of effectiveness

The Governors have responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Governors have been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on and signed on their behalf by:



Mr J Rowe
Chair of Trustees

Date:



Mr B Levy
Accounting Officer

Date:

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The King David High School I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.


Mr B Levy
Accounting Officer
Date:

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees 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 of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 21 December 2021 and signed on its behalf by:



Mr J Rowe

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
KING DAVID HIGH SCHOOL**

Opinion

We have audited the financial statements of The King David High School (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
KING DAVID HIGH SCHOOL (CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion 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 Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the academy 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 Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
KING DAVID HIGH SCHOOL (CONTINUED)**

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:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable group for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
KING DAVID HIGH SCHOOL (CONTINUED)**

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 academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Jayson (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

21 December 2021

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KING
DAVID HIGH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 24 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The King David High School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The King David High School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The King David High School and ESFA those matters we are required to state in a 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 King David High School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The King David High School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The King David High School's funding agreement with the Secretary of State for Education dated 17 August 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KING
DAVID HIGH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Michael Jayson
Crowe U.K. LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: 21 December 2021

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	968,321	770,895	18,169	1,757,385	1,721,448
Charitable activities		695	5,084,247	-	5,084,942	4,761,856
		<u>969,016</u>	<u>5,855,142</u>	<u>18,169</u>	<u>6,842,327</u>	<u>6,483,304</u>
Total income						
Expenditure on:						
Charitable activities	6	1,024,456	5,668,195	55,130	6,747,781	6,588,872
		<u>1,024,456</u>	<u>5,668,195</u>	<u>55,130</u>	<u>6,747,781</u>	<u>6,588,872</u>
Total expenditure						
Net movement in funds before other recognised gains/(losses)						
		(55,440)	186,947	(36,961)	94,546	(105,568)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	23	(219,000)	132,000	-	(87,000)	132,000
		<u>(274,440)</u>	<u>318,947</u>	<u>(36,961)</u>	<u>7,546</u>	<u>26,432</u>
Net movement in funds						
Reconciliation of funds:						
Total funds brought forward		169,771	(1,318,947)	3,574,017	2,424,841	2,398,409
Net movement in funds		(274,440)	318,947	(36,961)	7,546	26,432
		<u>(104,669)</u>	<u>(1,000,000)</u>	<u>3,537,056</u>	<u>2,432,387</u>	<u>2,424,841</u>
Total funds carried forward						

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

The notes on pages 28 to 57 form part of these financial statements.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07716057

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	3,541,086	1,429,017
		<u>3,541,086</u>	<u>1,429,017</u>
Current assets			
Debtors	13	946,750	1,194,248
Cash at bank and in hand		271,741	2,059,157
		<u>1,218,491</u>	<u>3,253,405</u>
Creditors: amounts falling due within one year	14	(1,108,190)	(1,235,581)
Net current assets		<u>110,301</u>	<u>2,017,824</u>
Total assets less current liabilities		<u>3,651,387</u>	<u>3,446,841</u>
Net assets excluding pension liability		<u>3,651,387</u>	<u>3,446,841</u>
Defined benefit pension scheme liability	23	(1,219,000)	(1,022,000)
Total net assets		<u><u>2,432,387</u></u>	<u><u>2,424,841</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	16	3,537,056	3,574,017
Restricted income funds	16	-	(296,947)
Restricted funds excluding pension asset	16	<u>3,537,056</u>	<u>3,277,070</u>
Pension reserve	16	(1,219,000)	(1,022,000)
Total restricted funds	16	<u>2,318,056</u>	<u>2,255,070</u>
Unrestricted income funds	16	<u>114,331</u>	<u>169,771</u>
Total funds		<u><u>2,432,387</u></u>	<u><u>2,424,841</u></u>

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07716057

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 24 to 57 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr J Rowe
(Chair of Trustees)
Date: 21 December 2021

The notes on pages 28 to 57 form part of these financial statements.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	18	426,818	727,211
Cash flows from investing activities	20	(2,149,030)	(85,174)
Cash flows from financing activities	19	(65,203)	(56,313)
Change in cash and cash equivalents in the year		(1,787,415)	585,724
Cash and cash equivalents at the beginning of the year		2,059,157	1,473,433
Cash and cash equivalents at the end of the year	21, 22	<u><u>271,742</u></u>	<u><u>2,059,157</u></u>

The notes on pages 28 to 57 form part of these financial statements

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

GENERAL INFORMATION

The King David High School is a private limited company by guarantee without share capital, registered in England (No. 07716057).

The address of the registered office is Eaton Road, Crumpsall, Manchester.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

To mitigate the impact of the reduction of funding from ESFA upon which the academy is heavily reliant, the academy is attempting to derive income from alternative sources. Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA.

In assessing going concern the Governors have considered the effects of the Covid-19 pandemic. Although this has had an immediate impact on day to day operations with some teaching being delivered remotely and the implementation of safety measures surrounding hygiene, social distancing and wearing of facemasks, the pandemic has had very little financial impact. Funding from the ESFA has been received as planned and this was supplemented by donations from King David Schools (Manchester) and other extremely generous donors.

The Governors have received a letter of intended support from the Trustees of the school's charity indicating their intention to continue to cover any deficits.

The Governors, in conjunction with the Charity Trustees, are considering a number of fundraising opportunities to recover the deficits going forward. In addition, the governors will review the cost base in the medium term.

As a result of the above and their forecasts, the Governors have a reasonable expectation that the Academy will have adequate resources to continue for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy has provided the goods or services.

1.4 Expenditure

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

• **Charitable activities**

These are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Tangible fixed assets

Assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 50 years
Short-term leasehold property	- 5 years
Furniture and equipment	- 5 years
Computer equipment	- 5 years
Motor vehicles	-

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

1.6 Debtors

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

1.7 Cash at bank and in hand

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

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.10 Pensions

The academy operates a defined contribution pension scheme and the pension charge represents the amounts payable by the academy to the fund in respect of the year.

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

1.12 Agency arrangements

The academy trust acts as an agent in distributing funds for the ESFA to sixth form students in the form of the 16-19 Bursary. Bursary funding is received from the ESFA and subsequent payments are made to pupils subject to the completion of an application form. These are excluded from the Statement of Financial Activities as the trust does not set the conditions for the award of grants to students. The funds received and any balances held are disclosed in note 27.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.13 VAT accounting

The Finance Act 2011 put in place a special scheme whereby Academies are able to reclaim input VAT on their non-business activities directly from HMRC. The King David High School Academy has used this scheme during the period to 31 August 2020. Expenditure is accounted for net of input VAT in the year.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2018 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible Fixed Assets

The Freehold Property used by The King David High School is owned by the King David Schools (Manchester) Trust. The trustees of the King David Schools (Manchester) Trust have granted the Academy the right to use the land and buildings for educational purposes under a license to occupy. Therefore the building has not been recognised in these accounts in line with the Academies Accounts Direction 19/20.

The donation of £770,895 is the amount of rent provided free of charge from King David Schools (Manchester). The figure recognised has a matching expense in support costs and has been calculated using a commercial rate of rent of £11.39 per sq ft applied to the area of the school owned by the King David Schools (Manchester) but occupied by the academy. The donation and rental expense represents the estimated market value of the benefit enjoyed by the school from its use of the premises. Debtors include £770,895 which represents the prepaid expenditure for the two year notice period included with the lease from King David Schools (Manchester) to the Academy.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	968,321	770,895	-	1,739,216
Capital grants	-	-	18,169	18,169
	<u>968,321</u>	<u>770,895</u>	<u>18,169</u>	<u>1,757,385</u>

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	553,000	1,150,160	-	1,703,160
Capital grants	-	-	18,288	18,288
	<u>553,000</u>	<u>1,150,160</u>	<u>18,288</u>	<u>1,721,448</u>

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the academy's direct costs

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
Other DfE/ESFA grants			
General annual grant (GAG)	-	4,026,974	4,026,974
Pupil premium	-	66,043	66,043
Bursary fund 16-18	-	43,714	43,714
School trip income	695	-	695
Other school income	-	885,379	885,379
	<hr/>	<hr/>	<hr/>
	695	5,022,110	5,022,805
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	62,137	62,137
	<hr/>	<hr/>	<hr/>
	-	62,137	62,137
	<hr/>	<hr/>	<hr/>
	695	5,084,247	5,084,942
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
Other DfE/ESFA grants			
General annual grant (GAG)	-	3,848,179	3,848,179
Pupil premium	-	43,925	43,925
Bursary fund 16-18	-	15,240	15,240
School trip income	93,881	-	93,881
Other school income	-	759,778	759,778
Other grants	-	853	853
	<hr/>	<hr/>	<hr/>
	93,881	4,667,975	4,761,856
	<hr/>	<hr/>	<hr/>
	93,881	4,667,975	4,761,856
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the academy's direct costs (continued)

The academy received £62,137 of funding for catch-up premium and costs incurred in respect of this funding totalled £62,137.

5. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Activities:				
Direct costs	3,878,359	-	260,281	4,138,640
Support costs	160,243	566,641	1,882,257	2,609,141
	<u>4,038,602</u>	<u>566,641</u>	<u>2,142,538</u>	<u>6,747,781</u>
	<i>Staff Costs</i> <i>2020</i> £	<i>Premises</i> <i>2020</i> £	<i>Other</i> <i>2020</i> £	<i>Total</i> <i>2020</i> £
Activities:				
Direct costs	3,791,523	-	354,982	4,146,505
Support costs	352,930	1,130,022	959,415	2,442,367
	<u>4,144,453</u>	<u>1,130,022</u>	<u>1,314,397</u>	<u>6,588,872</u>

The school occupies premises owned by the King David Schools (Manchester) under a license to occupy. The accounts include a donation and rental expense of £770,895 (2020: £734,185) relating to the estimated market value of the benefit enjoyed by the school from its use of the premises.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Activities	1,024,456	5,723,325	6,747,781
	<u>1,024,456</u>	<u>5,723,325</u>	<u>6,747,781</u>
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Activities	633,978	5,954,894	6,588,872
	<u>633,978</u>	<u>5,954,894</u>	<u>6,588,872</u>

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Direct costs	4,138,640	2,609,141	6,747,781

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Direct costs	4,146,505	2,442,367	6,588,872

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	3,897,431	3,827,872
Educational supplies	191,251	238,382
Examination fees	43,856	77,791
Staff development	6,102	2,460
	<u>4,138,640</u>	<u>4,146,505</u>

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	251,243	316,581
Depreciation	55,130	52,247
Teaching and educational support	13,060	66,142
Legal fees	4,950	48,564
Maintenance of premises and equipment	45,748	26,335
Cleaning	183,822	125,316
Light and heat	129,676	161,651
Rent and rates	952,439	759,816
Insurance	14,094	29,181
Security and transport	316,448	156,286
Telephone and admin stationery	16,714	18,711
Recharge of expenses	572,898	544,565
Professional fees	99,570	84,983
Bank interest and charges and release of accrued interest	(46,651)	51,989
	<u>2,609,141</u>	<u>2,442,367</u>

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	55,130	52,247
Fees paid to auditor for:		
- audit	8,600	8,300
- accounts preparation	950	900
	<u>950</u>	<u>900</u>

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	3,218,225	3,227,641
Social security costs	304,858	276,237
Pension costs	625,591	640,575
	<u>4,148,674</u>	<u>4,144,453</u>

b. Staff numbers

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

	2021	2020
	No.	No.
Teachers	75	75
Educational support	12	12
Clerical and administration	6	6
Premises	2	2
Management	3	3
LA/SLA	5	5
	<u>103</u>	<u>103</u>

c. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £267196 (2020 - £185799).

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Governors' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
Mr B Levy, Head Teacher	Remuneration	75,000 -	70,000 -
		80,000	75,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

11. Governors' and Officers' insurance

The academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2020	1,453,736	255,732	393,097	37,180	10,365	2,150,110
Additions	-	-	-	-	2,167,199	2,167,199
At 31 August 2021	<u>1,453,736</u>	<u>255,732</u>	<u>393,097</u>	<u>37,180</u>	<u>2,177,564</u>	<u>4,317,309</u>
Depreciation						
At 1 September 2020	119,881	255,732	315,736	29,744	-	721,093
Charge for the year	29,075	-	18,619	7,436	-	55,130
At 31 August 2021	<u>148,956</u>	<u>255,732</u>	<u>334,355</u>	<u>37,180</u>	<u>-</u>	<u>776,223</u>
Net book value						
At 31 August 2021	<u><u>1,304,780</u></u>	<u><u>-</u></u>	<u><u>58,742</u></u>	<u><u>-</u></u>	<u><u>2,177,564</u></u>	<u><u>4,541,086</u></u>
At 31 August 2020	<u><u>1,333,855</u></u>	<u><u>-</u></u>	<u><u>77,361</u></u>	<u><u>7,436</u></u>	<u><u>10,365</u></u>	<u><u>1,429,017</u></u>

13. Debtors

	2021 £	2020 £
Due within one year		
Prepayments and accrued income	904,525	1,182,900
Tax recoverable	42,225	11,348
	<u><u>946,750</u></u>	<u><u>1,194,248</u></u>

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Loan from Manchester City Council	-	65,203
Other creditors	152,518	27,002
Accruals and deferred income	955,672	1,143,376
	<u>1,108,190</u>	<u>1,235,581</u>

15. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at amortised cost	<u>271,741</u>	<u>446,750</u>

	2021 £	2020 £
Financial liabilities		
Financial Liabilities measured at amortised cost	<u>890,453</u>	<u>1,235,581</u>

Financial assets measured at amortised cost

Other financial liabilities measured at amortised cost comprise a loan from Manchester City Council, trade creditors, other creditors and accruals

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds					
Unrestricted Funds	169,771	969,016	(1,024,456)	-	114,331
Restricted general funds					
General Annual Grant (GAG)	(296,947)	4,095,258	(3,798,311)	-	-
Pupil premium	-	66,043	(66,043)	-	-
Other school income	-	51,437	(51,437)	-	-
Donations - Rent in kind	-	770,895	(770,895)	-	-
Other grants	-	728,972	(728,972)	-	-
Rates Relief	-	142,537	(142,537)	-	-
Pension reserve	(1,022,000)	-	(110,000)	(87,000)	(1,219,000)
	(1,318,947)	5,855,142	(5,668,195)	(87,000)	(1,219,000)
Restricted fixed asset funds					
DfE/EFA capital grants	1,069,001	-	(55,130)	-	1,013,871
Capital expenditure from GAG	236,262	-	-	-	236,262
Donations	37,180	18,169	-	-	55,349
Capital Maintenance Fund	2,231,574	-	-	-	2,231,574
	3,574,017	18,169	(55,130)	-	3,537,056
Total Restricted funds	2,255,070	5,873,311	(5,723,325)	(87,000)	2,318,056
Total funds	2,424,841	6,842,327	(6,747,781)	(87,000)	2,432,387

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Statement of funds (continued)

The specific purposes for which the funds are to be applied are as follows:

Restricted General Funds are used specifically to provide educational resources for the pupils of the Academy.

Restricted Fixed Asset Funds provide for the installation, maintenance and repair of the Fixed Assets of the Academy.

Unrestricted Funds are those other Resources which may be used to further the objectives of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds					
Unrestricted Funds	156,868	646,881	(633,978)	-	169,771
Restricted general funds					
General Annual Grant (GAG)	(343,835)	3,848,179	(3,801,291)	-	(296,947)
Pupil premium	-	43,925	(43,925)	-	-
Other school income	-	211,343	(211,343)	-	-
Donations - Rent in kind	-	734,185	(734,185)	-	-
Other grants	-	980,503	(980,503)	-	-
Pension reserve	(1,024,000)	-	(130,000)	132,000	(1,022,000)
	<u>(1,367,835)</u>	<u>5,818,135</u>	<u>(5,901,247)</u>	<u>132,000</u>	<u>(1,318,947)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	1,104,360	18,288	(53,647)	-	1,069,001
Capital expenditure from GAG	236,262	-	-	-	236,262
Donations	37,180	-	-	-	37,180
Capital Maintenance Fund	2,231,574	-	-	-	2,231,574
	<u>3,609,376</u>	<u>18,288</u>	<u>(53,647)</u>	<u>-</u>	<u>3,574,017</u>
Total Restricted funds	<u>2,241,541</u>	<u>5,836,423</u>	<u>(5,954,894)</u>	<u>132,000</u>	<u>2,255,070</u>
Total funds	<u><u>2,398,409</u></u>	<u><u>6,483,304</u></u>	<u><u>(6,588,872)</u></u>	<u><u>132,000</u></u>	<u><u>2,424,841</u></u>

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Statement of funds (continued)

Total funds analysis

Fund balances at 31 August 2021 were allocated as follows:

	2021	2020
	£	£
Restricted fixed asset fund	3,537,056	<i>3,574,017</i>
Pension reserve	(1,219,000)	<i>(1,022,000)</i>
Total	<u>2,318,056</u>	<i><u>2,552,017</u></i>

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	219,515	(215,485)	3,537,056	3,541,086
Current assets	883,519	334,972	-	1,218,491
Creditors due within one year	(988,703)	(119,487)	-	(1,108,190)
Provisions for liabilities and charges	-	(1,219,000)	-	(1,219,000)
Total	114,331	(1,219,000)	3,537,056	2,432,387

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	1,429,017	1,429,017
Current assets	1,108,405	-	2,145,000	3,253,405
Creditors due within one year	(938,635)	(296,946)	-	(1,235,581)
Provisions for liabilities and charges	-	(1,022,000)	-	(1,022,000)
Total	169,770	(1,318,946)	3,574,017	2,424,841

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of financial activities)	94,546	<i>(105,568)</i>
Adjustments for:		
Depreciation	55,130	<i>52,247</i>
Capital grants from DfE and other capital income	(18,169)	<i>(18,288)</i>
Defined benefit pension scheme cost less contributions payable	91,000	<i>110,000</i>
Defined benefit pension scheme finance cost	19,000	<i>20,000</i>
Decrease in debtors	123,123	<i>363,191</i>
Increase in creditors	62,188	<i>305,629</i>
Net cash provided by operating activities	426,818	<i>727,211</i>

19. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(65,203)	<i>(56,313)</i>
Net cash used in financing activities	(65,203)	<i>(56,313)</i>

20. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(2,167,199)	<i>(103,462)</i>
Capital grants from DfE Group	18,169	<i>18,288</i>
Net cash used in investing activities	(2,149,030)	<i>(85,174)</i>

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	271,742	2,059,157
Total cash and cash equivalents	271,742	2,059,157

22. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,059,157	(1,787,416)	271,741
Debt due within 1 year	(65,203)	65,203	-
	1,993,954	(1,722,213)	271,741

23. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £578,572 (2020 - £424,676).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £101,000 (2020 - £102,000), of which employer's contributions totalled £77,000 (2020 - £78,000) and employees' contributions totalled £ 24,000 (2020 - £24,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 8.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Pension commitments (continued)

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	3.65	3.1
Rate of increase for pensions in payment/inflation	2.9	2.3
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	55	55

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	20.5	20.5
Females	23.3	23.1
<i>Retiring in 20 years</i>		
Males	21.9	22
Females	25.3	25

Share of scheme assets

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

	2021	<i>2020</i>
	£	£
Equities	1,849,550	1,432,760
Property	182,350	337,120
Cash and other liquid assets	182,350	147,490
Debt instruments	390,750	189,630
Total market value of assets	2,605,000	<i>2,107,000</i>

The actual return on scheme assets was £20000 (2020 - £37000).

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

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Pension commitments (continued)

Changes in the present value of the defined benefit obligations were as follows:

	2021 £	2020 £
At 1 September	3,129,000	2,991,000
Interest cost	55,000	56,000
Employee contributions	21,000	24,000
Actuarial losses/(gains)	476,000	(112,000)
Benefits paid	(21,000)	(17,000)
Current service cost	164,000	187,000
At 31 August	3,824,000	3,129,000

Changes in the fair value of the academy's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	2,107,000	1,967,000
Interest income	36,000	36,000
Actuarial gains	389,000	20,000
Employee contributions	21,000	24,000
Benefits paid	(21,000)	(17,000)
Effects of non-routine settlements	73,000	77,000
At 31 August	2,605,000	2,107,000

24. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

The school is in the process of finalising an operating lease with the local council for the use of an area of land for car parking.

25. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Related party transactions

Owing to the nature of the academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10 and the transactions noted below.

The following transactions have taken place between King David High School and the following organisations in which a member of the governing body has a non-pecuniary interest.

King David Schools (Manchester), is an unincorporated charity whose Trustee Company, KDS Trustees Limited, the King David Primary School and the King David High School have a number of common Trustees/Directors.

King David Schools (Manchester) owns, via its legal title the land and buildings in which the schools currently occupy and allows the schools to operate from the site under a formal 'License to occupy'.

During the year donations amounting to £420,975 (2020: £508,136) were received from King David Schools (Manchester) to fund religious education and SEN teaching. General donations of £453,000 (2020: £553,000) and a donation for rent in kind of £770,895 (2020: £734,185) were also received from King David Schools (Manchester). Of the general donations, £Nil (2020: £100,000) was in debtors at the balance sheet date.

During the period, the High School was recharged cleaning and caretaking costs to the value of £40,797 (2020: £19,548) by King David Schools (Manchester), a charity with which the school has common trustees. In addition the charity recharged catering costs of £8,553 (2020: £15,290), decorating and repair costs of £NIL (2020: NIL), trip expenses of £Nil (2020: £786) and paid voluntary contributions of £10,467 (2020: £25,607) to King David Schools (Manchester) in the period.

During the year, King David Schools transferred the High School £Nil (2020: £51,594) to pay for legal fees. £Nil (2020: £50,000) was repaid to the charity in the year with the remaining £Nil (2020: £1,594) recorded within other creditors at the balance sheet date.

During the period, the King David High School recharged 33% of utility costs to King David Primary School, an Academy with which the High School has common governors. These recharges were made on an arm's length basis to the amount of £26,554 (2020: £46,559). In addition, £32,452 (2020: £38,907) was recharged to the Primary School for the swimming pool, IT and for repairs. The balance at the year end was £NIL (2020: £NIL).

Payments of £520,208 (2020: £480,239) were made to King David Resources Limited (KDR Ltd), a company with which the academy has common directors/members, for utilisation of the staff of KDR Ltd for religious education and SEN teaching. This has been provided for at cost.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

27. AGENCY ARRANGEMENTS

The academy trust distributes bursaries to sixth form students on behalf of the ESFA. All amounts held as at 31 August 2021 are recorded within other creditors.

In the year to 31 August 2021, funding received from the ESFA was £43,714 (2020: £8,672) and the amount of bursaries paid was £43,714 (2020: £1,451), resulting in a balance held at 31 August 2021 of £24,828 (2020: £24,828).