THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESLFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552

England & Wales · Charity number 1137204

Details

Other names	THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLELFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552
Status	Registered
Legal form	Other
Company number	RC000830
Registered	2010-07-30
Register	View on the Charity Commission register

Contact

Address	The Kings School Alderley Road Prestbury Macclesfield Cheshire SK10 4SP
Phone	01625260010
Email	mail@kingsmac.co.uk
Website	www.kingsmac.co.uk

Activities

Objects: THE ADVANCEMENT OF THE EDUCATION OF BOYS AND GIRLS BY THE PROVISION OF A DAYAND/OR BOARDING AND/OR NURSERY SCHOOL OR SCHOOLS IN OR NEAR MACCLESFIELD IN THE COUNTY OF CHESTER, OR AT SUCH OTHER PLACE OR PLACES WITHIN OR OUTSIDE OUR UNITED KINGDOM AS THE GOVERNING BODY MAY DIRECT AND BY ANCILLARY OR INCIDENTALEDUCATIONAL ACTIVITIES AND OTHER ASSOCIATED ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY.

Activities: The advancement of education by the provision of high quality education for boys and girls and a wide range of extra curricular activities in the King's School in Macclesfield. The School provides bursaries for pupils in need of financial assistance. The School also provides various other educational opportunities and

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facilities to the local community.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** MACCLESFIELD
- Cheshire East
- Cheshire West & Chester
- Derbyshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£19,449,000	£18,538,000	£50,173,000	260
2024-07-31	£18,918,000	£18,085,000	£49,265,000	260
2023-07-31	£17,225,000	£16,791,000	£48,375,000	252
2022-07-31	£17,065,000	£15,325,000	£47,963,000	248
2021-07-31	£15,047,000	£14,548,000	£46,235,000	238
2020-07-31	£13,795,000	£12,865,000	£43,345,000	239

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Trustees

Name	Role	Appointed
Christopher O'Leary		2024-03-15
Dame Sarah Storey		2025-09-26
Dr David Ennis		2025-09-26
Dr NEIL HANLEY		2016-03-11
Emma Hannah		2025-03-21
Hamish Grant		2020-12-04
IAN BRADLEY		2014-06-30
Iwona Clough		2025-03-21
JONATHAN PAUL WATKINS		2016-03-11
Juliette White		2014-03-12
Louise Grainger		2019-12-06
Matthew Forbes		2025-09-26
Michael John Strutt		2014-03-12
SIMON BARRISKELL		2014-12-05
Victoria Davidson		2022-08-31

Linked charities

- THE KING'S SCHOOL IN MACCLESFIELD HORSFIELD BURSARY FUND (1137204-1)
- THE KING'S SCHOOL IN MACCLESFIELD BROCKLEHURST SCHOLARSHIP FUND (1137204-2)

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THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESLFIELD OF 1502, RE-FOUNDED BY KING ED

England & Wales - Charity number 1137204

Accounts

Charity Registration No. 1137204

Company Registration No. RC 000830 (England and Wales)

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552

KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2025

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

LEGAL AND ADMINISTRATIVE INFORMATION

Chair of Governors	Ms J White BSc CBE
Head of Foundation	Mr J Slack BSc (Hons), MA (Ed)
Director of Finance	Mrs A Cohen LLB (Hons)
Charity number	1137204
Company number	RC 000830
Auditors	Crowe U.K. LLP 3rd Floor, St George's House 56 Peter Street, Manchester M2 3NQ
Bankers	National Westminster Bank plc 2 Chestergate Macclesfield SK11 6BA
Solicitors	DAC Beachcroft LLP 3 Hardman Street Manchester M3 3HF

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

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THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS' REPORT

The Governing Body comprises co-opted governors who are elected by the Governing Body following recommendations by the Nominations Committee of the Governing Body and governors appointed by outside bodies as indicated below. They have all served in office throughout the year and subsequently, except where indicated. They were the Trustees of the charity known as The King's School in Macclesfield during the year.

The Chair and Vice Chair are ex officio members of all the committees of the Governing Body. Mr Higginson was elected Chair on 3 December 2021 and Ms White was elected Vice Chair on 2 December 2022. Mr Higginson resigned on 30 June 2025 and Ms White was elected as Chair on 30 June 2025. Mr Watkins was appointed as Vice Chair on 30 June 2025.

Co-opted Governors Term of office - five years, renewable for a maximum of two further terms of five years.

Mr S Barriskell BSc, MBA	Finance & General Purposes*, Governance, Nominations, Audit and Remuneration (GNAR)
Mrs S Byrne BSc	External Relations
Mrs I Clough	Finance & General Purposes (joined 21 March 2025)
Prof N Hanley BSc, MB ChB, PhD, FRCP	Education*, External Relations
Mrs V Davidson MBChB, MRCGP, DFSRH	Education
Dr D Ennis	Education (joined 26 September 2025)
Mr M Forbes	Finance & General Purposes (joined 26 September 2025)
Ms L Grainger MA, FCPFA	GNAR
Mr H Grant MA	Finance & General Purposes ,GNAR
Mrs E Hannah	GNAR (joined 21 March 2025)
Mr S Murrells	External Relations (resigned 30 June 2025)
Dr C Doherty B. Pharm, PhD, MBA	Education *, Nominations (resigned 5 December 2024)
Ms J White BSc CBE	Education, GNAR
Mr J Watkins BA (Oxon)	GNAR*, External Relations, Finance & General Purposes
Nominated by the University of Manchester	
Mr I Bradley BSc	Education
Nominated by the Lord Lieutenant of Cheshire	
Mr A T Higginson BSc	Audit *, Remuneration*, Nominations*, External Relations, Chair, Finance & General Purposes, Education (resigned 30 June 2025)
Dame Sarah Storey	GNAR (joined 26 September 2025)
Nominated by the Lord Bishop of Chester	
Mr M Strutt BA	External Relations *, Finance & General Purposes
Nominated by the Cheshire East Council	
Cllr C O'Leary	Education

* Chair of the Committee

All nominated Governors have terms of five years (or such lesser period as the nominating body may declare at the time of nomination), renewable for a maximum of two further terms.

Officers

The principal officers of the School during the year were:

Mr J Slack - Head of Foundation

Ms Anna Cohen - Director of Finance & Operations

The day to day running of the Foundation is delegated to the key management personnel that comprises the Head of Foundation, Director of Finance & Operations, Deputy Head (Academic), Deputy Head (Operations), Director of External Relations, Principal of the Infant and Junior Division, Principal of Senior School, Principal of Sixth Form and Assistant Head (Staff).

Organisation

In September 2020, the School completed its move to the new campus where it operates a co-educational day school for pupils aged 3 years to 18 years.

The registered office of the charity is The King's School in Macclesfield, Alderley Road, Prestbury, Macclesfield SK10 4SP.

GOVERNORS' REPORT

The Governors present their Annual Report for the year ended 31 July 2025 under the Charities Act 2011 together with the audited financial statements.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the School's governing document, the Charities Act 2011 and the Statement of Recommended Practice, Charities (FRS102).

Reference and administrative information

The Foundation was originally created under a body corporate by the Charter of King Edward VI in 1552. The Governors, officers and principal address of the Foundation are listed above.

Structure, governance and management

Governing document

The Charity is constituted as a Royal Charter Company called "The Foundation of Sir John Percyvale in Macclesfield of 1502, re-founded by King Edward VI in 1552" under the new supplemental charter that received Royal Assent on 11 February 2009 and is registered with the Charity Commission under Charity number 1137204.

Organisational management

The Governors are responsible for the overall management and control of the Charity and meet at least three times per year. The work of implementing the educational policies of the Charity is carried out by members of the **Education Committee**, who meet three times per year. The **Finance & General Purposes Committee** is responsible for overseeing the day-to-day management of the Charity and monitoring strategic risks. It meets at least six times per year with the Head of Foundation, Director of Finance & Operations and Director of External Relations.

There are the following additional committees of the Governing Body that meet as required during the year. The committees have specific terms of reference and make appropriate recommendations to the Governing Body:

Governance, Nominations, Audit and Remuneration (GNAR)

Considers nominations to the Governing Body and oversees the induction and training of Governors, remuneration and annual pay awards for all staff. It also oversees the preparation and completion of the audited financial statements and annual report for approval by the Governing Body.

External Relations

Oversees the External Relations function and monitors the School's public benefit and bursary policy.

Recruitment and Governor Training

Governors are appointed at a meeting of the full Governing Body on the basis of nominations received from the GNAR sub-committee that vets applications to ensure they meet eligibility, competence, specialist skills and knowledge of the local community requirements for any vacant positions on the Governing Body.

New Governors are inducted into the workings of the Charity, including Board policy and procedures, by the Head of Foundation and Director of Finance & Operations. This induction is overseen by the Chair of Governors. The Director of Finance also arranges trustee-training workshops for governors covering specific issues.

Group Structures and Relationships

The Charity has one subsidiary trading company known as King's School Macclesfield Limited that was registered on 1 March 2022 with registration number 13947262. Its financial results are included in these accounts and the assets are shown within unrestricted funds.

The King's School Macclesfield Development Trust is a charity with number 504131 but is a related party by virtue of being under the control of the School. Its financial results are included in these accounts, and the assets are shown within restricted funds.

The operation of the school shop and school catering are both outsourced.

Risk Management

The Governing Body is responsible for the management of the risks faced by the Charity. Detailed considerations of high-level risks and their mitigations are delegated to the Governance, Nominations, Audit and Risk Committee, the Head of Foundation and Director of Finance. The School's Senior Management Team and the Health & Safety Committee consider day to day risks and ways to mitigate them.

The key controls used by the Charity include:

- Formal agendas for all Committee and Governing Body activity;
- Detailed terms of reference for all Committees.
- Preparation and updating of the five year Development Plan, annual Budget and termly Management Accounts;
- Established organisational structure and lines of reporting through the Principals in each division;
- Formal written policies;
- Appropriate levels of insurance protection;
- Approved authorisation levels;
- Vetting procedures as required by child protection legislation, and
- Regular review of health and safety issues.

Through the risk management process overseen by the Governing Body, the Governors are satisfied that the major risks identified have been adequately mitigated, where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Major risks

The School updated its high-level risk assessment in October 2025.

There are a number of medium term financial risks that the Governing Body have asked the School's leadership team to assess and ways that the risk can be mitigated. These risks include:

a) The impact of loss of mandatory business rates relief in England in April 2025.
b) The impact of loss of the current exemption from VAT for the provision of education from 1 January 2025.
c) The potential increase in employers' contribution rate to the Teachers' Pension Scheme following the next revaluation

The School continues to plan for various scenarios to monitor the impact of fee affordability for parents and has recently completed detailed external market research and fee elasticity analysis to aid strategic planning. .

Key management personnel remuneration policy

The Charity has a Governance, Nominations, Audit and Remuneration Committee, which meets to agree the pay of key management personnel. The Head of Foundation is in attendance for the meeting (leaving for the discussion regarding the Head's pay). No members of the key management personnel are members of the committee. The Head of Foundation makes recommendations for changes to salaries of key management personnel. This is to ensure such salaries reflect experience and delivery of individual targets. The Head's pay is agreed following a robust performance review process comprising of 360 feedback.

The Committee reviews all salary changes including those for the key management personnel against independent benchmarking surveys, where available. The Remuneration Committee then sets the pay for all staff.

Investment policy and objectives

The Board aims to maximise the total investment return within the objectives of maintaining income whilst preserving the real value of endowed investments.

The school's investments have continued to be managed in conformity with this policy and the Supplemental Charter.

OBJECTS

Charitable objects

The Charity's Objects, as set out in the Supplemental Charter dated 11 February 2009, are the advancement of education by way of maintaining a day school in Macclesfield. The Governors have powers to provide total or partial exemption from any fees payable to pupils who are in need of financial assistance. In addition, the Foundation has to maintain a number of restricted trust funds held for scholarships, bursaries, prizes and other educational purposes.

AIMS, OBJECTIVES AND ACTIVITIES

Ethos and values

The King's School in Macclesfield is proud of its 520-year history and ambitious for its future. Learning and personal development are at the heart of its community. The School seeks to equip young people with the character and skills necessary to meet the challenges of a changing world. The School believes that education is not just about what happens in the classroom. The School seeks to produce courageous and responsible citizens who contribute to society through leadership and service.

GOVERNORS' REPORT

Principal activities of the year
The Charity continued to offer Pre-School, Infant, Junior, Senior and Sixth Form education for boys and girls between the ages of 3 to 18 on the new campus that opened in September 2020.

In the year ended 31 July 2025, the average pupil population of the Foundation was:

	2022-2023	2023-2024	2024-25
Infants & Junior Division	398	426	432
Senior Division	677	719	716
Sixth Form division	220	183	182
	1,295	**1,328**	**1,330**

In September 2025, the pupil population was 1,320.

Public benefit and grant making policy
The governors confirm that they have had due regard to the Charity Commission guidance on public benefit.

Bursaries

Governors' bursaries and Quincentenary bursaries are awarded to pupils of parents with limited financial means in accordance with the Foundation's Bursary Policy. All new bursary awards are subject to an external review of family income. At the recommendation of the Head of Foundation, both bursary and scholarship awards can be removed if a pupil's behaviour or effort do not meet the standards expected.

During the year, 52 pupils benefitted from bursary support totalling £622,387. In total, 29 of these pupils received bursary support worth more than 80% of total fees: 17 of these pupils received support up to 95% of full fees and 12 pupils received support of more than 95% of total fees.

In addition, the Charity made 138 scholarship awards based on academic, sporting or musical merit which are not means tested worth £200,111.

Charitable work

The King's School in Macclesfield continues to uphold a strong commitment to community engagement and charitable support. The 2024–2025 school year has seen a wide range of outreach initiatives, fundraising events, and educational partnerships, all of which demonstrate the school's values of generosity, inclusion, and community spirit. King's raised £44,300 for a range of local, national and international charities and good causes. Pupils chose to support East Cheshire Hospice, Francis House Hospice, Visyon, MacMillan Cancer Research, BBC Children in Need, CRY (Cardiac Risk in the Young), Destiny Garden School, Comic Relief Red Nose Day, The Christie Hospital, Royal British Legion, Movember, NSPCC, Shelter, Guide Dogs, and Water Aid.

Community access programme

We continue to maximise the opportunities afforded by the new School campus (opened 2020), using the high-quality facilities as a springboard to foster a greater number of partnerships with local organisations, clubs and schools.

We continue to host major events including the Cheshire Hockey Club County Championships and both the Macclesfield Primary Schools Girls' Cricket Tournament and the Macclesfield Netball Tournament, as well as swimming galas and rugby festivals.

Our Community Outreach programme seeks to widen access to the School's facilities for local organisations, sports clubs, charities and societies. Our facilities are provided either free of charge or at heavily subsidised rates. A total of 60 organisations use our facilities for either a single event or a series of lettings, including Cheshire Fire and Rescue, CORAM Child Adoptions, Starr in the Community (inclusive circus for children with learning needs), Cheshire Cricket, CRY, a range of local sports clubs, local schools and charities. Throughout the year, the School's Sports Centre is used fortnightly, as an activity and meeting space for Disability Positive.

The Outreach Scheme seeks to benefit local children in a range of primary schools in our vicinity. Utilising King's specialist staff to deliver the outreach activities, pupils from local primary and secondary schools have attended King's to experience sessions in the school's outdoor areas and Sports Centre. A range of different types of sessions have been offered, including Bushcraft Sessions, Forest School lessons, Cricket and netball sessions, Orienteering and Swimming.

Last year, we established a partnership with The Rossendale Trust, a charity which supports adults with learning and physical disabilities. The school provided a 'Work Taste' placement for an adult with learning needs, supported by his carer. This has continued, with him working in the main school kitchen and, this year, we added a second 'Work Taste placement adult to our school community, working in the Sports Centre.

In partnership with Cheshire East, the school launched its first supported internship programme in September 2024, aimed at helping young people with learning disabilities transition into paid employment. The intern flourished in the school environment, demonstrating remarkable progress and dedication. Their efforts were recognised when they were named Macclesfield College's Intern Student of the Year in June, highlighting an outstanding personal and professional turnaround. We are delighted that the intern has now accepted a part-time role at King's and will begin paid employment with the school in September 2025.

For the third year, the School has worked with The David Lewis Centre, which supports individuals with learning disabilities, epilepsy and autism. Throughout the year, a group of young adults from the centre have visited King's, where they are supported by the school's Grounds team in various work opportunities around the school grounds.

We again operated a Lions Summer Camp for children aged 8 to 14 years old, for 7 weeks of the summer holidays. These are open to all children in the area. Over the last four summers, around 4,00 sessions have been attended.

Throughout the year, several local Scouts, Cubs, Brownies and Guides groups have used our outdoor facilities for meeting and outdoor learning including bushcraft skills.
In September, we held our second Sixth Form Leadership Conference for pupils from around 15 other local and state sector schools. Speakers included a Professor in Leadership from Manchester University Business School, a Senior Legal Partner in a law firm and other leaders of industry.

Community service
More than 200 pupils participated in Bronze, Silver and Gold Duke of Edinburgh awards. 116 pupils took up the Bronze Award this year, 65 pupils started their Silver Award and 31 have completed their Gold expeditions (five of them canoeing!). This represents around 8,000 hours of volunteering, 8,000 hours of new skill acquisition, 12,000 hours of physical activity, and 500 nights spent under canvas. Volunteering is an essential part of a DofE award programme, and it has a huge impact on young people as well as those charities and groups benefitting from their time and energy.

20 Sixth Form pupils participated in the Community Sports Leaders Award Scheme, acting as coaches for local schools who visit King's. The Award allows Sixth Form students to develop important leadership and life skills such as effective communication, organisation, teamworking whilst learning to run activities for younger people. Local Schools attending this year include Bollinbrook Primary, Mottram St Andrew, Ivy Bank Primary and Broken Cross Primary School.

Sport
King's sports facilities are let to community groups on 7 days a week on weekday evenings and both Saturday and Sunday. Our Sports Centre and external facilities benefit a wide range of sports clubs that require high-quality, local provision. Around 60 sports clubs and 1,000 community members regularly use our facilities including: Cheshire Cricket Club, Macclesfield Cricket Club, Alderley Edge Football, Cricket and Hockey Clubs, Macclesfield Hockey Club, Macclesfield Trampoline Club, Wilmslow Basketball Club, Satellites Swimming Club, and many, many more.

Cricket sessions have been delivered to pupils from local schools including Broken Cross Primary, Mottram Primary, Bollinbrook and Ivy Bank. Swimming sessions have also been popular, using our pool when it is not in use by our own pupils during the summer term and holiday period. We also hosted the annual Bollington Primary Schools Swimming Festival, involving 10 local primary schools, and the Aspire Schools Swimming Festival for a further 12 Schools.

King's hosted a significant number of major sporting tournaments, competitions and festivals, across a wide range of sports. The Myles Marshall Rugby Sevens Festival saw 64 teams participate, with around 700 children aged 11 – 15. The U18s Senior Rugby Festival is hosted annually in early September and around 450 players from all over the country participated. This year w also hosted a summer Cricket Festival at King's.

Supporting Creative & Performing Arts
The Northern Chamber Orchestra (NCO) held 10 Saturday night concerts at King's, with each regularly attracting audiences of up to 400 people. The partnership with the Northern Chamber Orchestra is now in its third year, with plans in place to continue for a fourth year in 2026/27.
Throughout the year, King's musicians provide regular lunchtime recitals at St Michael's Church in the centre of Macclesfield. Known as 'Music at Mikes', this series of fundraising concerts is open to the public and generates funds for the East Cheshire Hospice.

Overall, Senior pupils hosted 15 public concerts locally and nationally, including a fundraising concert for The Priory Church in Cartmel and a concert at Blackburn Cathedral. In addition, our Infant & Junior Division pupils put on seven public concerts and participated in the Alderley Edge Music Festival. All pupils have the opportunity to take part in Drama productions, which are open to the public. In February 2025, the Senior Division performed 'A Midsummer Night's Dream' and, in the summer, 'Moana'. Our Infant & Junior Division put on four dramatic performances including a Year 4 performance of 'Bah Humbug', a Year 6 musical 'Bugsy Malone', a Christmas nativity and a Summer play. In addition, services and celebrations take place at Harvest (with a food collection for SilkLife Food Bank) and Easter.

Supporting STEM / Science
Each year, we provide Science Workshops for local primary schools. They are run by our Science teachers and our A-Level students. We ran 19 workshops for 8 schools: Marton & District Primary School, Bollinbrook School, Altrincham Prep School, Marlborough Primary, Rainow School, Prestbury Primary, Park Royal Community Primary and Broken Cross Primary. In total, around 960 local primary school children experienced workshops delivered by King's A-Level science students.

We hosted the Macclesfield Primary Maths Challenge in the summer term, with 9 local schools competing. A total of 40 pupils from Year 5 competed in the team challenge, developing their problem-solving and communications skills.

One of our School Governors, Prof Neil Hanley, who is Professor of Medicine at the University of Birmingham, delivered Saturday morning workshops to aspiring medical students at King's as well as local schools Tytherington High and Fallibroome Academy. The sessions are designed to prepare Sixth Form students for the challenging UCAS process, online tests, and university interviews.

Environmental Impact & Sustainability
In the Autumn term, our new solar panels (PVs) installed over the summer on our main academic building, went 'online'. These 1,500 square metres of solar panels are in addition to the 800 square metres of solar units installed the previous year on the Sports Centre. The savings are estimated to be around £150K p.a. with the school generating 500 megawatt hours of power, around half of its needs, and sending 15 megawatt hours back to the National Grid as green energy for use by its neighbours.

The solar panel arrays also power the aeration systems to boost wildlife in the school's range of on-site ponds therefore enhancing King's outdoor learning programmes.

Since moving to our new campus in September 2020, we have planted more than 2,000 new trees including establishing a large 'heritage variety' orchard. The orchard is also the location of our apiary, which has eight beehives. The hives are used as a teaching resource, with our younger pupils studying the importance of bees and their role in pollination and biodiversity. Each year, we add new saplings to the orchard and plant new hedgerows around our perimeter.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Academic

The School's academic results in August 2025 continued the school's long-standing reputation as one of the best independent schools in Cheshire and in the UK.

King's A Level and GCSE students celebrated outstanding results this summer. A Level students achieved the best results on record for the school. A stunning 57% of all grades were at A*/A, with 83% of grades at A* - B. A fabulous 7 students achieved three A*s, while more than 80% of students achieved their first choice of university and 70% of students went on to join Russell Group universities. Two students joined Oxford/Cambridge this year. A further 5 students joined highly competitive degree-apprenticeship schemes.

King's GCSE results were also very impressive: pupils achieved 60% of all grades at 9 - 7 (A*/A) and 80% of grades at 9-6 (A*-B). 70% of pupils got 9/8 (A*) in at least one subject and 20 students achieved 10x grades at 9-7s (A*/A).

Sport

During 2025, King's pupils have been crowned national champions in several different sports: pupils were crowned national champions in trampolining (in six categories) and in Equestrian sports (Eventing). In netball, pupils were County Champions at U15 level, quarter-finalists in the National Plate Competition at U14 level and third in the equivalent National Competition at U13 level. In Girls' hockey, the U12 team were Cheshire County Runners Up. The U13 and U14 teams were both County Champions and the U16s were National Schools' Plate semi-finalists. In rugby, our U15 team were national quarter-finalists and our U14 and U16 teams reached the last 32 of their national competitions. Our swimming squads are also unbeaten in the school galas that they have taken part in. Individual successes also continue to impress, both with the variety and level of their achievements. One pupil who, at 16, represented England at U19 cricket and also Lancashire 1st XV – in the senior team as a professional. One pupil, aged 15, was Vice-Captain of her country's National U21 netball team that went on to win the Asian Netball Cup. One pupil represented her country at U18 water polo and a tennis player represented her country in tennis by winning the European Winter Cup. A Year 11 pupil represented Team GB in show jumping and won a Mediterranean Equestrian tour event. A Team GB BMX rider is on a pathway to the World Championships in Australia next year. No less than 15 pupils were part of team Maximum Cheer Platinum that came second in the world at the World Championships in Florida last year. In chess, both our junior and our senior pupils made it to the National Chess Championships at Nottingham University. The Junior team came sixth in the country and the Senior team were ranked 12th.

Extra-curricular activities

About one third of all pupils learn at least one musical instrument. Many of the ensembles, groups and choirs continue to operate with large levels of participation, and a full calendar of concerts, shows, recitals and music competitions has been held this year.
Pupils continued to participate in winter and summer sports, enjoying a wide range of options. Participation levels are very high: for example, across Years 7 - 10, 79% of pupils have represented King's this academic school year. In fact, the school offers over 20 different sports and vows to support and help develop any pupil's individual passion. Sports on offer include football, hockey, netball, athletics, rugby, rounders, tennis, trampolining, cricket rounders, athletics, tennis, swimming, sailing and table tennis. The major team sports have representative teams (A, B and C) for most age groups and the results reflect the hard work and enthusiasm of the pupils and staff. The School offers pupils the opportunity to participate in chess, equestrian squad, golf, cheerleading, paddleboarding, kayaking, caving, coasteering, climbing, skiing, squash and sailing.

Success has been celebrated in many different areas of the school's educational provision. No fewer than 12 pupils achieved Gold medals in the Intermediate Maths Challenge. The Engineering Team excelled, earning an Engineering Development Trust Gold Award and were recognised for their excellent teamwork by the judging panel.

FINANCIAL REVIEW

Results for the year

The general fee increase during the year and a stable pupil population in the school ensured total incoming resources increased to £19.5 million (2024: £18.9 million)

Total resources expended were £18.5 million (2024: £18.1 million).

Net incoming resources from operations were £0.9million (2024: £0.8million).

Net assets increased to £50.1 million (2024: £49.2 million).

Investment performance against objectives

The Charity's investment performance for the restricted and endowment funds continue to be monitored against the FTSE All Share Total Return Index. The Index achieved a total return of +12.6% over the year. The COIF Income Fund that is invested more internationally provided a total return of 1.1% whilst the UK focussed M & G Charifund was up +8.4%. The Charity with its holdings predominately in the COIF Income Fund achieved an overall investment return of +3.3% against the Index return of +12.6%.

Free reserves policy and financial viability

The Governors consider that the target for free reserves should be three months' operating costs (excluding depreciation) of approximately £3.5 million. This is a medium-term objective that will be achievable, subject to further cash requirements for further capital expenditure.

The calculation of free reserves at 31 July 2025 below has been impacted by the decision to make early repayments of the long term bank facilities totalling to £8.2million in previous years from the School's cash balances as the school was paying substantially more on its long term debt interest costs than it was receiving from interest on its deposits. If the School had only paid the contracted £644,444 (2024 £644,444) of debt repayments in the year, the free reserves would have been £5.7million.

It is expected that surpluses from operations over the coming years will see the free reserves increase to meet the medium-term objective above.

The School continues to attract pupils and is full in many year groups. Strong pupil numbers are enabling the School to generate operational cash surpluses sufficient to cover debt service costs and to build up reserves for future investment. The Governors therefore are confident that the School has sufficient resources to continue on a going concern basis.

GOVERNORS' REPORT

	£'000	£'000
Unrestricted funds at year end		48,985
Less fixed assets per accounts	(58,349)	
Add back		
Long term Bank borrowings to fund the new campus	6,725	
		(51,624)
Free reserves at year end		(2,639)

FUTURE PLANS

In 2022, the Governing Body published the five-year Strategic Plan to 2027. The strategic intent to make a difference to each and every pupil in the school. This is supported by six strategic priorities to create a holistic approach to education that is true to our ethos, values and aims:

1. Academic aspiration supported by strong levels of teaching and learning
2. Emphasis on holistic education and skills development
3. Strong pastoral care
4. Prominent and appreciated position within the local community
5. Stability (financial and otherwise)
6. Making the most of the new campus and developing the physical environment.

Through this process, the School has identified projects that are aligned with these strategic priorities and will come forwards as capital is provided to fund them whilst maintaining the school's financial stability.

In September 2025, the School announced that the Governors had agreed to prioritise continued investment in the new site, with the decision to progress with the building of a Sports Pavilion, using a major legacy donation and utilising the RCF agreed during the refinancing undertaken in 2023. Building work for the new Pavilion commenced during the Easter holidays. The School also embarked on further strategic planning out to 2030, to ensure that we continue to meet the objects of the charity and ensuring that we make a difference to every pupil in the School.

Statement of disclosure to auditors

On behalf of the Governing Body, the GNAR Committee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

On behalf of the Board of Governors

J White

Ms J White

Chair of the Governing Body

Dated: 22 May 2026

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

STATEMENT OF GOVERNORS' RESPONSIBILITY

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS

Opinion

We have audited the financial statements of The Foundation of Sir John Percyvale in Macclesfield of 1502, Re-founded by King Edward VI in 1552 known as The King's School in Macclesfield (the "charity"), and its subsidiary (together, the "group") for the year ended 31 July 2025, which comprise the Consolidated Statement of Financial Activities, the Consolidated and School Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 July 2025 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the governors

As explained more fully in the statement of governors' responsibilities set out on page 12, the governors 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 group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 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, including financial reporting legislation, the Charities SORP (FRS 102), The Education (Independent School Standards) Regulations 2014, Employment legislation, and Health & Safety and tax regulations. 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 necessary to the group's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives for fraud that may exist within the group and the charity. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing, completeness and accuracy of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management 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 Charity Commission, Independent Schools Inspectorate, reading minutes of meetings of those charged with governance, verifying the causes for significant year-on-year movements in the various income streams, inspecting the supporting documentation for a sample of voluntary income to ensure that this is recognised in line with the terms or restrictions applied to donations, verifying that bursaries or other discounts were correctly calculated and recorded for a sample of eligible pupils, and ensuring that a full year has been recognised for each income stream by vouching either the total income or a sample of transactions to supporting documentation.

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.

Use of our report

This report is made solely to the charity's governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's governors as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

St George's House

Peter Street

Manchester

M2 3NQ

Date: 22 May 2026

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Consolidated Income and Expenditure Account)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2025 £'000	Total 2024 £'000
Income and endowments from:						
Donations and legacies	2	(38)	25	-	(13)	77
Investment income	2	237	40	-	277	212
Activities for generating funds - Kings's School Macclesfield	4	311	-	-	311	307
Charitable activities:						
School fees	3	18,233	-	-	18,233	17,719
Ancillary trading income	5	613	-	-	613	592
Other incoming resources	6	6	23	-	29	11
Total incoming resources		19,362	87	-	19,449	18,918
Expenditure on:						
Raising funds						
King's School Macclesfield	4	131	-	-	131	147
Costs of fundraising	7	12	-	-	12	6
Ancillary trading costs	7	827	-	-	827	838
Financing costs	7	502	-	-	502	784
		1,471	-	-	1,471	1,775
Charitable activities						
Education and grant making	7	17,016	51	-	17,067	16,310
Total resources expended		18,487	51	-	18,538	18,085
Net incoming resources from operations before transfers and investment gains		875	36	-	911	833
Gains/(Loss) on investment assets		-	6	(9)	(3)	56
Net movement in funds		875	42	(9)	908	889
Fund balances at 1 August 2024		48,111	613	541	49,265	48,376
Fund balances at 31 July 2025		48,985	654	533	50,173	49,265

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

CONSOLIDATED AND SCHOOL BALANCE SHEET

AS AT 31 JULY 2025

	Notes	Consolidated 2025 £'000	Consolidated 2024 £'000	School 2025 £'000	School 2024 £'000
Fixed assets					
Tangible assets	**10**	**58,349**	59,325	**58,349**	59,325
Investments	**11**	**764**	766	**774**	776
		59,113	60,091	**59,123**	60,101
Current assets					
Assets held for resale		**879**	845	**879**	845
Debtors	**12**	**277**	143	**522**	119
Cash at bank and in hand		**8,179**	7,720	**7,924**	7,572
		9,335	8,708	**9,325**	8,536
Creditors: amounts falling due within one year:	**13**	**(10,147)**	(9,511)	**(10,147)**	(9,510)
Net current (liabilities)/assets		**(812)**	(803)	**(822)**	(974)
Total assets less current liabilities		**58,301**	59,288	**58,301**	59,127
Creditors: amounts falling due after more than one year	**14**	**(8,128)**	(10,023)	**(8,128)**	(10,023)
Net assets		**50,173**	49,265	**50,173**	49,104
Endowment funds	**18**	**533**	541	**533**	541
Restricted funds	**19**	**654**	613	**654**	613
Unrestricted funds	**20**	**48,985**	48,111	**48,986**	47,950
		50,173	49,265	**50,173**	49,104

The accounts were approved and authorised for issue by the Board on 22 May 2026.

JWhite

Ms J White
Governor

Mr J Watkins
Governor

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2025

	Notes	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Net cash (outflow)/inflow from operating activities	(i)		**1,738**		5,796
Cash flows from investing activities					
Financing costs		**(475)**		(784)	
Investment income		**40**		41	
Interest received		**237**		171	
Net proceeds from sale of fixed assets		**4**		-	
Payments to acquire tangible fixed assets		**(609)**		(163)	
Net cash from/(used) in investing activities			**(803)**		(735)
Cash flows from financing activities					
Loan repayments		**(476)**		(3,844)	
Net cash (used in)/from financing activities			**(476)**		(3,844)
Change in cash and cash equivalents in the year			**459**		1,217
Cash and cash equivalents at the beginning of the year			**7,720**		6,503
Cash and cash equivalents at the end of the year	(ii)		**8,179**		7,720

(i) Reconciliation of net income to cash flow from operating activities

	2025 £'000	2024 £'000
Net incoming resources	**911**	832
Investment income	**(40)**	(41)
Financing costs	**475**	784
Interest received	**(237)**	(171)
Depreciation of tangible fixed assets	**1,581**	1,611
Decrease/(increase) in debtors	**(332)**	(212)
(Decrease)/increase in creditors	**(620)**	2,993
Net cash (outflow)/inflow from operations	**1,738**	5,796

(ii) Analysis of cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank	**8,179**	7,720

(iii) Reconciliation of net debt

	1 August 2024 £'000	Cashflow £'000	**31 July 2025 £'000**
Cash in hand and at bank	7,720	459	**8,179**
Bank loan due in less than one year	(639)	3	**(636)**
Bank loan due in greater than one year	(6,726)	637	**(6,089)**
	355	1,099	**1,454**

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

The School is a Public Benefit Entity registered as a charity in England and Wales and a Royal Charter Company. It was incorporated on 25 April 1552 (company number: RC 000830) and re-registered as a charity on 30 July 2010 (charity number: 1137204).

1.2 Going Concern

The School continues to attract pupils and is full in many year groups. Strong pupil numbers are enabling the School to generate operational cash surpluses sufficient to cover debt service costs and to build up reserves for future investment. The Governors have analysed financial scenarios and forecasts for the next 5-10years carefully and therefore are confident that the School has sufficient resources to continue on a going concern basis.

1.3 Basis of Consolidation

The group financial statements consolidate the financial statements of the School and its subsidiary undertaking King's School Macclesfield Limited (company number: 13947262). All inter group transactions and profits are eliminated fully on consolidation.

The School has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only cash flow statement with the consolidated financial statements.

1.4 Incoming resources

Fee income and dining hall income is recognised in the Statement of Financial Activities on the accruals basis. Fees received in advance of education to be provided in future years are held until either taken to income in the term when used or else refunded.

Donations received for the general purposes of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Governors. Donations and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income is credited to the Statement of Financial Activities on a receivable basis.

The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

1.5 **Resources expended**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The cost headings comprise expenditure, including staff costs and depreciation, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a fair and reasonable basis.

Support costs comprise all services including an appropriate proportion of general overheads specifically identified as wholly or mainly incurred in support of the direct charitable expenditure. The irrecoverable VAT element is included with the item of expense to which it relates.

1.6 **Tangible fixed assets and depreciation**

Tangible assets are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation.

Individual purchase of fixed assets costing less than £1,000 are not capitalised but charged as expenditure in the year.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Buildings	over 20 or 50 years on a straight line basis.
Fixtures, fittings, plant & equipment	over 3 to 5 years on a straight line basis.
Computers	over 3 years on a straight-line basis.
Motor vehicles	over 5 years on a straight line basis.

Tangible assets are written off after the following years:

Fixtures, fittings, plant & equipment	after 9 years
Computers	after 5 years

1.7 **Investments**

Investments are stated at market value less any provision for permanent diminution in value. Market value is taken to be the middle market price ruling at the balance sheet date.

Gains and losses on investment assets realised and unrealised are taken to the Statement of Financial Activities.

1.8 **Stock**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a "first in, first out" basis. Net realisable value is determined on the basis of estimated value or expected selling price less further costs to be incurred to disposal.

1.9 **Pensions**

The School participates in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff at rates set by the scheme actuary and advised to the Board by the Scheme Administrator. The pension liability is the responsibility of the Scheme. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

1.10 **Accumulated funds**

General funds are available for use at the discretion of the Governing Body in furtherance of the general objectives of the School.

Endowment funds are capital funds where there is no power to convert the capital into income and which therefore represent the permanent capital of the School. Changes in the market values of the investments and other assets held within these funds are debited or credited to the capital of those funds and the movements, purposes and uses of these funds are set out in the notes to the accounts. Where applicable the income arising from these endowment funds has been included in general funds or restricted funds as appropriate.

Restricted funds are funds subject to specific restrictive conditions imposed by the donors or by the purpose of the appeal. These restricted funds also include the Income Funds of the various permanent endowments where the income is earmarked for specific purposes. The purpose and use of the restricted funds is set out in the notes to the accounts.

All income and expenditure is shown in the Statement of Financial Activities.

1.11 **Operating Leases**

Rentals applicable to operating leases where substantially all of the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line over the term of the lease.

1.12 **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

1.13 **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

1.14 **Redundancy Costs**

The charity recognises redundancy and termination costs in accordance with FRS 102 Section 28 and the Charities SORP (FRS 102). Redundancy costs are recognised as an expense only when the charity is demonstrably committed to terminating the employment of affected staff.

2. **Investment and endowment income**

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Total 2024 £'000
Donations and legacies	**(38)**	**25**	**(13)**	77
Income shares in COIF	**-**	**28**	**28**	27
Interest receivable	**237**	**12**	**250**	185
	199	**65**	**264**	289

3. **Charitable activities – fees receivable**

	Total 2025 £'000	Total 2024 £'000
School fees		
The school's fee income comprised:		
Gross fees	**20,004**	19,480
Less: Total bursaries, grants and allowances	**(1,839)**	(1,801)
	18,165	17,679
Add:		
Bursaries and scholarships paid for by Restricted Funds	**68**	40
School fees	**18,233**	17,719
Bursaries and scholarships paid for by Restricted Fund:		
Governors' bursaries and scholarships	**68**	40
	68	40

During the year 52 pupils benefited from bursary support totalling £622,387 (2024: 54 pupils received £626,330). Of this amount £12,000 was provided by restricted and permanent capital funds (2024: £12,000). 17 of these pupils also receive scholarship support (2024: 19. In addition, Governors' scholarships (not means tested) and music scholarships were given to 109 and 29 pupils, at a cost of £170,620 and £29,491 respectively (2024: 122 and 34 pupils, at a cost of £185,889 and £36,668 respectively).

4. **Income from Subsidiary Trading Activities**

The School has a 100% interest in its trading subsidiary King's School Macclesfield Limited. King's School Macclesfield Limited's principal activity continues to be that of promoting commercial activities which use the School's assets to generate income from lettings and other activities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2025 £'000	2024 £'000
Turnover	311	307
Cost of sales	(63)	(146)
Gross profit/(loss)	248	161
Administration expenses	(68)	(1)
Operating profit/(loss	**180**	159
Profit/(loss) for the year	**180**	160
Gift aid payment to The King's School Macclesfield	**(340)**	(36)
Shareholders' Funds	**10**	170

5. **Ancillary trading income**

	2025 £'000	2024 £'000
Dining Hall	**613**	592
	613	592

6. **Other incoming resources**

	Unrestricted funds £'000	**Restricted funds £'000**	**Total 2025 £'000**	Total 2024 £'000
Fundraising events	**6**	**23**	**29**	11
	6	**23**	**29**	11

7 **Analysis of expenditure**

	Staff costs £'000	Depreciation £'000	Other costs £'000	Grant funding £'000	Total 2025 £'000	Total 2024 £'000
Costs of generating funds						
King's School Macclesfield	**63**		**68**		**131**	147
Fundraising	**-**	**-**	**12**	**-**	**12**	6
Ancillary trading costs	**-**	**-**	**827**	**-**	**827**	838
Financing costs	**-**	**-**	**502**	**-**	**502**	784
Total cost of generating funds	**63**	**-**	**1,408**	**-**	**1,471**	1,775
Charitable expenditure Education and grant making						
Teaching	**9,671**	**-**	**1,266**	**39**	**10,976**	10,158
Welfare	**52**	**-**	**258**	**-**	**310**	291
Premises	**802**	**1,554**	**1,325**	**-**	**3,681**	3,648
Support costs (note a)	**1,400**	**28**	**556**	**-**	**1,985**	2,213
Total charitable expenditure	**11,926**	**1,582**	**3,405**	**39**	**16,953**	16,310
Total expended	**11,989**	**1,582**	**4,813**	**39**	**18,424**	18,085

Included within finance costs is £474,709 (2024: £749,477) of interest on bank loans and overdrafts, and £nil interest on retention.

During the year, the provision against doubtful fee debtors was increased by £27,910 (2024: decreased £617).

a) Governance costs included in support costs

	2025 £'000	2024 £'000
Accountancy charges	**38**	30
Other governance costs	**76**	121
	114	151

Accountancy charges include payments to the auditors of £27,575 (2024: £29,760) for audit fees.

8. **Governors**

Eight Governors (2024: Ten) who held office for at least part of the year had children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

None of the Governors (or any persons connected with them) received any remuneration or other benefits from the School or from any connected body during this year or the previous year, except as set out in note 24: Related parties. No governors were reimbursed expenses during this year (2024: none).

9. **Staff costs**

The average number of employees during the year	**Number 2025**	Number 2024
Teaching	**121**	120
Welfare	**2**	2
Premises	**38**	35
Support	**169**	164
	330	321

The full time equivalent number of employees during the year was 214 (2024: 206).

The school shop and catering operation of the school are outsourced.

The aggregate payroll costs for the year were as follows:	**2025 £'000**	2024 £'000
Wages and salaries	**9,603**	8,829
Social security costs	**973**	827
Other pension costs	**1,873**	1,609
Apprenticeship Levy	**29**	27
	12,478	11,292

	2025 £'000	**2024** £'000
Aggregate employee benefits of key management personnel	**1,141**	**1,083**

9. Staff costs (continued)

	2025	2024
Number of higher paid employees in bands of:		
£60,001 to £70,000	**6**	**3**
£70,001 to £80,000	**3**	**3**
£80,001 to £90,000	**1**	**1**
£90,001 to £100,000	**1**	**1**
£100,001 to £110,000	**1**	**-**
£170,001 to £180,000	**-**	**1**
£180,001 to £190,000	**1**	**-**

Of the employees whose emoluments exceed £60,000, 13 (2024:8) have retirement benefits accruing under defined benefit pension schemes and 0 (2024: 1) has benefits accruing under defined contribution schemes for which the contributions amounted to £nil (2024: £68,710).

During the year there were redundancy or termination payments which amounted to £7,085 (2024: £4,192).

All staff costs are met from unrestricted funds.

10. **Tangible Fixed Assets – Consolidated and School**

	Land & Buildings £'000	**Fixtures, fittings, plant & equipment £'000**	**Computers £'000**	**Motor vehicles £'000**	**Total £'000**
Cost (or deemed cost)					
At 1 August 2024	64,237	1,233	694	436	66,601
Additions	517	29	49	15	610
Disposals	-	(105)	(312)	(13)	(430)
At 31 July 2025	**64,754**	**1,158**	**431**	**438**	**66,781**
Depreciation					
At 1 August 2024	5,360	946	614	355	7,275
On disposals	-	(105)	(312)	(8)	(425)
Charge for the year	1,340	153	60	28	1,581
At 31 July 2025	**6,700**	**994**	**362**	**375**	**8,432**
Net book value					
At 31 July 2025	**58,054**	**163**	**69**	**63**	**58,349**
At 31 July 2024	**58,877**	**287**	**80**	**81**	**59,325**

The land and buildings were held at a valuation until transition to FRS102 when the value of the land and buildings was taken as deemed cost.

11. **Fixed asset investment**

Cost or valuation:	Consolidated £'000	School £'000
Market value at 1 August 2024	**766**	**776**
Additions	**-**	**-**
Disposals	**-**	**-**
Change in value in the year	**(3)**	**(3)**
Market value at 31 July 2025	**764**	**774**

The investment assets held at the end of the year are:	£'000	£'000
Income shares in COIF	**533**	**533**
Charifund Units	**229**	**229**
Trading subsidiary	**-**	**10**
Ground Rents	**1**	**1**
	764	**774**

Historical cost:	£'000	£'000
At 31 July 2025	**100**	**110**
At 31 July 2024	100	110

The above historical cost value is made up of £1,000 of unrestricted fund investments, £75,000 of restricted fund investments, £24,000 of endowment fund investments and £10,000 in shares in the trading company.

On 1 March 2022, a new subsidiary, King's School Macclesfield Limited, was incorporated. During the year ended 31 July 2025, trading was undertaken by this subsidiary.

12. **Debtors**

	Consolidated		School	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Fees	**136**	76	**136**	76
Other debtors	**60**	57	**304**	32
Prepayments and accrued income	**82**	10	**82**	10
	277	143	**522**	118

All debtors are due within one year.

Within fee debtors are gross fees in respect of Summer 2025 and earlier terms of £205,145 (2024: £117,471). A provision of £69,562 (2024: £41,652) against this amount has been provided for in respect of doubtful debts.

13. **Creditors: amounts falling due within one year:**

	Consolidated		School	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Bank loan	**636**	639	**636**	639
Trade creditors	**588**	114	**588**	113
Intercompany creditors	**-**	-	**-**	-
Taxes and social security costs	**233**	196	**233**	196
Other creditors	**1,825**	882	**1,825**	882
Accruals	**1,005**	980	**1,005**	980
Deferred income	**5,861**	6,700	**5,861**	6,700
	10,147	9,511	**10,147**	9,510

14. **Creditors: amounts falling due after more than one year**

	Consolidated		School	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Bank loan	**6,089**	6,726	**6,089**	6,726
Other creditors	**-**	-	**-**	-
Deferred income	**2,039**	3,297	**2,039**	3,297
	8,128	10,023	**8,128**	10,023

On 28 November 2023, the School entered into a 15 year Term Facility of £10 million with NatWest Bank plc (the "Bank") with security held over certain land and buildings. At the same time, the School entered into a 5 year Revolving Credit Facility ("RCF") for £5 million with the Bank. The funds will be drawn down as the school requires them for future construction projects and working capital requirements. Any balance remaining on the RCF at the end of 5 years will be added to the Term Facility.

During the year, the School repaid a further £666,667 of contracted repayments for the 15 year Term Facility of £10 million with NatWest Bank plc (the "Bank"), reducing the balance outstanding to £6.7 million, with a variable interest rate of Bank of England Base Rate plus 1.59%.

	2025 £'000	2024 £'000
Loan maturity analysis		
Debt due in one year or less	**636**	639
In more than one year but not more than two years	**640**	636
In more than two years but not more than five years	**1,937**	1,928
In more than five years	**3,512**	4,162
	6,725	7,365
Included in liabilities falling due within one year	**(636)**	(639)
	6,089	6,726

15. **Fees received in advance - School**

	2025	2024
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	**5,861**	6,700
Creditors due after more than one year	**2,039**	3,297
	7,900	9,998
Total deferred income at 1 August 2024	**9,998**	6,925
Amounts received in year	**4,594**	8,517
Amounts credited to statement of financial activities	**(6,692)**	(5,444)
Total deferred income at 31 July 2025	**7,900**	9,998

Parents may enter into an agreement to pay the school up to the equivalent of two year's tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2025	2024
	£'000	£'000
Within one year	**5,861**	6,700
Within one to five years	**2,039**	3,299
	7,900	9,998

16. **Financial instruments – Consolidated**

	2025	2024
	£'000	£'000
Financial assets measured at amortised cost (a)	**8,439**	7,828
Financial assets measured at fair value (b)	**774**	776
Financial liabilities measured at amortised cost (c)	**2,412**	995
Net financial (liabilities)/assets measured at amortised cost	**6,027**	6,833

(a) Financial assets include cash, trade and fee debtors, other debtors and accrued income
(b) Financial assets held at fair value include assets held as investments
(c) Financial liabilities include deposits, trade creditors, and other creditors

17. **Pension and other post-retirement benefit commitments**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,582,791 (2024: £1,361,070) and at the year-end £nil (2024 - £ nil) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023. The Valuation Report shows notional assets of £222.2bn and liabilities of £262bn, resulting in a scheme deficit of £39.8bn.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

18. **Endowment funds – Consolidated and School**

On 6th April 2009, the Charity Commission for England & Wales granted a scheme ('the scheme') to effect a uniting direction of the subsidiary charities and to create two new subsidiary charities to be known as The King's School in Macclesfield Horsfield Bursary Fund ('Horsfield Bursary Fund') and the King's School in Macclesfield Brocklehurst Scholarship Fund ('Brocklehurst Scholarship Fund'). The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

		Movement in funds			
	Balance at 1 August 2024 £'000	**Incoming resources £'000**	**Resources expended £'000**	**Investments gains/losses £'000**	**Balance at 31 July 2025 £'000**
Permanent endowments					
Horsfield Bursary Fund	422	-	-	(7)	**416**
Brocklehurst Scholarship Fund	119	-	-	(2)	**117**
	541	**-**	**-**	**(9)**	**533**

19. **Restricted funds – Consolidated and School**

The restricted funds of the school comprise the following unexpended income derived from the permanent endowed assets of the school held on trusts to be applied for specific purposes. On 1st April 2011 the associated charity known as The King's School Development Trust was brought into the restricted funds of the school following a merger of the two charities. During the year, the Governors reviewed the level of unexpended income held and approved the expenditure of part of this amount by donating £36,000 (2024: £41,000) to the main School charity to provide bursaries, scholarships and prizes to pupils at the School. At the year end, unexpended income was £654,000 (2024: £612,000).

		Movement in funds				
	Balance at 1 August 2024	**Incoming resources**	**Resources expended**	**Investments gains/losses**	**Transfers**	**Balance at 31 July 2025**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Horsfield Bursary Fund	**-**	**12**	**(12)**	**-**	**-**	**-**
Brocklehurst Scholarship & Other Prize Funds	**23**	**5**	**(4)**	**-**	**-**	**24**
Quincentenary Bursary Fund	**389**	**60**	**(22)**	**1**	**-**	**427**
Bursary & Scholarship Fund	**201**	**11**	**(14)**	**5**	**-**	**203**
	613	**88**	**(52)**	**6**	**-**	**654**

20. **Unrestricted funds**

	Balance at 1 August 2024	**Incoming resources**	**Resources expended**	**Gain on sale of assets**	**Transfers**	**Balance at 31 July 2025**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Unrestricted funds – school	47,950	**19,051**	**(18,356)**	**-**	**160**	**48,805**
Unrestricted funds – trading company	160	**311**	**(131)**	**-**	**(160)**	**180**
Consolidated unrestricted funds	48,111	**19,362**	**(18,487)**	**-**	**-**	**48,985**

21. **Analysis of net assets between funds - Consolidated**

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2025
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2025 are represented by:				
Tangible fixed assets	**58,349**	**-**	**-**	**58,349**
Investments	**1**	**229**	**533**	**763**
Current assets	**8,910**	**425**	**-**	**9,335**
Creditors: amounts falling due within one year	**(10,147)**	**-**	**-**	**(10,147)**
Creditors: amounts falling due after one year	**(8,128)**	**-**	**-**	**(8,128)**
	48,985	**654**	**533**	**50,172**

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2024
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2024 are represented by:				
Tangible fixed assets	59,325	-	-	59,325
Investments	1	224	541	766
Current assets	8,319	389	-	8,708
Creditors: amounts falling due within one year	(9,511)	-	-	(9,511)
Creditors: amounts falling due after more than one year	(10,023)	-	-	(10,023)
	48,111	613	541	49,265

22. **Capital commitments – Consolidated and School**

At 31 July 2025 the School had no capital commitments (2024: £nil).

23. **Operating lease commitments – Consolidated and School**

The School had operating lease commitments at the year end

Operating leases which expire:	**2025**	2024
	£'000	£'000
Within one year	9	9
Within two to five years	23	32
More than five years		
	32	41
Lease payments recognised as expense in year	9	9

24. **Related parties**

The charity has no related parties as defined by FRS 102 Section 33 and the Charities SORP (FRS 102).

25. **Statement of Financial Activities – Comparative figures by fund – type**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000
Income and endowments from:				
Donations and legacies	**39**	**38**	**-**	**77**
Investment income	**171**	**41**	**-**	**212**
Activities for generating funds - Kings's School Macclesfield	**307**	**-**	**-**	**307**
Charitable activities:				
School fees	**17,719**	**-**	**-**	**17,719**
Ancillary trading income	**592**	**-**	**-**	**592**
Other incoming resources	**-**	**11**	**-**	**11**
Total incoming resources	**18,828**	**90**	**-**	**18,918**
Expenditure on:				
Raising funds				
King's School Macclesfield	**147**	**-**	**-**	**147**
Costs of fundraising	**6**	**-**	**-**	**6**
Ancillary trading costs	**838**	**-**	**-**	**838**
Financing costs	**784**	**-**	**-**	**784**
	1,775	**-**	**-**	**1,775**
Charitable activities				
Education and grant making	**16,263**	**47**	**-**	**16,310**
Total resources expended	**18,038**	**47**	**-**	**18,085**
Net incoming resources from operations before transfers and investment gains	**790**	**43**	**-**	**833**
Gains/(Loss) on investment assets	**-**	**18**	**38**	**56**
Gain on disposal of land and buildings	**-**	**-**	**-**	**-**
Transfer between funds	**-**	**-**	**-**	**-**
Net movement in funds	**790**	**61**	**38**	**889**
Fund balances at 1 August 2023	**47,321**	**552**	**503**	**48,376**
Fund balances at 31 July 2024	**48,111**	**613**	**541**	**49,265**

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESLFIELD OF 1502, RE-FOUNDED BY KING ED

England & Wales - Charity number 1137204

Accounts

Charity Registration No. 1137204

Company Registration No. RC 000830 (England and Wales)

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552

KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2024

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD
LEGAL AND ADMINISTRATIVE INFORMATION

Chair of Governors	Mr A T Higginson BSC (Hons)
Head of Foundation	Mr J Slack BSc (Hons), MA (Ed)
Director of Finance	Mrs A Cohen LLB (Hons)
Charity number	1137204
Company number	RC 000830
Auditors	Crowe U.K. LLP 3rd Floor, St George's House 56 Peter Street, Manchester M2 3NQ
Bankers	National Westminster Bank plc 2 Chestergate Macclesfield SK11 6BA
Solicitors	DAC Beachcroft LLP 3 Hardman Street Manchester M3 3HF

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

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THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS, OFFICERS AND ORGANISATION

The Governing Body comprises co-opted governors who are elected by the Governing Body following recommendations by the Nominations Committee of the Governing Body and governors appointed by outside bodies as indicated below. They have all served in office throughout the year and subsequently, except where indicated. They were the Trustees of the charity known as The King's School in Macclesfield during the year.

The Chair and Vice Chair are ex officio members of all the committees of the Governing Body. Mr Higginson was elected Chair on 3 December 2021 and Ms J White was elected Vice Chair on 2 December 2022.

Co-opted Governors Term of office - five years, renewable for a maximum of two further terms of five years.

Mr S Barriskell BSc, MBA	Finance & General Purposes*, Remuneration, Audit
Mrs S Byrne BSc	External Relations
Prof N Hanley BSc, MB ChB, PhD, FRCP	Education, External Relations
Mrs V Davidson MBChB, MRCGP, DFSRH	Education
Ms L Grainger MA, FCPFA	Education, Nominations
Mr H Grant MA	Finance & General Purposes, Audit
Mr S Murrells	External Relations
Dr C Doherty B. Pharm, PhD, MBA	Education *, Nominations
Mr J Hinds BA MSc	Finance & General Purposes (retired 3 July 2024)
Ms J White BSc CBE	Education, Nominations
Mr J Watkins BA (Oxon)	External Relations, Finance & General Purposes
Nominated by the University of Manchester	
Mr I Bradley BSc	Education
Nominated by the Lord Lieutenant of Cheshire	
Mr A T Higginson BSc	Audit *, Remuneration*, Nominations*, External Relations,
Chair	Finance & General Purposes, Education
Nominated by the Lord Bishop of Chester	
Mr M Strutt BA	External Relations *, Finance & General Purposes
Nominated by the Cheshire East Council	
Cllr C O'Leary	Education (appointed 4 December 2023)

* Chair of the Committee

All nominated governors have terms of five years (or such lesser period as the nominating body may declare at the time of nomination), renewable for a maximum of two further terms.

GOVERNORS REPORT

Officers

The principal officers of the School during the year were:

Mr J Slack - Head of Foundation

Mr J M Spencer Pickup - Director of Finance & Clerk to the Governors (retired after 20 years' service on 31 August 2024)

The Governing Body has appointed Ms Anna Cohen as Director of Finance & Operations from 1 September 2024

The day to day running of the Foundation is delegated to the key management personnel that comprises the Head of Foundation, Director of Finance & Operations, Deputy Head (Academic), Deputy Head (Operations), Director of External Relations, Principal of the Infant and Junior Division, Principal of Senior School, Principal of Sixth Form and Assistant Head (Staff).

Organisation

In September 2020, the School completed its move to the new campus where it operates a co-educational day school for pupils aged 3 years to 18 years.

The registered office of the charity changed to The King's School in Macclesfield, Alderley Road, Prestbury, Macclesfield SK10 4SP.

GOVERNORS' REPORT

The Governors present their Annual Report for the year ended 31 July 2024 under the Charities Act 2011 together with the audited financial statements under the Companies Act 2006.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the School's governing document, the Companies Act 2006 and the Statement of Recommended Practice, Charities (FRS102).

Reference and administrative information

The Foundation was originally created under a body corporate by the Charter of King Edward VI in 1552. The Governors, officers and principal address of the Foundation are listed above.

Structure, governance and management

Governing document

The Charity is constituted as a Royal Charter Company called "The Foundation of Sir John Percyvale in Macclesfield of 1502, re-founded by King Edward VI in 1552" under the new supplemental charter that received Royal Assent on 11 February 2009 and is registered with the Charity Commission under Charity number 1137204.

Organisational management

The Governors are responsible for the overall management and control of the Charity and meet at least three times per year. The work of implementing the educational policies of the Charity is carried out by members of the **Education Committee**, who meet three times per year. The **Finance & General Purposes Committee** is responsible for overseeing the day-to-day management of the Charity and monitoring strategic risks. It meets at least six times per year with the Head of Foundation, Director of Finance & Operations and Director of External Relations.

There are the following additional committees of the Governing Body that meet as required during the year. The committees have specific terms of reference and make appropriate recommendations to the Governing Body:

Nominations

Considers nominations to the Governing Body and oversees the induction and training of Governors.

External Relations

Oversees the External Relations function and monitors the School's public benefit and bursary policy.

Remuneration

Considers remuneration and annual pay awards for all staff.

Audit

Oversees the preparation and completion of the audited financial statements and annual report for approval by the Governing Body.

Recruitment and Governor Training

Governors are appointed at a meeting of the full Governing Body on the basis of nominations received from the Nominations sub-committee that vets applications to ensure they meet eligibility, competence, specialist skills and knowledge of the local community requirements for any vacant positions on the Governing Body.

New governors are inducted into the workings of the Charity, including Board policy and procedures by the Head of foundation and Director of Finance & Operations. This induction is overseen by the Chair of Governors. The Director of Finance also arranges trustee-training workshops for governors covering specific issues.

Group Structures and Relationships

The Charity has one subsidiary trading company known as King's School Macclesfield Limited that was registered on 1 March 2022 with registration number 13947262. Its financial results are included in these accounts and the assets are shown within unrestricted funds.

The King's School Macclesfield Development Trust is a subsidiary charity with number 504131 and its financial results are included in these accounts and the assets are shown within restricted funds.

The operation of the school shop and school catering are both outsourced.

Risk Management

The Governing Body is responsible for the management of the risks faced by the Charity. Detailed considerations of high-level risks and their mitigations are delegated to the Finance & General Purposes Committee, the Head of Foundation and Director of Finance. The School's Senior Management Team and the Health & Safety Committee consider day to day risks and ways to mitigate them.

The key controls used by the Charity include:

- Formal agendas for all Committee and Governing Body activity;
- Detailed terms of reference for all Committees.
- Preparation and updating of the five year Development Plan, annual Budget and termly Management Accounts;
- Established organisational structure and lines of reporting through the Principals in each division;
- Formal written policies;
- Appropriate levels of insurance protection;
- Approved authorisation levels;
- Vetting procedures as required by child protection legislation, and
- Regular review of health and safety issues.

Through the risk management process overseen by the Governing Body, the Governors are satisfied that the major risks identified have been adequately mitigated, where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Major risks

The School updated its high-level risk assessment in June 2024.

There are a number of new medium term financial risks that the Governing Body have asked the School's leadership team to assess and ways that the risk can be mitigated. These risks include:

a) The increase in employers' contribution rate to the Teachers' Pension Scheme from 23.68% of pensionable pay to 28.68% effective from April 2024.
b) The loss of mandatory business rates relief in England in April 2025.
c) The loss of the current exemption from VAT for the provision of education from 1 January 2025.

The School is concerned that a number of parents may not be able to afford the additional burden of VAT on school fees. The School has commissioned a survey of parents by an independent company that will keep the individual data anonymous to inform the Governing Body of likely loss of pupils so the School's leadership team can assess ways to mitigate any future loss of pupils.

Key management personnel remuneration policy

The Charity has a Remuneration Committee, which meets annually. The Head of Foundation is in attendance for the meeting (leaving for the discussion regarding the Head's pay). No members of the key management personnel are members of the committee. The Head of Foundation makes recommendations for changes to salaries of key management personnel. This is to ensure such salaries reflect experience and delivery of individual targets.

The Remuneration Committee reviews all salary changes including those for the key management personnel against independent benchmarking surveys, where available. The Remuneration Committee then sets the pay for all staff.

Investment policy and objectives

The Board aims to maximise the total investment return within the objectives of maintaining income whilst preserving the real value of endowed investments.

The school's investments have continued to be managed in conformity with this policy and the Supplemental Charter.

OBJECTS

Charitable objects

The Charity's Objects, as set out in the Supplemental Charter dated 11 February 2009, are the advancement of education by way of maintaining a day school in Macclesfield. The Governors have powers to provide total or partial exemption from any fees payable to pupils who are in need of financial assistance. In addition, the Foundation has to maintain a number of restricted trust funds held for scholarships, bursaries, prizes and other educational purposes.

GOVERNORS REPORT

AIMS, OBJECTIVES AND ACTIVITIES

Ethos and values

The King's School in Macclesfield is proud of its history and ambitious for its future. Learning and personal development are at the heart of its community. The School seeks to equip young people with the character and skills necessary to meet the challenges of a changing world. The School believes that education is not just about what happens in the classroom. The School seeks to produce courageous and responsible citizens who contribute to society through leadership and service.

Principal activities of the year

The Charity continued to offer Pre-School, Infant, Junior and Sixth Form education for boys and girls between the ages of 3 to 18 on the new campus that opened in September 2020.

In the year ended 31 July 2024, the average pupil population of the Foundation was:

	2021-2022	2022-2023	2023-2024
Infants & Junior Division	380	398	426
Senior Division	670	677	719
Sixth Form division	222	220	183
	1,272	**1,295**	**1,328**

In September 2024, the pupil population was 1,335.

Public benefit and grant making policy

The governors confirm that they have had due regard to the Charity Commission guidance on public benefit.

Bursaries

Governors' bursaries and Quincentenary bursaries are awarded to pupils of parents with limited financial means in accordance with the Foundation's Bursary Policy. All new bursary awards are subject to an external review of family income. At the recommendation of the Head of Foundation, both bursary and scholarship awards can be removed if a pupil's behaviour or effort do not meet the standards expected.

During the year, 54 pupils benefitted from bursary support totalling £626,330. In total, 30 of these pupils received bursary support worth more than 80% of total fees: 22 of these pupils received support up to 95% of full fees and 8 pupils received support of more than 95% of total fees.

In addition, the Charity made 156 scholarship awards based on academic, sporting or musical merit which are not means tested worth £222,557.

Charitable work

King's raised £45,000 for a range of local, national and international charities and good causes. Pupils chose to support East Cheshire Hospice, Francis House Hospice, Visyon, MacMillan Cancer Research, BBC Children in Need, CRY (Cardiac Risk in the Young), Destiny Garden School, Comic Relief Red Nose Day, Christies Hospital, Royal British Legion, Movember, NSPCC, Shelter and Water Aid.

Community access programme

We continue to maximise the opportunities afforded by the new School campus (opened 2020), using the high quality facilities as a springboard to foster a greater number of partnerships with local organisations, clubs and schools.

We continue to host major events including the Cheshire Hockey Club County Championships and both the Macclesfield Primary Schools Girls' Cricket Tournament and the Macclesfield Netball Tournament, as well as swimming and rugby festivals.

Our Community Outreach programme seeks to widen access to the School's facilities for local organisations, sports clubs, charities and societies. Our facilities are provided either free of charge or at heavily subsidised rates. A total of 60 organisations use our facilities for either a single event or a series of lettings, including Cheshire Fire and Rescue, CORAM Child Adoptions, Starr in the Community (inclusive circus for children with learning needs), Cheshire Cricket, a range of local sports clubs, local schools and charities. Throughout the year, the School's Sports Centre is used fortnightly, as an activity and meeting space for Disability Positive.

The Outreach Scheme seeks to benefit local children in a range of primary schools in our vicinity. Utilising King's specialist staff to deliver the outreach activities, pupils from local primary and secondary schools have attended King's to experience sessions in the school's outdoor areas and Sports Centre. A range of different types of sessions have been offered, including Bushcraft Sessions, Forest School lessons, Cricket and netball sessions, Orienteering and Swimming.

One of our School Governors, Prof Neil Hanley, who is Professor of Medicine at the University of Manchester, delivered Saturday morning workshops to 12 aspiring medical students at King's as well as local schools Tytherington and Fallibroome Academy. The sessions are designed to prepare Sixth Form students for the challenging UCAS process, online tests, and university interviews.

This year, we established a partnership with The Rossendale Trust, a charity which supports adults with learning and physical disabilities. The school provided its first 'Work Taste' placement for an adult with learning needs, supported by his carer. He has been working in the main school kitchen and will continue his weekly visit for the following academic year. Plans are underway to welcome a second resident next year.

For the second year, the School has worked with The David Lewis Centre, which supports individuals with learning disabilities, epilepsy and autism. Throughout the year, a group of young adults from the centre have visited King's, where they are supported by the school's Grounds team in various work opportunities around the school grounds.

Since moving to our new campus, we have operated a Lions Summer Camp for children aged 8 to 14 years old, for 7 weeks of the summer holidays. These are open to all children in the area. Over the last three summers, more than 2,500 sessions have been attended.

Throughout the year, several local Scouts, Cubs, Brownies and Guides groups have used our outdoor facilities for meeting and outdoor learning including bushcraft skills.

In September, we held our second Sixth Form Leadership Conference for pupils from around 15 other local and state sector schools. Speakers included the Chair of JD Sports, the HR Director for Manchester United FC and other leaders of industry.

Community service

300 pupils participated in Bronze, Silver and Gold Duke of Edinburgh awards. This represents around 8,000 hours of volunteering, 8,000 hours of new skill acquisition, 12,000 hours of physical activity, and 600 nights spent under canvas. Volunteering is an essential part of a DofE award programme, and it has a huge impact on young people as well as those charities and groups benefitting from their time and energy.

25 Sixth Form pupils participated in the Community Sports Leaders Award Scheme, acting as coaches for local schools who visit King's. The Award allows Sixth Form students to develop important leadership and life skills such as effective communication, organisation, teamworking whilst learning to run activities for younger people. Local Schools attending this year include Bollinbrook Primary, Mottram St Andrew, Ivy Bank Primary and Broken Cross Primary School.

Teacher Training

King's is heavily involved with a programme of support for Early Career Teachers (ECTs). We work alongside IsTip (Independent Schools Teacher Induction Panel) to ensure high-quality mentoring of new teachers during their first year in the profession. Over the last five years, we have supported 7 ECTs via an induction course, weekly meetings with trained Mentors, twilight sessions and partnering with experienced staff. We are the IsTip Regional Training Centre for the North West and, in the last five years, more than 100 new teachers have attended our IsTip Regional ECT Conferences offering workshops, speakers and in-house presentations.

Sport

King's sports facilities are let to community groups on 7 days a week on weekday evenings and both Saturday and Sunday. Our Sports Centre and external facilities benefit a wide range of sports clubs that require high-quality, local provision. Around 60 sports clubs and 1,000 community members regularly use our facilities including: Cheshire Cricket Club, Macclesfield Cricket Club, Alderley Edge and Macclesfield Hockey Clubs, Macclesfield Trampoline Club, Wilmslow Basketball Club, Satellites Swimming Club, and many, many more.

Cricket sessions have been delivered to pupils from local schools including Broken Cross Primary, Mottram Primary, Bollinbrook and Ivy Bank. Swimming sessions have also been popular, using our pool when it is not in use by our own pupils during the summer term and holiday period. We also hosted the annual Bollington Primary Schools Swimming Festival, involving 10 local primary schools.

King's hosted a significant number of major sporting tournaments, competitions and festivals, across a wide range of sports. The Myles Marshall Rugby Sevens Festival saw 64 teams participate, with around 700 children aged 11 – 15. The U18s Senior Rugby Festival is hosted annually in early September and around 450 players from all over the country participated.

12 King's staff act as coaches or professional helpers at local sports clubs. These include Cheshire Athletics Association, Prestbury Squash Club, Macclesfield Rugby Club, Macclesfield Cricket Club, Alderley Edge Hockey Club, Macclesfield Netball Club, Prestbury Tennis Club and the East Midland Orienteering Squad.

Supporting Creative & Performing Arts

The Northern Chamber Orchestra (NCO) held 10 Saturday night concerts at King's, with each regularly attracting audiences of up to 400 people. The partnership with the Northern Chamber Orchestra is now in its second year, with plans in place to continue for a third year in 2025/26.

Throughout the year, King's musicians provide regular lunchtime recitals at St Michael's Church in the centre of Macclesfield. Known as 'Music at Mikes', this series of fundraising concerts is open to the public and generates funds for the East Cheshire Hospice.

Overall, Senior pupils hosted 15 public concerts locally and nationally, including a fundraising concert for The Priory Church in Cartmel and a concert at Chester Cathedral. In addition, our Infant & Junior Division pupils put on seven public concerts and participated in the Alderley Edge Music Festival. All pupils have the opportunity to take part in Drama productions, which are open to the public. In February 2024, the Senior Division performed 'Guys & Dolls'. Our Infant & Junior Division put on four dramatic performances including a Year 4 performance, a Year 6 musical 'Oliver!', a Christmas nativity and a Summer play. In addition, services and celebrations take place at harvest and Easter.

Supporting STEM / Science

Each year, we provide Science Workshops for local primary schools. They are run by our Science teachers and our A-Level students. We ran 23 workshops for 10 schools: Marton & District Primary School, Bollinbrook School, Altrincham Prep School, Marlborough Primary, Rainow School, Yorston Lodge, Prestbury Primary, All Saints (Leek), Park Royal Community Primary and Broken Cross Primary. In total, around 960 local primary school children experienced workshops delivered by King's A-Level science students.

We hosted the Macclesfield Primary Maths Challenge in the summer term, with 9 local schools competing. A total of 40 pupils from Year 5 competed in the team challenge, developing their problem-solving and communications skills.

Environmental Impact

Sustainability

Over the summer, King's has covered its main building, music block and infant and junior with 1,500 square metres of solar panels. This is in addition to the 800 square metres of solar units installed last year on its Sports Centre. The savings are estimated to be some £150K p.a. with the school set to generate 500 megawatt hours of power, around half of its needs, and send 15 megawatt hours back to the National Grid as green energy for use by its neighbours. It will reduce the carbon footprint of the school by around 30 per cent. It all means King's will have recouped its capital spend in around five years and can then look forward to continuing savings. The solar power arrays will also power the aeration systems to boost wildlife in the school's range of on-site ponds therefore enhancing King's outdoor learning programmes.

King's Physics GCSE students have already been using the new solar system in project work, learning the science behind the energy conversion systems and are fully involved in recording and analysing data collection.

Since moving to our new campus in September 2020, we have planted more than 2,000 new trees including establishing a large 'heritage variety' orchard. The orchard is also the location of our apiary, which has eight beehives. The hives are used as a teaching resource, with our younger pupils studying the importance of bees and their role in pollination and biodiversity. We also planted 600 square metres of spring bulbs on our campus, which will flower each year and help pollinators including bees and insects.

Behind the Sports Centre is now a wetland wildlife area and biodiversity teaching area. Pupils have installed plants that naturally filter the water and it is known that frogs and newts have already colonised this area. An elderflower hedgerow has been planted and fruiting greengage, damson, apple and pear trees have been added.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Academic

The School's academic results in August 2024 continued the school's long-standing reputation as one of the best independent schools in Cheshire and in the UK.

King's A Level and GCSE students celebrated outstanding results this summer. A Level students bucked the national trend to earn record results. For the first year since 2019, nationwide results showed a small decline, but at King's it was yet another bumper year. A stunning 49% of all grades were at A*/A, with 81% of grades at A* - B. A fabulous five students achieved three A*s, while more than a third of students achieved an A* in one subject or more.

King's GCSE results were also very impressive. King's pupils achieved 59% of all grades at 9 - 7 (A*/A) and 80% of grades at 9-6 (A*-B).

For our leaving Sixth Form students, 62% joined Russell Group universities and an impressive 92% achieved their first choice of university. One student will join Oxford this year. A further 6 students joined highly competitive degree-apprenticeship schemes.

Independent School of the Year Awards

King's has reached the finals of the Independent School of the Year Awards, shortlisted in the 'Sporting Achievement' category. It is the third consecutive year that King's has made the shortlisting and the second time making it to the finals, previously having been nominated in the categories of 'Pupil Wellbeing' and 'Educational Innovation' from over 2,000 schools nationwide.

During 2024, King's has claimed national titles in several different sports: pupils were crowned national champions in U14 rugby; achieved fourth in the country at U14 Netball; had four team golds at the national trampoline finals; won the Preliminary 12 dressage final at the equestrian team championships and were national U15 finalists in cricket last year. However, central to our award submission was not just the level of our success at an elite level, but also the breadth and inclusivity of our participation including sailing, swimming, table tennis and other sports for our wheelchair users.

Extra-curricular activities

About one third of all pupils learn at least one musical instrument. Many of the ensembles, groups and choirs continue to operate with large levels of participation, and a full calendar of concerts, shows, recitals and music competitions has been held this year.

Pupils continued to participate in winter and summer sports, enjoying a wide range of options. Participation levels are very high: for example, across Years 7 - 10, 79% of pupils have represented King's this academic school year. In fact, the school offers over 20 different sports and vows to support and help develop any pupil's individual passion. Sports on offer include football, hockey, netball, athletics, rugby, rounders, tennis, trampolining, cricket rounders, athletics, tennis, swimming, sailing and table tennis. The major team sports have representative teams (A, B and C) for most age groups and the results reflect the hard work and enthusiasm of the pupils and staff. The School offers pupils the opportunity to participate in chess, equestrian squad, golf, cheerleading, kayaking, caving, coasteering, climbing, skiing, squash and yachting.

FINANCIAL REVIEW

Results for the year

The general fee increase during the year and an increase of 33 pupils in the school and ensured total incoming resources increased to £18.9 million (2023: £17.2 million before the major legacy worth £1.2 million recognised in the year).

Total resources expended were £18.1 million (2023: £16.8 million).

Net incoming resources from operations were £800,000 (2023: £400,000 excluding the major legacy).

Net assets increased to £49.2 million (2023: £48.3 million).

Investment performance against objectives

The Charity's investment performance for the restricted and endowment funds continue to be monitored against the FTSE All Share Total Return Index. The Index achieved a total return of +17% over the year. The COIF Income Fund that is invested more internationally provided a total return of 10.4% whilst the UK focussed M & G Charifund was up +15%. The Charity with its holdings predominately in the COIF Income Fund achieved an overall investment return of +11.7% against the Index return of +17%.

Free reserves policy and financial viability

The Governors consider that the target for free reserves should be three months' operating costs (excluding depreciation) of approximately £3.5 million. This is a medium-term objective that will be achievable, subject to further cash requirements for further capital expenditure.

The calculation of free reserves at 31 July 2024 below has been impacted by the decision to make a £3.2m (2023 £5.0 million) early repayment of the long term bank facilities from the School's cash balances as the school was paying substantially more on its long term debt interest costs than it was receiving from interest on its deposits. If the School had only paid the contracted £644,444 (2023 £800,000) of debt repayments in the year, the free reserves would have been £4.5million.

It is expected that surpluses from operations over the coming years will see the free reserves increase to meet the medium-term objective above.

	£'000	£'000
Unrestricted funds at year end		48,111
Less fixed assets per accounts	(59,325)	
Add back		
Long term Bank borrowings to fund the new campus	7,556	
		(51,769)
Free reserves at year end		(3,658)

FUTURE PLANS

In 2022, the Governing Body published the five-year Strategic Plan to 2027. The strategic intent to make a difference to each and every pupil in the school. This is supported by six strategic priorities to create a holistic approach to education that is true to our ethos, values and aims:

1. Academic aspiration supported by strong levels of teaching and learning
2. Emphasis on holistic education and skills development
3. Strong pastoral care
4. Prominent and appreciated position within the local community
5. Stability (financial and otherwise)
6. Making the most of the new campus and developing the physical environment.

Through this process, the School has identified projects that are aligned with these strategic priorities and will come forwards as capital is provided to fund them whilst maintaining the school's financial stability.

During the previous year, the Governing Body prioritised the refinancing of the School's existing long term debt facility that was due to expire in 2026. As set out in the notes, the School entered into a 15 year Term Facility of £10.0 million with NatWest Bank plc (the "Bank") on 28 November 2023 and used the funds to repay the £9.8 million outstanding to AIB under the previous facility agreement. The Term Facility is secured against the freehold sites for main school campus. At the same time, the School entered in to a 5 year Revolving Credit Facility ("RCF") with the Bank for £5.0 million. The funds under the RCF will be drawn down as the school requires them for further construction projects and working capital requirements. Any balance remaining on the RCF at the end of its 5 year term will be added to the Term Facility.

Subsequent events

The School has appointed advisors to support through the transition to becoming VAT registered from January 2025 following the government announcement that VAT would be applied to independent school fees during the 24/25 financial year.

Statement of disclosure to auditors

On behalf of the Governing Body, the Audit Committee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

On behalf of the Board of Governors

Mr A T Higginson

Chair of the Governing Body

Dated: 21 March 2025

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

STATEMENT OF GOVERNORS' RESPONSIBILITY

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

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

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

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

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS

Opinion

We have audited the financial statements of The Foundation of Sir John Percyvale in Macclesfield of 1502, Re-founded by King Edward VI in 1552 known as The King's School in Macclesfield (the "charity"), and its subsidiary (together, the "group") for the year ended 31 July 2024, which comprise the Consolidated Statement of Financial Activities, the Consolidated and School Balance Sheets, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS

Matters on which we are required to report by exception

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

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

Responsibilities of the governors

As explained more fully in the statement of governors' responsibilities set out on page 12, the governors 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 group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

We obtained an understanding of the legal and regulatory frameworks within which the 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, and taxation legislation together with the Charities SORP (FRS 102). 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 charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment legislation and Health & Safety.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors and other management and inspection of regulatory and legal correspondence, if any.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management 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 Charity Commission, Independent Schools Inspectorate, reading minutes of meetings of those charged with governance, verifying the causes for year-on-year movements in the various income streams, inspecting the supporting documentation for a sample of voluntary income to ensure that this is recognised in line with the terms or restrictions applied to donations, and ensuring that a full year has been recognised for each income stream by vouching either the total income or a sample of transactions to supporting documentation.

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 Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's governors as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

2nd April 2025

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating the Consolidated Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2024

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2024 £'000	Total 2023 £'000
Income and endowments from:						
Donations and legacies	2	39	38	-	77	120
Investment income	2	171	41	-	212	236
Activities for generating funds - Kings's School Macclesfield	4	307	-	-	307	241
Charitable activities:						
School fees	3	17,719	-	-	17,719	16,083
Ancillary trading income	5	592	-	-	592	530
Other incoming resources	6	-	11	-	11	15
Total incoming resources		18,828	90	-	18,918	17,225
Expenditure on:						
Raising funds						
King's School Macclesfield	4	147	-	-	147	205
Costs of fundraising	7	6	-	-	6	6
Ancillary trading costs	7	838	-	-	838	779
Financing costs	7	784	-	-	784	1,258
		1,775	-	-	1,775	2,248
Charitable activities						
Education and grant making	7	16,263	47	-	16,310	14,543
Total resources expended		18,038	47	-	18,085	16,791
Net incoming resources from operations before transfers and investment gains		790	43	-	833	434
Gains/(Loss) on investment assets		-	18	38	56	(21)
Gain on disposal of land and buildings		-	-	-	-	-
Transfer between funds		-	-	-	-	-
Net movement in funds		790	61	38	889	413
Fund balances at 1 August 2023		47,321	552	503	48,376	47,963
Fund balances at 31 July 2024		48,111	613	541	49,265	48,376

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

CONSOLIDATED AND SCHOOL BALANCE SHEET

AS AT 31 JULY 2024

		Consolidated				School			
		2024		2023		2024		2023	
	Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets									
Tangible assets	10		59,325		60,773		59,325		60,773
Investments	11		766		710		776		720
			60,091		61,483		60,101		61,493
Current assets									
Assets held for resale		845		786		845		786	
Debtors	12	143		180		119		169	
Cash at bank and in hand		7,720		6,503		7,572		6,478	
		8,708		7,469		8,536		7,433	
Creditors: amounts falling due within one year:	13	(9,511)		(8,637)		(9,510)		(8,647)	
Net current (liabilities)/assets			(803)		(1,168)		(974)		(1,214)
Total assets less current liabilities			59,288		60,315		59,127		60,279
Creditors: amounts falling due after more than one year	14		(10,023)		(11,940)		(10,023)		(11,940)
Net assets			49,265		48,375		49,104		48,339
Endowment funds	18		541		503		541		503
Restricted funds	19		613		552		613		552
Unrestricted funds	20		48,111		47,320		47,950		47,284
			49,265		48,375		49,104		48,339

The accounts were approved and authorised for issue by the Board on 21 March 2025

Mr A T Higginson
Governor

Ms J White
Governor

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Net cash (outflow)/inflow from operating activities	(i)		**5,796**		5,954
Cash flows from investing activities					
Financing costs		**(784)**		(1,258)	
Investment income		**41**		31	
Interest received		**171**		205	
Net proceeds from sale of fixed assets		**-**		-	
Net proceeds from sale of investment		**-**		15	
Payments to acquire tangible fixed assets		**(163)**		(321)	
Net cash from/(used) in investing activities			**(735)**		(1,328)
Cash flows from financing activities					
Loan repayments		**(3,844)**		(5,800)	
Net cash (used in)/from financing activities			**(3,844)**		(5,800)
Change in cash and cash equivalents in the year			**1,217**		(1,174)
Cash and cash equivalents at the beginning of the year			**6,503**		7,677
Cash and cash equivalents at the end of the year	(ii)		**7,720**		6,503

(i) Reconciliation of net income to cash flow from operating activities

	2024 £'000	2023 £'000
Net incoming resources	**832**	432
Investment income	**(41)**	(31)
Financing costs	**784**	1,258
Interest received	**(171)**	(205)
Depreciation of tangible fixed assets	**1,611**	1,656
Decrease/(increase) in debtors	**(212)**	674
(Decrease)/increase in creditors	**2,993**	2,170
Net cash (outflow)/inflow from operations	**5,796**	5,954

(ii) Analysis of cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank	**7,720**	6,503

(iii) Reconciliation of net debt

	1 August 2023 £'000	Cashflow £'000	**31 July 2024 £'000**
Cash in hand and at bank	6,503	1,217	**7,720**
Bank loan due in less than one year	(800)	161	**(639)**
Bank loan due in greater than one year	(10,600)	3,874	**(6,726)**
	(4,897)	5,252	**355**

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

The School is a Public Benefit Entity registered as a charity in England and Wales and a Royal Charter Company. It was incorporated on 25 April 1552 (company number: RC 000830) and re-registered as a charity on 30 July 2010 (charity number: 1137204).

The School continues to attract pupils and is full in many year groups. Strong pupil numbers is enabling the School to generate operational cash surpluses sufficient to cover debt service costs and to build up reserves for future investment. The Governors therefore are confident that the School has sufficient resources to continue on a going concern basis.

1.2 Basis of Consolidation

The group financial statements consolidate the financial statements of the School and its subsidiary undertaking King's School Macclesfield Limited (company number: 13947262). All inter group transactions and profits are eliminated fully on consolidation.

The School has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only cash flow statement with the consolidated financial statements.

1.3 Incoming resources

Fee income and dining hall income is recognised in the Statement of Financial Activities on the accruals basis. Fees received in advance of education to be provided in future years are held until either taken to income in the term when used or else refunded.

Donations received for the general purposes of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Governors. Donations and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income is credited to the Statement of Financial Activities on a receivable basis.

The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

1.4 Resources expended

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The cost headings comprise expenditure, including staff costs and depreciation, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a fair and reasonable basis.

Support costs comprise all services including an appropriate proportion of general overheads specifically identified as wholly or mainly incurred in support of the direct charitable expenditure. The irrecoverable VAT element is included with the item of expense to which it relates.

1 **Accounting policies (continued)**

1.5 **Tangible fixed assets and depreciation**

Tangible assets are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation.

Individual purchase of fixed assets costing less than £1,000 are not capitalised but charged as expenditure in the year.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Buildings	over 20 or 50 years on a straight line basis.
Fixtures, fittings, plant & equipment	over 3 to 5 years on a straight line basis.
Computers	over 3 years on a straight-line basis.
Motor vehicles	over 5 years on a straight line basis.

1.6 **Investments**

Investments are stated at market value less any provision for permanent diminution in value. Market value is taken to be the middle market price ruling at the balance sheet date.

Gains and losses on investment assets realised and unrealised are taken to the Statement of Financial Activities.

1.7 **Stock**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a "first in, first out" basis. Net realisable value is determined on the basis of estimated value or expected selling price less further costs to be incurred to disposal.

1.8 **Pensions**

The School participates in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff at rates set by the scheme actuary and advised to the Board by the Scheme Administrator. The pension liability is the responsibility of the Scheme. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

1.9 **Accumulated funds**

General funds are available for use at the discretion of the Governing Body in furtherance of the general objectives of the School.

Endowment funds are capital funds where there is no power to convert the capital into income and which therefore represent the permanent capital of the School. Changes in the market values of the investments and other assets held within these funds are debited or credited to the capital of those funds and the movements, purposes and uses of these funds are set out in the notes to the accounts. Where applicable the income arising from these endowment funds has been included in general funds or restricted funds as appropriate.

Restricted funds are funds subject to specific restrictive conditions imposed by the donors or by the purpose of the appeal. These restricted funds also include the Income Funds of the various permanent endowments where the income is earmarked for specific purposes. The purpose and use of the restricted funds is set out in the notes to the accounts.

All income and expenditure is shown in the Statement of Financial Activities.

1 **Accounting policies (continued)**

1.10 **Operating Leases**

Rentals applicable to operating leases where substantially all of the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line over the term of the lease.

1.11 **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities, unless they are included in a hedging arrangement.

1.12 **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. **Investment and endowment income**

	Unrestricted funds £'000	**Restricted funds £'000**	**Total 2024 £'000**	Total 2023 £'000
Donations and legacies	**39**	**38**	**77**	120
Income shares in COIF	**-**	**27**	**27**	27
Interest receivable	**171**	**14**	**185**	209
	210	**79**	**289**	356

3. **Charitable activities – fees receivable**

	Total 2024 £'000	Total 2023 £'000
School fees		
The school's fee income comprised:		
Gross fees	**19,480**	17,775
Less: Total bursaries, grants and allowances	**(1,801)**	(1,742)
	17,679	16,033
Add:		
Bursaries and scholarships paid for by Restricted Funds	**40**	50
School fees	**17,719**	16,083
Bursaries and scholarships paid for by Restricted Fund:		
Governors' bursaries and scholarships	**40**	**50**
	40	**50**

During the year 54 pupils benefited from bursary support totalling £626,330 (2023: 61 pupils received £640,274). Of this amount £12,000 was provided by restricted and permanent capital funds (2023: £21,600). 19 of these pupils also receive scholarship support (2023: 26). In addition, Governors' scholarships (not means tested) and music scholarships were given to 122 and 34 pupils, at a cost of £185,889 and £36,668 respectively (2023: 129 and 40 pupils, at a cost of £184,543 and £39,788 respectively).

4. Income from Subsidiary Trading Activities

The School has a 100% interest in its trading subsidiary King's School Macclesfield Limited. King's School Macclesfield Limited's principal activity continues to be that of promoting commercial activities which use the School's assets to generate income from lettings and other activities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2024 £'000	2023 £'000
Turnover	307	241
Cost of sales	(146)	(120)
Gross profit/(loss)	161	121
Administration expenses	(1)	(85)
Operating profit/(loss	**159**	36
Interest receivable	-	-
Profit/(loss) for the year	**160**	36
Gift aid payment to The King's School Macclesfield	**(36)**	-
Shareholders' Funds	**170**	46

5. Ancillary trading income

	2024 £'000	2023 £'000
Dining Hall	**592**	530
	592	530

6. Other incoming resources

	Unrestricted funds £'000	**Restricted funds £'000**	**Total 2024 £'000**	Total 2023 £'000
Fundraising events	**-**	**11**	**11**	14
Lettings income	**-**	**-**	**-**	1
	-	**11**	**11**	15

7 Analysis of expenditure

	Staff costs £'000	Depreciation £'000	Other costs £'000	Grant funding £'000	Total 2024 £'000	Total 2023 £'000
Costs of generating funds						
King's School Macclesfield	**144**		**3**		**147**	205
Fundraising	**-**	**-**	**6**	**-**	**6**	6
Ancillary trading costs	**-**	**-**	**838**	**-**	**838**	779
Financing costs	**-**	**-**	**784**	**-**	**784**	1,258
Total cost of generating funds	**144**	**-**	**1,631**	**-**	**1,775**	2,248
Charitable expenditure Education and grant making						
Teaching	**8,924**	**-**	**1,193**	**41**	**10,158**	9,332
Welfare	**55**	**-**	**236**	**-**	**291**	249
Premises	**624**	**1,584**	**1,440**	**-**	**3,648**	3,537
Support costs (note a)	**1,193**	**27**	**993**	**-**	**2,213**	1,425
Total charitable expenditure	**10,796**	**1,611**	**3,862**	**41**	**16,310**	14,543
Total expended	**10,940**	**1,611**	**5,633**	**41**	**18,085**	16,791

Included within finance costs is £749,477 (2023: £987,570) of interest on bank loans and overdrafts, and £nil interest on retention.

During the year, the provision against doubtful fee debtors was decreased by £617 (2023: £35,481).

a) Governance costs included in support costs

	2024 £'000	2023 £'000
Accountancy charges	**30**	31
Other governance costs	**121**	77
	151	108

Governance costs includes payments to the auditors of £29,760 (2023: £30,680) for audit fees.

8. **Governors**

Eight Governors (2023: Ten) who held office for at least part of the year had children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

None of the Governors (or any persons connected with them) received any remuneration or other benefits from the School or from any connected body during this year or the previous year, except as set out in note 24: Related parties. No governors were reimbursed expenses during this year (2023: none).

9. **Staff costs**

The average number of employees during the year	**Number 2024**	Number 2023
Teaching	**114**	112
Welfare	**2**	2
Premises	**34**	34
Support	**110**	104
	260	252

The full time equivalent number of employees during the year was 217 (2023: 209).

The school shop and catering operation of the school are outsourced.

The aggregate payroll costs for the year were as follows:	**2024 £'000**	2023 £'000
Wages and salaries	**8,829**	8,137
Social security costs	**827**	752
Other pension costs	**1,609**	1,346
Apprenticeship Levy	**27**	23
	11,292	10,258

	2024 £'000	**2023** £'000
Aggregate employee benefits of key management personnel	**1,083**	**1,015**

9. **Staff costs** (continued)

Number of higher paid employees in bands of:	**2024**	2023
£60,001 to £70,000	**3**	2
£70,001 to £80,000	**3**	2
£80,001 to £90,000	**1**	1
£90,001 to £100,000	**1**	1
£170,001 to £180,000	**1**	1

Of the employees whose emoluments exceed £60,000, 8 (2023:6) have retirement benefits accruing under defined benefit pension schemes and 1 (2023: 1) has benefits accruing under defined contribution schemes for which the contributions amounted to £68,710 (2023: £40,978).

During the year there were redundancy or termination payments which amounted to £4,192 (2023: £nil).

All staff costs are met from unrestricted funds.

10. **Tangible Fixed Assets – Consolidated and School**

	Land & Buildings £'000	**Fixtures, fittings, plant & equipment £'000**	**Computers £'000**	**Motor vehicles £'000**	**Total £'000**
Cost (or deemed cost)					
At 1 August 2023	64,213	1,247	716	439	66,615
Additions	589	52	46	42	729
Disposals	(565)	(66)	(68)	(45)	(744)
At 31 July 2024	**64,237**	**1,233**	**694**	**436**	**66,601**
Depreciation					
At 1 August 2023	4,046	837	587	373	5,843
On disposals	-	(66)	(68)	(45)	(179)
Charge for the year	1,314	175	95	27	1,611
At 31 July 2024	**5,360**	**946**	**614**	**355**	**7,275**
Net book value					
At 31 July 2024	**58,877**	**287**	**80**	**81**	**59,325**
At 31 July 2023	60,167	410	130	66	60,773

The land and buildings were held at a valuation until transition to FRS102 when the value of the land and buildings was taken as deemed cost.

11. **Fixed asset investment**

Cost or valuation:	Consolidated £'000	School £'000
Market value at 1 August 2023	**710**	**720**
Additions	**-**	**-**
Disposals	**-**	**-**
Change in value in the year	**56**	**56**
Market value at 31 July 2024	**766**	**776**
The investment assets held at the end of the year are:	**£'000**	**£'000**
Income shares in COIF	**542**	**542**
Charifund Units	**223**	**223**
Trading subsidiary	**-**	**10**
Ground Rents	**1**	**1**
	766	**776**
	£'000	**£'000**
Historical cost:		
At 31 July 2024	**100**	**110**
At 31 July 2023	100	110

The above historical cost value is made up of £1,000 of unrestricted fund investments, £75,000 of restricted fund investments, £24,000 of endowment fund investments and £10,000 in shares in the trading company.

On 1 March 2022, a new subsidiary, King's School Macclesfield Limited, was incorporated. During the year ended 31 July 2024, trading was undertaken by this subsidiary.

12. **Debtors**

	Consolidated		School	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Fees	**76**	68	**76**	68
Other debtors	**57**	102	**32**	91
Prepayments and accrued income	**10**	10	**10**	10
	143	180	**118**	169

All debtors are due within one year.

Within fee debtors are gross fees in respect of Summer 2024 and earlier terms of £117,471 (2023: £110,530). A provision of £41,652 (2023: £42,269) against this amount has been provided for in respect of doubtful debts.

13. **Creditors: amounts falling due within one year:**

	Consolidated		School	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Bank loan	**639**	800	**639**	800
Trade creditors	**114**	299	**113**	299
Intercompany creditors	**-**	-	**-**	10
Taxes and social security costs	**196**	196	**196**	196
Other creditors	**882**	895	**882**	895
Accruals	**980**	862	**980**	862
Deferred income	**6,700**	5,585	**6,700**	5,585
	9,511	8,637	**9,510**	8,647

14. **Creditors: amounts falling due after more than one year**

	Consolidated		School	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
Bank loan	**6,726**	10,600	**6,726**	10,600
Other creditors	**-**	-	**-**	-
Deferred income	**3,297**	1,340	**3,297**	1,340
	10,023	11,940	**10,023**	11,940

During the year, the School repaid £200,000 of contracted repayments and an additional £1.2 million repayments under the facility agreement with AIB Group (UK) Limited (AIB), reducing the balance outstanding to £10 million.

On 28 November 2023, the School entered into a 15 year Term Facility of £10 million with NatWest Bank plc (the "Bank") to repay the AIB facility in full. The security that AIB held over certain land and buildings was transferred to the Bank. At the same time, the School entered into a 5 year Revolving Credit Facility ("RCF") for £5 million with the Bank. The funds will be drawn down as the school requires them for future construction projects and working capital requirements. Any balance remaining on the RCF at the end of 5 years will be added to the Term Facility.

During the year, the School repaid a further £444,444 of contracted repayments and an additional £2 million repayment for the 15 year Term Facility of £10 million with NatWest Bank plc (the "Bank"), reducing the balance outstanding to £7.6 million.

	2024 £'000	2023 £'000
Loan maturity analysis		
Debt due in one year or less	**639**	800
In more than one year but not more than two years	**636**	800
In more than two years but not more than five years	**1,928**	9,800
In more than five years	**4,162**	-
	7,365	11,400
Included in liabilities falling due within one year	**(639)**	(800)
	6,726	10,600

15. **Fees received in advance - School**

	2024	2023
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	**6,700**	5,585
Creditors due after more than one year	**3,297**	1,340
	9,998	6,925
Total deferred income at 1 August 2023	**6,925**	4,738
Amounts received in year	**9,998**	6,925
Amounts credited to statement of financial activities	**(6,925)**	(4,738)
Total deferred income at 31 July 2024	**9,998**	6,925

Parents may enter into an agreement to pay the school up to the equivalent of two year's tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2024	2023
	£'000	£'000
Within one year	**6,700**	5,585
Within one to five years	**3,299**	1,340
	9,998	6,925

16. **Financial instruments – Consolidated**

	2024	2023
	£'000	£'000
Financial assets measured at amortised cost (a)	**7,828**	6,662
Financial assets measured at fair value (b)	**776**	720
Financial liabilities measured at amortised cost (c)	**995**	1,194
Net financial (liabilities)/assets measured at amortised cost	**6,833**	5,468

(a) Financial assets include cash, trade and fee debtors, other debtors and accrued income
(b) Financial assets held at fair value include assets held as investments
(c) Financial liabilities include deposits, trade creditors, and other creditors

17. **Pension and other post-retirement benefit commitments**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,361,070 (2023: £1,190,112) and at the year-end £nil (2023 - £ nil) was accrued in respect of contributions to this scheme.

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

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

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

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

The school also contributes to individual personal pension schemes at rates of between 4% and 14.1% of pensionable pay. These are defined contribution schemes. The cost for the year represents the school's contributions to these schemes of £245,750 (2023: £155,230). At the year-end £nil was accrued in respect of these schemes.

18. **Endowment funds – Consolidated and School**

On 6th April 2009, the Charity Commission for England & Wales granted a scheme ('the scheme') to effect a uniting direction of the subsidiary charities and to create two new subsidiary charities to be known as The King's School in Macclesfield Horsfield Bursary Fund ('Horsfield Bursary Fund') and the King's School in Macclesfield Brocklehurst Scholarship Fund ('Brocklehurst Scholarship Fund'). The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

		Movement in funds			
	Balance at 1 August 2023 £'000	**Incoming resources £'000**	**Resources expended £'000**	**Investments gains/losses £'000**	**Balance at 31 July 2024 £'000**
Permanent endowments					
Horsfield Bursary Fund	392	-	-	30	**422**
Brocklehurst Scholarship Fund	111	-	-	8	**119**
	503	**-**	**-**	**38**	**541**

19. **Restricted funds – Consolidated and School**

The restricted funds of the school comprise the following unexpended income derived from the permanent endowed assets of the school held on trusts to be applied for specific purposes. On 1st April 2011 the associated charity known as The King's School Development Trust was brought into the restricted funds of the school following a merger of the two charities. During the year, the Governors reviewed the level of unexpended income held and approved the expenditure of part of this amount by donating £41,000 (2023: £51,000) to the main School charity to provide bursaries, scholarships and prizes to pupils at the School. At the year end, unexpended income was £612,000 (2023: £552,000).

		Movement in funds				
	Balance at 1 August 2023	Incoming resources	Resources expended	Investments gains/losses	Transfers	Balance at 31 July 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Horsfield Bursary Fund	-	11	(11)	-	-	-
Brocklehurst Scholarship & Other Prize Funds	22	4	(3)	-	-	23
Quincentenary Bursary Fund	342	63	(19)	3	-	389
Bursary & Scholarship Fund	188	12	(14)	15	-	201
	552	90	(47)	18	-	613

20. **Unrestricted funds**

	Balance at 1 August 2023	Incoming resources	Resources expended	Gain on sale of assets	Transfers	Balance at 31 July 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds – school	47,285	18,521	(17,891)	-	36	47,950
Unrestricted funds – trading company	36	307	(147)	-	(36)	160
Consolidated unrestricted funds	47,321	18,828	(18,038)	-	-	48,111

21. **Analysis of net assets between funds - Consolidated**

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2024
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2024 are represented by:				
Tangible fixed assets	**59,325**	**-**	**-**	**59,325**
Investments	**1**	**224**	**541**	**766**
Current assets	**8,319**	**389**	**-**	**8,708**
Creditors: amounts falling due within one year	**(9,511)**	**-**	**-**	**(9,511)**
Creditors: amounts falling due after one year	**(10,023)**	**-**	**-**	**(10,023)**
	48,111	**613**	**541**	**49,265**

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2023
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2023 are represented by:				
Tangible fixed assets	60,773	-	-	60,773
Investments	1	205	504	710
Current assets	7,123	347	-	7,470
Creditors: amounts falling due within one year	(9,901)	-	-	(9,901)
Creditors: amounts falling due after more than one year	(10,676)	-	-	(10,676)
	47,320	552	504	48,375

22. **Capital commitments – Consolidated and School**

At 31 July 2024 the School had no capital commitments (2023: £nil).

23. **Operating lease commitments – Consolidated and School**

The School had operating lease commitments at the year end

Operating leases which expire:	2024 £'000	2023 £'000
Within one year	9	8
Within two to five years	32	32
More than five years		4
	41	44
Lease payments recognised as expense in year	9	4

24. **Related parties**

On 7 December 2018, Mr J Hinds was elected as a Governor. Mr Hinds is a regional director in the Manchester office of Savills plc. Savills plc are one of the advisors appointed by the School to assist on the 2020 project. This appointment took place before Mr Hinds joined the Governing Body. During the year the School has paid Savills plc a total of £23,098 (2023: £12,600) (inc VAT) in respect of its services to the School. There were no other related party transactions.

25. **Statement of Financial Activities – Comparative figures by fund – type**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000
Income and endowments from:					
Donations and legacies		81	39	-	120
Investment income		205	31	-	236
Activities for generating funds - Kings's School Macclestield		241	-	-	241
Charitable activities:					
School fees		16,083	-	-	16,083
Ancillary trading income		530	-	-	530
Other incoming resources		1	14	-	15
Total incoming resources		17,141	84	-	17,225
Expenditure on:					
Raising funds					
King's School Macclesfield					
Costs of fundraising		6	-	-	6
Ancillary trading costs		779	-	-	779
Financing costs		1,258	-	-	1,258
		2,043	-	-	2,043
Charitable activities					
Education and grant making		14,692	56	-	14,748
Total resources expended		16,735	56	-	16,791
Net incoming resources from operations before transfers and investment gains		406	28	-	434
Gains/(Losses) on investment assets		-	(11)	(10)	(21)
Gain on disposal of land and buildings		-	-	-	-
Transfer between funds		14	(14)	-	-
Net movement in funds		420	3	(10)	413
Fund balances at 1 August 2022		46,901	549	513	47,963
Fund balances at 31 July 2023		47,321	552	503	48,376

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESLFIELD OF 1502, RE-FOUNDED BY KING ED

England & Wales - Charity number 1137204

Accounts

Charity Registration No. 1137204

Company Registration No. RC 000830 (England and Wales)

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552

KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2023

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD
LEGAL AND ADMINISTRATIVE INFORMATION

Chair of Governors	Mr A T Higginson BSC (Hons)
Head of Foundation	Mr J Slack BSc (Hons), MA (Ed)
Director of Finance	Mr J M Spencer Pickup BSc (Hons) ACA
Charity number	1137204
Company number	RC 000830
Auditors	Crowe U.K. LLP The Lexicon Mount Street Manchester M2 5NT
Bankers	Allied Irish Bank (GB) 1 Underbank London EC3A 8AB National Westminster Bank plc 2 Chestergate Macclesfield SK11 6BA
Solicitors	DAC Beachcroft LLP 3 Hardman Street Manchester M3 3HF

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

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THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS, OFFICERS AND ORGANISATION

The Governing Body comprises co-opted governors who are elected by the Governing Body following recommendations by the Nominations Committee of the Governing Body and governors appointed by outside bodies as indicated below. They have all served in office throughout the year and subsequently, except where indicated. They were the Trustees of the charity known as The King's School in Macclesfield during the year.

The Chair and Vice Chair are ex officio members of all the committees of the Governing Body. Mr Higginson was elected Chair on 3 December 2021 and Ms J White was elected Vice Chair on 2 December 2022.

Co-opted Governors Term of office - five years, renewable for a maximum of two further terms of five years.

Dr J W Kennerley BPharm, MR PharmS, PhD	(retired 2 December 2022)
Mr J Sugden MA, CEng FI Mech, CEng	(retired 2 December 2022)
Mr S Barriskell BSc, MBA	Finance & General Purposes*, Remuneration, Audit
Mrs S Byrne BSc	External Relations (appointed 2 December 2022)
Prof N Hanley BSc, MB ChB, PhD, FRCP	Education, External Relations
Mrs V Davidson MBChB, MRCGP, DFSRH	Education (appointed 31 August 2022)
Ms L Grainger MA, FCPFA	Education, Nominations
Mr H Grant MA	Finance & General Purposes, Audit
Mr S Murrells	External Relations
Dr C Doherty B. Pharm, PhD, MBA	Education *, Nominations
Mr J Hinds BA MSc	Finance & General Purposes, Remuneration
Ms J White BSc CBE	Education, Nominations
Mr C King MA PGCE	(retired 31 August 2022)
Mr J Watkins BA (Oxon)	External Relations, Finance & General Purposes
Nominated by the University of Manchester	
Mr I Bradley BSc	Education
Nominated by the Lord Lieutenant of Cheshire	
Mr A T Higginson BSc	Audit *, Remuneration*, Nominations*, External Relations,
Chair	Finance & General Purposes, Education
Nominated by the Lord Bishop of Chester	
Mr M Strutt BA	External Relations *, Finance & General Purposes
Nominated by the Cheshire East Council	
Cllr A Gregory	(retired 4 May 2023)

* Chair of the Committee

All nominated governors have terms of five years (or such lesser period as the nominating body may declare at the time of nomination), renewable for a maximum of two further terms.

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS REPORT

Officers

The principal officers of the School during the year were:

Mr J Slack - Head of Foundation

Mr J M Spencer Pickup - Director of Finance & Clerk to the Governors

The day to day running of the Foundation is delegated to the key management personnel that comprises the Head of Foundation, Director of Finance, Deputy Head (Academic), Deputy Head (Operations), Director of External Relations, Principal of the Infant and Junior Division, Principal of Senior School, Principal of Sixth Form and Assistant Head (Staff).

Organisation

In September 2020, the School completed its move to the new campus where it operates a co-educational day school for pupils aged 3 years to 18 years.

The registered office of the charity changed to The King's School in Macclesfield, Alderley Road, Prestbury, Macclesfield SK10 4SP.

GOVERNORS' REPORT

The Governors present their Annual Report for the year ended 31 July 2023 under the Charities Act 2011 together with the audited financial statements under the Companies Act 2006.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the School's governing document, the Companies Act 2006 and the Statement of Recommended Practice, Charities (FRS102).

Reference and administrative information

The Foundation was originally created under a body corporate by the Charter of King Edward VI in 1552. The Governors, officers and principal address of the Foundation are listed above.

Structure, governance and management

Governing document

The Charity is constituted as a Royal Charter Company called "The Foundation of Sir John Percyvale in Macclesfield of 1502, re-founded by King Edward VI in 1552" under the new supplemental charter that received Royal Assent on 11 February 2009 and is registered with the Charity Commission under Charity number 1137204.

Organisational management

The Governors are responsible for the overall management and control of the Charity and meet at least three times per year. The work of implementing the educational policies of the Charity is carried out by members of the **Education Committee**, who meet three times per year. The **Finance & General Purposes Committee** is responsible for overseeing the day to day management of the Charity and monitoring strategic risks. It meets at least six times per year with the Head of Foundation, Director of Finance and Director of External Relations.

There are the following additional committees of the Governing Body that meet as required during the year. The committees have specific terms of reference and make appropriate recommendations to the Governing Body:

Nominations

Considers nominations to the Governing Body and oversees the induction and training of Governors.

External Relations

Oversees the External Relations function and monitors the School's public benefit and bursary policy.

Remuneration

Considers remuneration and annual pay awards for all staff.

Audit

Oversees the preparation and completion of the audited financial statements and annual report for approval by the Governing Body.

Recruitment and Governor Training

Governors are appointed at a meeting of the full Governing Body on the basis of nominations received from the Nominations sub-committee that vets applications to ensure they meet eligibility, competence, specialist skills and knowledge of the local community requirements for any vacant positions on the Governing Body.

New governors are inducted into the workings of the Charity, including Board policy and procedures by the Headmaster and Director of Finance. This induction is overseen by the Chair of Governors. The Director of Finance also arranges trustee-training workshops for governors covering specific issues.

Group Structures and Relationships

The Charity has one subsidiary trading company known as King's School Macclesfield Limited that was registered on 1 March 2022 with registration number 13947262. Its financial results are included in these accounts and the assets are shown within unrestricted funds.

The King's School Macclesfield Development Trust is a subsidiary charity with number 504131 and its financial results are included in these accounts and the assets are shown within restricted funds.

The operation of the school shop and school catering are both outsourced.

Risk Management

The Governing Body is responsible for the management of the risks faced by the Charity. Detailed considerations of high level risks and their mitigations are delegated to the Finance & General Purposes Committee, the Head of Foundation and Director of Finance. The School's Senior Management Team and the Health & Safety Committee consider day to day risks and ways to mitigate them.

The key controls used by the Charity include:

- Formal agendas for all Committee and Governing Body activity;
- Detailed terms of reference for all Committees;
- Preparation and updating of the five year Development Plan, annual Budget and termly Management Accounts;
- Established organisational structure and lines of reporting through the Principals in each division;
- Formal written policies;
- Appropriate levels of insurance protection;
- Approved authorisation levels;
- Vetting procedures as required by child protection legislation, and
- Regular review of health and safety issues.

Through the risk management process overseen by the Governing Body, the Governors are satisfied that the major risks identified have been adequately mitigated, where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Major risks

The School updated its high level risk assessment in June 2023.

There are a number of new medium term financial risks that the Governing Body have asked the School's leadership team to assess and ways that the risk can be mitigated. These risks include:

a) The increase in employers' contribution rate to the Teachers' Pension Scheme from the current employers' rate of 23.68% of pensionable pay to 28.68% effective from April 2024, as announced by the Government, following the most recent pension scheme valuation by the Government Actuary;
b) A possible loss of mandatory business rates relief in England expected in 2025 following similar removal of this charitably exemption in Scotland and Wales;
c) A possible loss of the current exemption from VAT for the provision of education. The current exemption has been in place since the UK introduced VAT when it joined the European Union.

The School has appointed professional advisers to assist in reviewing and mitigating the first of the two items. Proposals are due to presented to the full Governing Body in early 2024.

The School is concerned that a number of parents may not be able to afford the additional burden of VAT on school fees. The School is commissioning a survey of parents by an independent company that will keep the individual data anonymous to inform the Governing Body of likely loss of pupils so the School's leadership team can assess ways to mitigate any future loss of pupils.

Key management personnel remuneration policy

The Charity has a Remuneration Committee, which meets annually. The Head of Foundation is in attendance for the meeting (leaving for the discussion regarding the Head's pay). No members of the key management personnel are members of the committee. The Head of Foundation makes recommendations for changes to salaries of key management personnel. This is to ensure such salaries reflect experience and delivery of individual targets.

The Remuneration Committee reviews all salary changes including those for the key management personnel against independent benchmarking surveys, where available. The Remuneration Committee then sets the pay for all staff.

Investment policy and objectives

The Board aims to maximise the total investment return within the objectives of maintaining income whilst preserving the real value of endowed investments.

The school's investments have continued to be managed in conformity with this policy and the Supplemental Charter.

OBJECTS

Charitable objects

The Charity's Objects, as set out in the Supplemental Charter dated 11 February 2009, are the advancement of education by way of maintaining a day school in Macclesfield. The Governors have powers to provide total or partial exemption from any fees payable to pupils who are in need of financial assistance. In addition, the Foundation has to maintain a number of restricted trust funds held for scholarships, bursaries, prizes and other educational purposes.

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS REPORT

AIMS, OBJECTIVES AND ACTIVITIES

Ethos and values

The King's School in Macclesfield is proud of its history and ambitious for its future. Learning and personal development are at the heart of its community. The School seeks to equip young people with the character and skills necessary to meet the challenges of a changing world. The School believes that education is not just about what happens in the classroom. The School seeks to produce courageous and responsible citizens who contribute to society through leadership and service.

Principal activities of the year

The Charity continued to offer Pre-School, Infant, Junior and Sixth Form education for boys and girls between the ages of 3 to 18 on the new campus that opened in September 2020.

In the year ended 31 July 2023, the average pupil population of the Foundation was:

	2020-2021	2021-2022	2022-2023
Infants & Junior Division	355	380	398
Senior Division	666	670	677
Sixth Form division	207	222	220
	1,228	**1,272**	**1,295**

In September 2023, the pupil population was 1,332.

Public benefit and grant making policy

The governors confirm that they have had due regard to the Charity Commission guidance on public benefit.

Bursaries

Governors' bursaries and Quincentenary bursaries are awarded to pupils of parents with limited financial means in accordance with the Foundation's Bursary policy. All new bursary awards are subject to an external review of family income. At the recommendation of the Head of Foundation, both bursary and scholarship awards can be removed if a pupil's behaviour or effort do not meet the standards expected.

During the year, 61 pupils benefitted from bursary support totalling £640,274. In total, 31 of these pupils received bursary support worth more than 80% of total fees: 20 of these pupils received support up to 95% of full fees and 11 pupils received support of more than 95% of total fees.

In addition, the Charity made 169 scholarship awards based on academic, sporting or musical merit which are not means tested worth £244,331.

Charitable work

King's raised £50,000 for a range of local, national and international charities and good causes. Pupils chose to support East Cheshire Hospice, Silk Life Foodbank, Francis House Children's Hospice, Macmillan Cancer Research, Loose Headz Charity, Cancer Research UK, Red Cross, Sport Relief, Children In Need, DEC Turkey & Syria Appeal, Prevent Breast Cancer, Mind, Comic Relief, The Christie, Royal British Legion and Windyway Trust.

Community access programme

We are maximising the opportunities afforded by the new School campus (opened 2020 during Covid lockdowns), using the high quality facilities as a springboard to foster a greater number of partnerships with local organisations, clubs and schools.

Our new campus has provided many more opportunities to host events including the National Trampolining Championships attended by more than 250 children; we hosted a conference for AJIS (Association for Junior Independent Schools); hosted various sporting tournaments such as the Cheshire Hockey Club County

Championships and both the Macclesfield Primary Schools Girls' Cricket Tournament and the Macclesfield Netball Tournament, as well as the Junior Chess Tournament and two Cheshire Police Community Cohesion Group meetings.

Our Community Outreach programme seeks to widen access to the School's facilities for local organisations, sports clubs, charities and societies. Our facilities are provided either free of charge or at heavily subsidised rates. A total of 60 organisations use our facilities for either a single event or a series of lettings, including Cheshire Police, Cheshire Cricket, England Netball, a range of local sports clubs, local schools and charities. Throughout the year, The Samaritans use the School premises free of charge as a training venue and for their recruitment event. The School's Sports Centre is used fortnightly, throughout the year, as an activity and meeting space for Disability Positive.

The Outreach Scheme seeks to benefit local children in a range of primary schools in our vicinity. Utilising King's specialist staff to deliver the outreach activities, pupils from local primary and secondary schools have attended King's to experience sessions in the school's outdoor areas and Sports Centre. A range of different types of sessions have been offered, including Bushcraft Sessions, Forest School lessons, Cricket Sessions, Orienteering and Swimming.

Schools that have attended this year for Bushcraft and Forest School sessions include Macclesfield Academy, Park Lane Special School, Bollinbrook Primary School, Upton Priory Primary School, Park Royal Primary School, Wilmslow Prep School and All Saints Primary School. In the case of Macclesfield Academy, the school hopes to use these sessions to build pupils' engagement in the Duke of Edinburgh Award scheme. Orienteering Sessions have been delivered to Year 5 and 6 pupils from Bollinbrook School and All Saints Primary (Leek).

One of our School Governors, Prof Neil Hanley, who is Professor of Medicine at the University of Manchester, delivered Saturday morning workshops to 12 aspiring medical students at King's as well as local schools Tytherington and Fallibroome Academy. The sessions are designed to prepare Sixth Form students for the challenging UCAS process, online tests and university interviews.

Since moving to our new campus, we have operated a Lions Summer Camps for children aged 8 to 14 years old, for 7 weeks of the summer holidays. These are open to all children in the area. Over the last two summers, more than 2,000 sessions have been attended.

In April 2023, we hosted the 'Cheshire Hike 2023' on behalf of Cheshire Scouts, which is a two-day hike activity for Scouts and Guides aged 10 - 17. Over 1,000 children attended.

Community service

300 pupils participated in Bronze, Silver and Gold Duke of Edinburgh awards. This represents around 8,000 hours of volunteering, 8,000 hours of new skill acquisition, 12,000 hours of physical activity, and 600 nights spent under canvas. Volunteering is an essential part of a DofE award programme and it has a huge impact on young people as well as those charities and groups benefitting from their time and energy.

28 Sixth Form pupils participated in the Community Sports Leaders Award Scheme, acting as coaches for local schools who visit King's. The Award allows Sixth Form students to develop important leadership and life skills such as effective communication, organisation, teamworking whilst learning to run activities for younger people. Local Schools attending this year include Bollinbrook Primary, Park Lane School, Mottram St Andrew, Park Royal Community Primary and Prestbury Primary.

Teacher Training

King's is heavily involved with a programme of support for Early Career Teachers (ECTs). We work alongside IsTip (Independent Schools Teacher Induction Panel) to ensure high-quality mentoring of new teachers during their first year in the profession. Over the last five years, we have supported 10 ECTs via a three-day ECT induction course, weekly meetings with trained Mentors, twilight sessions and partnering with experienced staff. We are the IsTip Regional Training Centre for the North West and, in the last five years, more than 100 new teachers have attended our IsTip Regional ECT Conferences offering workshops, speakers and in-house presentations.

Sport

King's sports facilities are let to community groups on 7 days a week on weekday evenings and both Saturday and Sunday. Our Sports Centre and external facilities benefit a wide range of sports clubs that require high-quality, local provision. Around 60 sports clubs and 1,000 community members regularly use our facilities including: Cheshire Cricket, Cheshire Netball, Over Peover Cricket Club, Buxton Hockey Club, Cheshire Water Polo Association, Wilmslow Basketball Club, Manchester Thunder Netball, Satellites Swimming Club, Macclesfield Hockey Club, and many, many more.

Cricket sessions have been delivered to pupils from local schools including Broken Cross Primary, Park Royal and Park Lane Special School. Swimming sessions have also been popular, using our pool when it is not in use by our own pupils during the summer term and holiday period. Park Lane Special School and Park Royal Community Primary use our swimming pool each week during the Summer term, with around 60 children attending over 13 swim sessions.

King's hosted a significant number of major sporting tournaments, competitions and festivals, across a wide range of sports. The Myles Marshall Rugby Sevens Festival saw 64 teams participate, with around 700 children aged 11 – 15. The U18s Senior Rugby Festival is hosted annually in early September and around 450 players from all over the country participated. Macclesfield Primary Schools Netball Tournament is hosted annually and around 150 pupils attended. For the second year, King's hosted the Macclesfield Primary Schools Cricket Competition, attended by around 50 pupils. We hosted the National Trampoline Championships, which was attended by around 200 participants from around the UK.

12 King's staff act as coaches or professional helpers at local sports clubs. These include Cheshire Athletics Association, Prestbury Squash Club, Macclesfield Rugby Club, Macclesfield Cricket Club, Alderley Edge Hockey Club, Macclesfield Netball Club, Prestbury Tennis Club and the East Midland Orienteering Squad.

Supporting Creative & Performing Arts

The Northern Chamber Orchestra (NCO) held 10 concerts at King's that regularly attract audiences of up to 400 people.

Throughout the year, King's musicians provide regular lunchtime recitals at St Michael's Church in the centre of Macclesfield. Known as 'Music at Mikes', this series of fundraising concerts is open to the public and generates funds for the East Cheshire Hospice.

Overall, Senior pupils hosted 15 public concerts locally and nationally, including a fundraising concert for The Priory Church in Cartmel and a concert at Chester Cathedral. In addition, our Infant & Junior Division pupils put on seven public concerts and participated in the Alderley Edge Music Festival. All pupils have the opportunity to take part in Drama productions, which are open to the public. In February 2023, the Senior Division performed the Dickensian play 'Bleak Expectations'. Our Infant & Junior Division put on four dramatic performances including a Year 4 performance, a Year 6 musical 'Charlie & The Chocolate Factory', a Christmas nativity and a Summer play. In addition, services and celebrations take place at harvest and Easter.

In October 2022, around 100 pupils in Years 3 to 6 from Broken Cross Primary, Wilmslow Prep, Whirley Primary, Park Royal and Upton Priory spent an art and history enrichment day at King's. The special day dedicated to the wonders of Ancient Egypt saw a range of experts from Macclesfield Museum talk to the children about social conditions in ancient Egypt along with the culture, customs and art. Pupils handled artefacts from Ancient Egypt, along with a cornucopia of wildlife from those exotic climbs, including snakes, lizards and owls. Pupils then used their new knowledge as the inspiration for their own artwork for an art competition, with the winning entries put on display in Macclesfield Library.

Supporting Languages

Six Sixth Form linguists led language/cultural workshops at Park Royal Community Primary School as part of their Languages Day, using the World Cup as a focus for inspiration. The students prepared presentations with a range of activities, both linguistic and cultural.

Science

Each year, we provide Science Workshops for local primary schools. They are run by our Science teachers and our A-Level students. We ran 23 workshops for 10 schools: Marton & District Primary School, Bollinbrook School, Altrincham Prep School, Marlborough Primary, Rainow School, Yorston Lodge, Prestbury Primary, All Saints (Leek), Park Royal Community Primary and Broken Cross Primary. In total, around 960 local primary school children experienced workshops delivered by King's A-Level science students.

Environmental Impact

Sustainability

Since moving to our new campus in September 2020, we have planted more than 1,800 new trees including establishing a large 'heritage variety' orchard. The orchard is also the location of our apiary, which has eight beehives. The hives are used as a teaching resource, with our younger pupils studying the importance of bees and their role in pollination and biodiversity. We also planted 600 square metres of spring bulbs on our campus, which will flower each year and help pollinators including bees and insects.

Part of the site drainage system behind the Sports Centre is now a wetland wildlife area and biodiversity teaching area. Pupils have installed plants that naturally filter the water and it is known that frogs and newts have already colonised this area. An elderflower hedgerow has been planted and fruiting greengage, damson, apple and pear trees have been added.

Swift, bat and owl boxes have been installed around the new campus to support wildlife. In October 2022, a pupil survey of birds on the site logged 32 different bird species sighted, including Tree Creeper, Song Thrush, Swift and House Martin (both Red List species), Swallow, Greater Spotted Woodpecker, Hobby, Kestrel, Willow Warbler (an Amber List species) and Wren. Red is the highest conservation priority in the UK, with species on this list in critical decline and needing urgent action.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Academic

The School's academic results in August 2023 continued the school's long-standing reputation as one of the best independent schools in Cheshire and in the UK.

King's A Level and GCSE students celebrated outstanding results this summer, bucking the national trend. Despite a nationwide downturn in overall grades, King's GCSE results were up on the previous year and the best since 2014. King's pupils achieved 43% of all grades at 9/8 (A*) and 65% of grades at 9-7 (A*-A). 82% of all grades were 9-6 (A*-B).

At A Level, which marks the culmination of students' journey, results were equally impressive despite the national downturn. Nearly half of all grades were A* or A, seven students achieved three A*s and an impressive 80% of grades were A* - B. In the Extended Project Qualification, which is highly valued by universities, 53% of all grades are A*/A, reflecting students' hard work.

71% achieved their first choice of university and 56% of students are joining Russell Group universities, including two joining Oxford and Cambridge.

Wellbeing Award

King's has been shortlisted in the Education Awards 2023, in the 'Wellbeing Award' category. The nomination is for our 'King's Compass' programme, which is our commitment to outdoor learning, personal development and wellbeing.

Extra-curricular activities

About half of all pupils learn at least one musical instrument. Many of the ensembles, groups and choirs were able to operate despite the restrictions this year.

Pupils continued to participate in winter and summer sports, enjoying a wide range of options. Football, hockey, netball, athletics, rugby, rounders, tennis, trampolining and cricket teams are fielded for most age groups and the results reflect the hard work and enthusiasm of the pupils and staff. The School offers pupils the opportunity to participate in chess, equestrian squad, golf, cheerleading, taekwondo, kayaking, caving, coasteering, climbing, sailing, skiing, squash and yachting.

FINANCIAL REVIEW

Results for the year

The general fee increase during the year and an increase of 23 pupils in the school and ensured total incoming resources increased to £17.2 million (2022: £15.8 million before the major legacy worth £1.2 million recognised in the year).

Total resources expended were £16.8 million (2022: £15.3 million).

Net incoming resources from operations were £400,000 (2022: £500,000 excluding the major legacy).

Net assets increased to £48.3 million (2022: £47.9 million).

Investment performance against objectives

The Charity's investment performance for the restricted and endowment funds continue to be monitored against the FTSE All Share Total Return Index. The Index achieved a total return of +5.2% over the year. The COIF Income Fund that is invested more internationally provided a total return of 1.0% whilst the UK focussed M & G Charifund was up +0.6%. The Charity with its holdings predominately in the COIF Income Fund achieved an overall investment return of +0.9% against the Index return of +5.2%.

Free reserves policy and financial viability

The Governors consider that the target for free reserves should be three months' operating costs (excluding depreciation) of approximately £3.5 million. This is a medium-term objective that will be achievable, subject to further cash requirements for further capital expenditure.

The calculation of free reserves at 31 July 2023 below has been impacted by the decision to make a £5.0 million early repayment of the long term bank facilities from the School's cash balances as the school was paying substantially more on its long term debt interest costs than it was receiving from interest on its deposits. If the School had only paid the contracted £800,000 of debt repayments in the year, the free reserves would have been £2.95 million.

It is expected that surpluses from operations over the coming years will see the free reserves increase to meet the medium-term objective above.

	£'000	£'000
Unrestricted funds at year end		47,320
Less fixed assets per accounts	(60,773)	
Add back		
Long term Bank borrowings to fund the new campus	11,400	
		(49,373)
Free reserves at year end		(2,053)

GOVERNORS REPORT

FUTURE PLANS

In 2022, the Governing Body published the five-year Strategic Plan to 2027. The strategic intent to make a difference to each and every pupil in the school. This is supported by six strategic priorities to create a holistic approach to education that is true to our ethos, values and aims:

1. Academic aspiration supported by strong levels of teaching and learning
2. Emphasis on holistic education and skills development
3. Strong pastoral care
4. Prominent and appreciated position within the local community
5. Stability (financial and otherwise)
6. Making the most of the new campus and developing the physical environment.

Through this process, the School has identified projects that are aligned with these strategic priorities and will come forwards as capital is provided to fund them whilst maintaining the school's financial stability.

During the year, the Governing Body prioritised the refinancing of the School's existing long term debt facility that was due to expire in 2026. The Governing Body agreed, in principle, to the new long term facilities totalling £15 million with NatWest Bank in June 2023 and the documentation was completed and the agreement signed on 28 November 2023.

With this work complete, the School continues to seek a cost-effective construction partner to build the new sports pavilion as part of the Strategic Plan.

The School has appointed advisers to provide assistance in considering how to mitigate the financial risk of the proposed increase in employers' contribution rate to the Teachers' Pension Scheme from the current employers' rate of 23.68% of pensionable pay to 28.68% effective from April 2024.

Subsequent events

As set out in the notes, the School entered into a 15 year Term Facility of £10.0 million with NatWest Bank plc (the "Bank") on 28 November 2023 and used the funds to repay the £9.8 million outstanding to AIB under the previous facility agreement. The Term Facility is secured against the freehold sites for main school campus. At the same time, the School entered in to a 5 year Revolving Credit Facility ("RCF") with the Bank for £5.0 million. The funds under the RCF will be drawn down as the school requires them for further construction projects and working capital requirements. Any balance remaining on the RCF at the end of its 5 year term will be added to the Term Facility.

Statement of disclosure to auditors

On behalf of the Governing Body, the Audit Committee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

On behalf of the Board of Governors

Mr A T Higginson

Chair of the Governing Body

Dated: 2 February 2024

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

STATEMENT OF GOVERNORS' RESPONSIBILITY

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

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

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

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

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS

Opinion

We have audited the financial statements of The Foundation of Sir John Percyvale in Macclesfield of 1502, Re-founded by King Edward VI in 1552 known as The King's School in Macclesfield (the "charity"), and its subsidiary (together, the "group") for the year ended 31 July 2023, which comprise the Consolidated Statement of Financial Activities, the Consolidated and School Balance Sheets, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS

Matters on which we are required to report by exception

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

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

Responsibilities of the governors

As explained more fully in the statement of governors' responsibilities set out on page 12, the governors 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 group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

We obtained an understanding of the legal and regulatory frameworks within which the 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, and taxation legislation together with the Charities SORP (FRS 102). 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 charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment legislation and Health & Safety.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors and other management and inspection of regulatory and legal correspondence, if any.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management 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 Charity Commission, Independent Schools Inspectorate, reading minutes of meetings of those charged with governance, verifying the causes for year-on-year movements in the various income streams, inspecting the supporting documentation for a sample of voluntary income to ensure that this is recognised in line with the terms or restrictions applied to donations, and ensuring that a full year has been recognised for each income stream by vouching either the total income or a sample of transactions to supporting documentation.

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 Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's governors as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

15th march 2024

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Consolidated Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2023

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:						
Donations and legacies	2	81	39	-	120	1,297
Investment income	2	205	31	-	236	42
Activities for generating funds - Kings's School Macclesfield	4	241	-	-	241	-
Charitable activities:						
School fees	3	16,083	-	-	16,083	15,010
Ancillary trading income	5	530	-	-	530	502
Other incoming resources	6	1	14	-	15	214
Total incoming resources		17,141	84	-	17,225	17,065
Expenditure on:						
Raising funds						
King's School Macclesfield	4	-	-	-	-	-
Costs of fundraising	7	6	-	-	6	4
Ancillary trading costs	7	779	-	-	779	763
Financing costs	7	1,258	-	-	1,258	601
		2,043	-	-	2,043	1,368
Charitable activities						
Education and grant making		14,692	56	-	14,748	13,957
Total resources expended		16,735	56	-	16,791	15,325
Net incoming resources from operations before transfers and investment gains		406	28	-	434	1,740
Gains/(Loss) on investment assets		-	(11)	(10)	(21)	(12)
Gain on disposal of land and buildings		-	-	-	-	-
Transfer between funds		14	(14)	-	-	-
Net movement in funds		420	3	(10)	413	1,728
Fund balances at 1 August 2022		46,901	549	513	47,963	46,235
Fund balances at 31 July 2023		47,321	552	503	48,376	47,963

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

CONSOLIDATED AND SCHOOL BALANCE SHEET

AS AT 31 JULY 2023

		Consolidated				School			
		2023		2022		2023		2022	
	Notes	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets									
Tangible assets	11		60,773		62,108		60,773		62,108
Investments	12		710		746		720		746
			61,483		62,854		61,493		62,854
Current assets									
Assets held for resale		786		-		786		-	
Debtors	13	180		1,640		169		1,640	
Cash at bank and in hand		6,503		7,677		6,478		7,677	
		7,469		9,317		7,433		9,317	
Creditors: amounts falling due within one year:	14	(8,637)		(7,732)		(8,647)		(7,732)	
Net current (liabilities)/assets			(1,168)		1,585		(1,214)		1,585
Total assets less current liabilities			60,315		64,439		60,279		64,439
Creditors: amounts falling due after more than one year	15		(11,940)		(16,476)		(11,940)		(16,476)
Net assets			48,375		47,963		48,339		47,963
Endowment funds	19		503		513		503		513
Restricted funds	20		552		549		552		549
Unrestricted funds	21		47,320		46,901		47,284		46,901
			48,375		47,963		48,339		47,963

The accounts were approved and authorised for issue by the Board on 1 December 2023

Mr A T Higginson
Governor
2 February 2024

Ms J White
Governor
2 February 2024

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Net cash (outflow)/inflow from operating activities	(i)		**5,929**		(70)
Cash flows from investing activities					
Financing costs		**(1,258)**		(601)	
Investment income		**31**		26	
Interest received		**205**		16	
Net proceeds from sale of fixed assets		**-**		-	
Net proceeds from sale of investment		**15**		-	
Payments to acquire tangible fixed assets		**(321)**		(248)	
Net cash from/(used) in investing activities			**(1,328)**		(807)
Cash flows from financing activities					
Loan repayments		**(5,800)**		(800)	
Net cash (used in)/from financing activities			**(5,800)**		(800)
Change in cash and cash equivalents in the year			**(1,199)**		(1,677)
Cash and cash equivalents at the beginning of the year			**7,677**		9,354
Cash and cash equivalents at the end of the year	(ii)		**6,478**		7,677

(i) Reconciliation of net income to cash flow from operating activities

	2023 £'000	2022 £'000
Net incoming resources	**398**	1,740
Investment income	**(31)**	(26)
Financing costs	**1,258**	601
Interest received	**(206)**	(16)
Depreciation of tangible fixed assets	**1,656**	1,658
Decrease/(increase) in debtors	**684**	(957)
(Decrease)/increase in creditors	**2,170**	(3,070)
Net cash (outflow)/inflow from operations	**5,929**	(70)

(ii) Analysis of cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank	**6,478**	7,677

(iii) Reconciliation of net debt

	1 August 2022 £'000	Cashflow £'000	**31 July 2023 £'000**
Cash in hand and at bank	7,677	(1,199)	**6,478**
Bank loan due in less than one year	(800)	-	**(800)**
Bank loan due in greater than one year	(16,400)	5,800	**(10,600)**
	(9,523)	4,601	**(4,922)**

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

The School is a Public Benefit Entity registered as a charity in England and Wales and a Royal Charter Company. It was incorporated on 25 April 1552 (company number: RC 000830) and re-registered as a charity on 30 July 2010 (charity number: 1137204).

The School continues to attract pupils and is full in many year groups. Strong pupil numbers is enabling the School to generate operational cash surpluses sufficient to cover debt service costs and to build up reserves for future investment. The Governors therefore are confident that the School has sufficient resources to continue on a going concern basis.

1.2 Basis of Consolidation

The group financial statements consolidate the financial statements of the School and its subsidiary undertaking King's School Macclesfield Limited (company number: 13947262). All inter group transactions and profits are eliminated fully on consolidation.

The School has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only cash flow statement with the consolidated financial statements.

1.3 Incoming resources

Fee income, school shop income and dining hall income is recognised in the Statement of Financial Activities on the accruals basis. Fees received in advance of education to be provided in future years are held until either taken to income in the term when used or else refunded.

Donations received for the general purposes of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Governors. Donations and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income is credited to the Statement of Financial Activities on a receivable basis.

The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

1.4 Resources expended

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The cost headings comprise expenditure, including staff costs and depreciation, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a fair and reasonable basis.

Support costs comprise all services including an appropriate proportion of general overheads specifically identified as wholly or mainly incurred in support of the direct charitable expenditure. The irrecoverable VAT element is included with the item of expense to which it relates.

1 **Accounting policies (continued)**

1.5 **Tangible fixed assets and depreciation**

Tangible assets are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation.

Individual purchase of fixed assets costing less than £1,000 are not capitalised but charged as expenditure in the year.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Buildings	over 20 or 50 years on a straight line basis.
Fixtures, fittings, plant & equipment	over 3 to 5 years on a straight line basis.
Computers	over 3 years on a straight-line basis.
Motor vehicles	over 5 years on a straight line basis.

1.6 **Investments**

Investments are stated at market value less any provision for permanent diminution in value. Market value is taken to be the middle market price ruling at the balance sheet date.

Gains and losses on investment assets realised and unrealised are taken to the Statement of Financial Activities.

1.7 **Stock**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a "first in, first out" basis. Net realisable value is determined on the basis of estimated value or expected selling price less further costs to be incurred to disposal.

1.8 **Pensions**

The School participates in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff at rates set by the scheme actuary and advised to the Board by the Scheme Administrator. The pension liability is the responsibility of the Scheme. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

1.9 **Accumulated funds**

General funds are available for use at the discretion of the Governing Body in furtherance of the general objectives of the School.

Endowment funds are capital funds where there is no power to convert the capital into income and which therefore represent the permanent capital of the School. Changes in the market values of the investments and other assets held within these funds are debited or credited to the capital of those funds and the movements, purposes and uses of these funds are set out in the notes to the accounts. Where applicable the income arising from these endowment funds has been included in general funds or restricted funds as appropriate.

Restricted funds are funds subject to specific restrictive conditions imposed by the donors or by the purpose of the appeal. These restricted funds also include the Income Funds of the various permanent endowments where the income is earmarked for specific purposes. The purpose and use of the restricted funds is set out in the notes to the accounts.

All income and expenditure is shown in the Statement of Financial Activities.

1 **Accounting policies (continued)**

1.10 **Operating Leases**

Rentals applicable to operating leases where substantially all of the risks and rewards of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line over the term of the lease.

1.11 **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities, unless they are included in a hedging arrangement.

1.12 **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. **Investment and endowment income**

	Unrestricted funds £'000	**Restricted funds £'000**	**Total 2023 £'000**	Total 2022 £'000
Donations and legacies	**81**	**39**	**120**	1,297
Income shares in COIF	**-**	**27**	**27**	26
Interest receivable	**205**	**4**	**209**	16
	286	**70**	**356**	1,339

In 2022, the School was left a total of £1,222,884 net of related fees in a generous bequest.

3. **Charitable activities – fees receivable**

	Total 2023 £'000	Total 2022 £'000
School fees		
The school's fee income comprised:		
Gross fees	**17,775**	16,579
Less: Total bursaries, grants and allowances	**(1,742)**	(1,609)
	16,033	14,970
Add:		
Bursaries and scholarships paid for by Restricted Funds	**50**	40
School fees	**16,083**	15,010
Bursaries and scholarships paid for by Restricted Fund:		
Governors' bursaries and scholarships	**50**	40
	50	40

During the year 61 pupils benefited from bursary support totalling £640,274 (2022: 61 pupils received £595,044). Of this amount £21,600 was provided by restricted and permanent capital funds (2022: £18,600). 26 of these pupils also receive scholarship support (2022: 29). In addition, Governors' scholarships (not means tested) and music scholarships were given to 129 and 40 pupils, at a cost of £184,543 and £39,788 respectively (2022: 130 and 41 pupils at a cost of £176,867 and £37,761).

Total bursaries, grants and allowances includes £nil (2022: £2,108) of rebates given as a result of Covid-19.

4. Income from Subsidiary Trading Activities

The School has a 100% interest in its trading subsidiary King's School Macclesfield Limited. King's School Macclesfield Limited's principal activity continues to be that of promoting commercial activities which use the School's assets to generate income from lettings and other activities. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2023 £'000	2022 £'000
Turnover	241	-
Cost of sales	(120)	-
Gross profit/(loss)	121	-
Administration expenses	(85)	-
Operating profit/(loss	**36**	-
Interest receivable	-	-
Profit/(loss) for the year	**36**	-
Gift aid payment to The King's School Macclesfield	-	-
Shareholders' Funds	**46**	10

5. Ancillary trading income

	2023 £'000	2022 £'000
Dining Hall	**530**	502
	530	502

6. Other incoming resources

	Unrestricted funds £'000	**Restricted funds £'000**	**Total 2023 £'000**	Total 2022 £'000
Fundraising events	-	**14**	**14**	25
Lettings income	**1**	-	**1**	189
	1	**14**	**15**	214

7 Analysis of expenditure

	Staff costs £'000	Depreciation £'000	Other costs £'000	Grant funding £'000	Total 2023 £'000	Total 2022 £'000
Costs of generating funds						
Fundraising	-	-	**6**	-	**6**	4
Ancillary trading costs	-	-	**779**	-	**779**	763
Financing costs	-	-	**1258**	-	**1258**	601
Total cost of generating funds	-	-	**2,043**	-	**2,043**	1,368
Charitable expenditure Education and grant making						
Teaching	**8,144**	**1,633**	**1,137**	**51**	**10,965**	10,635
Welfare	**47**	-	**202**	-	**249**	252
Premises	**713**	-	**1,396**	-	**2,109**	1,844
Support costs (note a)	**1,043**	**23**	**359**	-	**1,425**	1,226
Total charitable expenditure	**9,947**	**1,656**	**3,094**	**51**	**14,748**	13,957
Total expended	**9,947**	**1,656**	**5,137**	**51**	**16,791**	15,325

Included within finance costs is £987,570 (2022: £530,872) of interest on bank loans and overdrafts, and £nil (2022: £(7,402)) interest on retention.

During the year, the provision against doubtful fee debtors was decreased by £45,758 (2022: £10,685).

a) Governance costs included in support costs

	2023 £'000	2022 £'000
Accountancy charges	**31**	22
Other governance costs	**77**	40
	108	62

Governance costs includes payments to the auditors of £30,680 (2022: £22,350) for audit fees.

8. **Governors**

Ten Governors (2022: nine) who held office for at least part of the year had children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

None of the Governors (or any persons connected with them) received any remuneration or other benefits from the School or from any connected body during this year or the previous year, except as set out in note 23: Related parties. No governors were reimbursed expenses during this year (2022: none).

9. **Staff costs**

The average number of employees during the year	**Number 2023**	Number 2022
Teaching	**112**	114
Welfare	**2**	2
Premises	**34**	32
Support	**104**	100
	252	248

The full time equivalent number of employees during the year was 209 (2022: 202).

The school shop and catering operation of the school are outsourced.

The aggregate payroll costs for the year were as follows:	**2023 £'000**	2022 £'000
Wages and salaries	**8,137**	7,265
Social security costs	**708**	705
Other pension costs	**1,346**	1,264
Apprenticeship Levy	**23**	20
	10,214	9,254

	2023 £'000	**2022** £'000
Aggregate employee benefits of key management personnel	**1,015**	**965**

10. Staff costs (continued)

Number of higher paid employees in bands of:	**2023**	2022
£60,001 to £70,000	**2**	3
£70,001 to £80,000	**2**	2
£80,001 to £90,000	**1**	-
£90,001 to £100,000	**1**	-
£100,001 to £110,000	**-**	1
£160,001 to £170,000	**-**	1
£170,001 to £180,000	**1**	-

Of the employees whose emoluments exceed £60,000, 6 (2022:6) have retirement benefits accruing under defined benefit pension schemes and 1 (2022: 1) has benefits accruing under defined contribution schemes for which the contributions amounted to £40,978 (2022: £38,328).

During the year there were redundancy or termination payments which amounted to £nil (2022: £nil).

11. Tangible Fixed Assets – Consolidated and School

	Land & Buildings £'000	**Fixtures, fittings, plant & equipment £'000**	**Computers £'000**	**Motor vehicles £'000**	**Total £'000**
Cost (or deemed cost)					
At 1 August 2022	64,016	1,265	759	411	66,451
Additions	197	58	31	35	321
Disposals	-	(77)	(74)	(7)	(157)
At 31 July 2023	**64,213**	**1,247**	**716**	**439**	**66,615**
Depreciation					
At 1 August 2022	2,750	735	502	356	4,343
On disposals	-	(77)	(74)	(7)	(157)
Charge for the year	1,296	179	159	23	1,656
At 31 July 2023	**4,046**	**837**	**587**	**373**	**5,843**
Net book value					
At 31 July 2023	**60,167**	**410**	**130**	**66**	**60,773**
At 31 July 2022	61,266	530	257	55	62,108

The land and buildings were held at a valuation until transition to FRS102 when the value of the land and buildings was taken as deemed cost.

12. **Fixed asset investment**

Cost or valuation:	Consolidated £'000	School £'000
Market value at 1 August 2022	**746**	**746**
Additions		**10**
Disposals	**(15)**	**(15)**
Change in value in the year	**(21)**	**(21)**
Market value at 31 July 2023	**710**	**720**
The investment assets held at the end of the year are:	**£'000**	**£'000**
Income shares in COIF	**504**	**504**
Charifund Units	**205**	**205**
Trading subsidiary	**-**	**10**
Ground Rents	**1**	**1**
	710	**720**
	£'000	**£'000**
Historical cost:		
At 31 July 2023	**100**	**110**
At 31 July 2022	115	115

The above historical cost value is made up of £1,000 of unrestricted fund investments, £75,000 of restricted fund investments, £24,000 of endowment fund investments and £10,000 in shares in the trading company.

On 1 March 2022, a new subsidiary, King's School Macclesfield Limited, was incorporated. During the year ended 31 July 2023, trading was undertaken by this subsidiary.

13. **Debtors**

	Consolidated		School	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Fees	**68**	94	**68**	94
Other debtors	**102**	1,264	**91**	1,264
Prepayments and accrued income	**10**	282	**10**	282
	180	1,640	**169**	1,640

All debtors are due within one year.

Within fee debtors are gross fees in respect of Summer 2023 and earlier terms of £110,530 (2022: £171,022). A provision of £42,269 (2022: £77,750) against this amount has been provided for in respect of doubtful debts.

At the year end, the accrued AIB bank financing costs of £267,720 were expensed as the School repaid the AIB facility on 28 November 2023 and refinanced with Natwest bank as set out in note 15.

14. **Creditors: amounts falling due within one year:**

	Consolidated		School	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Bank loan	**800**	800	**800**	800
Trade creditors	**299**	528	**299**	528
Intercompany creditors	**-**	-	**10**	-
Taxes and social security costs	**196**	179	**196**	179
Other creditors	**895**	754	**895**	754
Accruals	**862**	809	**862**	809
Deferred income	**5,585**	4,662	**5,585**	4,662
	8,637	7,732	**8,647**	7,732

15. **Creditors: amounts falling due after more than one year**

	Consolidated		School	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000
Bank loan	**10,600**	16,400	**10,600**	16,400
Other creditors	**-**	-	**-**	-
Deferred income	**1,340**	76	**1,340**	76
	11,940	16,476	**11,940**	16,476

During the year, the School repaid £800,000 of contracted repayments and an additional £5 million repayments under the facility agreement with AIB Group (UK) Limited (AIB) that expires in August 2026 using the school's existing cash resources. At the year end, the School had £11.40 million (2022: £17.20 million) of long-term debt outstanding.

Since the year end, the School has repaid a further £1.60 million to AIB reducing the balance outstanding to £9.8 million. On 28 November 2023, the School entered into a 15 year Term Facility of £10 million with NatWest Bank plc (the "Bank") to repay the AIB facility in full. The security that AIB held over certain land and buildings was transferred to the Bank. At the same time, the School entered into a 5 year Revolving Credit Facility ("RCF") for £5 million with the Bank. The funds will be drawn down as the school requires them for future construction projects and working capital requirements. Any balance remaining on the RCF at the end of 5 years will be added to the Term Facility.

	2023 £'000	2022 £'000
Loan maturity analysis		
Debt due in one year or less	**800**	800
In more than one year but not more than two years	**800**	800
In more than two years but not more than five years	**9,800**	15,600
In more than five years	**-**	-
	11,400	17,200
Included in liabilities falling due within one year	**(800)**	(800)
	10,600	16,400

16. **Fees received in advance - School**

	2023	2022
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	**5,585**	4,662
Creditors due after more than one year	**1,340**	76
	6,925	4,738
Total deferred income at 1 August 2022	**4,738**	4,327
Amounts received in year	**6,925**	4,738
Amounts credited to statement of financial activities	**(4,738)**	(4,327)
Total deferred income at 31 July 2023	**6,925**	4,738

Parents may enter into an agreement to pay the school up to the equivalent of two year's tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2023	2022
	£'000	£'000
Within one year	**5,585**	4,662
Within one to five years	**1,340**	76
	6,925	4,738

17. **Financial instruments – Consolidated**

	2023	2022
	£'000	£'000
Financial assets measured at amortised cost (a)	**6,662**	9,034
Financial assets measured at fair value (b)	**720**	746
Financial liabilities measured at amortised cost (c)	**1,194**	1,281
Net financial (liabilities)/assets measured at amortised cost	**5,468**	7,753

(a) Financial assets include cash, trade and fee debtors, other debtors and accrued income
(b) Financial assets held at fair value include assets held as investments
(c) Financial liabilities include deposits, trade creditors, and other creditors

18. **Pension and other post-retirement benefit commitments**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,190,112 (2022: £1,121,229) and at the year-end £nil (2022 - £ nil) was accrued in respect of contributions to this scheme.

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

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

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

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

The school also contributes to individual personal pension schemes at rates of between 4% and 14.1% of pensionable pay. These are defined contribution schemes. The cost for the year represents the school's contributions to these schemes of £155,230 (2022: £143,040). At the year-end £nil was accrued in respect of these schemes.

19. **Endowment funds – Consolidated and School**

On 6th April 2009, the Charity Commission for England & Wales granted a scheme ('the scheme') to effect a uniting direction of the subsidiary charities and to create two new subsidiary charities to be known as The King's School in Macclesfield Horsfield Bursary Fund ('Horsfield Bursary Fund') and the King's School in Macclesfield Brocklehurst Scholarship Fund ('Brocklehurst Scholarship Fund'). The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

		Movement in funds			
	Balance at 1 August 2022 £'000	**Incoming resources £'000**	**Resources expended £'000**	**Investments gains/losses £'000**	**Balance at 31 July 2023 £'000**
Permanent endowments					
Horsfield Bursary Fund	400	-	-	(8)	**392**
Brocklehurst Scholarship Fund	113	-	-	(2)	**111**
	513	**-**	**-**	**(10)**	**503**

20. **Restricted funds – Consolidated and School**

The restricted funds of the school comprise the following unexpended income derived from the permanent endowed assets of the school held on trusts to be applied for specific purposes. On 1st April 2011 the associated charity known as The King's School Development Trust was brought into the restricted funds of the school following a merger of the two charities. During the year, the Governors reviewed the level of unexpended income held and approved the expenditure of part of this amount by donating £51,000 (2022: £67,000) to the main School charity to provide bursaries, scholarships and prizes to pupils at the School. At the year end, unexpended income was £552,000 (2022: £549,000).

		Movement in funds				
	Balance at 1 August 2022	Incoming resources	Resources expended	Investments gains/losses	Transfers	Balance at 31 July 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Horsfield Bursary Fund	1	11	(11)	-	(1)	-
Brocklehurst Scholarship & Other Prize Funds	20	5	(3)	-	-	22
Quincentenary Bursary Fund	326	58	(28)	(1)	(13)	342
Bursary & Scholarship Fund	202	10	(14)	(10)	-	188
	549	84	(56)	(11)	(14)	552

21. **Unrestricted funds**

	Balance at 1 August 2022	Incoming resources	Resources expended	Gain on sale of assets	Transfers	Balance at 31 July 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds – school	46,901	16,900	(16,531)	-	14	47,284
Unrestricted funds – trading company	-	241	(205)	-	-	36
Consolidated unrestricted funds	46,901	17,141	(16,736)	-	14	47,320

22. **Analysis of net assets between funds - Consolidated**

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2023
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2023 are represented by:				
Tangible fixed assets	**60,773**	**-**	**-**	**60,773**
Investments	**1**	**205**	**504**	**710**
Current assets	**7,123**	**347**	**-**	**7,470**
Creditors: amounts falling due within one year	**(9,901)**	**-**	**-**	**(9,901)**
Creditors: amounts falling due after one year	**(10,676)**	**-**	**-**	**(10,676)**
	47,320	**552**	**504**	**48,375**

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2022
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2022 are represented by:				
Tangible fixed assets	62,108	-	-	62,108
Investments	2	231	513	746
Current assets	8,999	318	-	9,317
Creditors: amounts falling due within one year	(7,732)	-	-	(7,732)
Creditors: amounts falling due after more than one year	(16,476)	-	-	(16,476)
	46,901	549	513	47,963

23. **Capital commitments – Consolidated and School**

At 31 July 2023 the School had no capital commitments (2022: £nil).

24. **Operating lease commitments – Consolidated and School**

The School had operating lease commitments at the year end

Operating leases which expire:	2023 £'000	2022 £'000
Within one year	8	-
Within two to five years	32	-
More than five years	4	-
	44	-

25. **Related parties**

On 7 December 2018, Mr J Hinds was elected as a Governor. Mr Hinds is a regional director in the Manchester office of Savills plc. Savills plc are one of the advisors appointed by the School to assist on the 2020 project. This appointment took place before Mr Hinds joined the Governing Body. During the year the School has paid Savills plc a total of £12,600 (2022: £42,959) (inc VAT) in respect of its services to the School. There were no other related party transactions.

26. **Subsequent events**

As set out in note 15, the School entered into a 15 year Term Facility of £10.0 million with NatWest Bank plc (the "Bank") on 28 November 2023 and used the funds to repay the £9.8 million outstanding to AIB under the previous facility agreement. The Term Facility is secured against the freehold sites for main school campus. At the same time, the School entered in to a 5 year Revolving Credit Facility ("RCF") with the Bank for £5.0 million. The funds under the RCF will be drawn down as the school requires them for further construction projects and working capital requirements. Any balance remaining on the RCF at the end of its 5 year term will be added to the Term Facility.

27. **Statement of Financial Activities – Comparative figures by fund – type**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000
Income and endowments from:					
Donations and legacies		1,263	34	-	1,297
Investment income	2	16	26	-	42
Charitable activities:					
School fees	3	15,010	-	-	15,010
Ancillary trading income	5	502	-	-	502
Other incoming resources	6	189	25	-	214
Total incoming resources		16,980	85	-	17,065
Expenditure on:	7				
Raising funds					
Costs of fundraising		4	-	-	4
Ancillary trading costs		763	-	-	763
Financing costs		600	1	-	601
		1,367	1	-	1,368
Charitable activities					
Education and grant making		13,884	73	-	13,957
Total resources expended		15,251	74	-	15,325
Net incoming resources from operations before transfers and investment gains		1,729	11	-	1,740
Gains/(Losses) on investment assets		-	(6)	(6)	(12)
Gain on disposal of land and buildings		-	-	-	-
Transfer between funds		-	-	-	-
Net movement in funds		1,729	5	(6)	1,728
Fund balances at 1 August 2021		45,172	544	519	46,235
Fund balances at 31 July 2022		46,901	549	513	47,963

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESLFIELD OF 1502, RE-FOUNDED BY KING ED

England & Wales - Charity number 1137204

Accounts

Charity Registration No. 1137204

Company Registration No. RC 000830 (England and Wales)

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552

KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2022

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD
LEGAL AND ADMINISTRATIVE INFORMATION

Chair of Governors	Mr A T Higginson BSC (Hons)
Head of Foundation	Mr J Slack BSc (Hons), MA (Ed)
Director of Finance	Mr J M Spencer Pickup BSc (Hons) ACA
Charity number	1137204
Company number	RC 000830
Auditors	Crowe U.K. LLP The Lexicon Mount Street Manchester M2 5NT
Bankers	Allied Irish Bank (GB) 1 Underbank London EC3A 8AB National Westminster Bank plc 2 Chestergate Macclesfield SK11 6BA
Solicitors	DAC Beachcroft LLP 3 Hardman Street Manchester M3 3HF

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

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THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS, OFFICERS AND ORGANISATION

The Governing Body comprises co-opted governors who are elected by the Governing Body following recommendations by the Nominations Committee of the Governing Body and governors appointed by outside bodies as indicated below. They have all served in office throughout the year and subsequently, except where indicated. They were the Trustees of the charity known as The King's School in Macclesfield during the year.

The Chair and Vice Chair are ex officio members of all the committees of the Governing Body. Dr John Kennerley stepped down from Chair to Vice Chair on 3 December 2021. Mr Higginson was elected Chair on 3 December 2021.

Co-opted Governors Term of office - five years, renewable for a maximum of two further terms of five years.

Dr J W Kennerley BPharm, MR PharmS, PhD	(retired 2 December 2022)
Mr J Sugden MA, CEng FI Mech, CEng	(retired 2 December 2022)
Mr S Barriskell BSc, MBA	Finance & General Purposes*, Remuneration, Audit
Mrs S Byrne BSc	External Relations (appointed 2 December 2022)
Prof N Hanley BSc, MB ChB, PhD, FRCP	Education, External Relations
Mrs V Davidson MBChB, MRCGP, DFSRH	Education (appointed 31 August 2022)
Ms L Grainger MA, FCPFA	Education, Nominations
Mr H Grant MA	Finance & General Purposes, Audit
Mr S Murrells	External Relations
Dr C Doherty B. Pharm, PhD, MBA	Education *, Nominations
Mr J Hinds BA MSc	Finance & General Purposes, Remuneration
Ms J White BSc	Education, Nominations
Mr C King MA PGCE	(retired 31 August 2022)
Mr J Watkins BA (Oxon)	External Relations, Finance & General Purposes
Nominated by the University of Manchester	
Mr I Bradley BSc	Education
Nominated by the Lord Lieutenant of Cheshire	
Mr A T Higginson BSc	Audit *, Remuneration*, Nominations*, External Relations,
Chair	Finance & General Purposes, Education
Nominated by the Lord Bishop of Chester	
Mr M Strutt BA	External Relations *, Finance & General Purposes
Nominated by the Cheshire East Council	
Cllr A Gregory	External Relations
Cllr D Edwards	(retired 31 March 2022)

* Chair of the Committee

All nominated governors have terms of five years (or such lesser period as the nominating body may declare at the time of nomination), renewable for a maximum of two further terms.

GOVERNORS REPORT

Officers

The principal officers of the School during the year were:

Mr J Slack - Head of Foundation

Mr J M Spencer Pickup BSc, ACA - Director of Finance & Clerk to the Governors

The day to day running of the Foundation is delegated to the key management personnel that comprises the Head of Foundation, Director of Finance, Deputy Head (Academic), Deputy Head (Operations), Director of External Relations, Principal of the Infant and Junior Division, Principal of Senior School, Principal of Sixth Form and Senior Teacher.

Organisation

In September 2020, the School completed its move to the new campus where it operates a co-educational day school for pupils aged 3 years to 18 years.

The registered office of the charity changed to The King's School in Macclesfield, Alderley Road, Prestbury, Macclesfield SK10 4SP.

GOVERNORS' REPORT

The Governors present their Annual Report for the year ended 31 July 2022 under the Charities Act 2011 together with the audited financial statements under the Companies Act 2006.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the School's governing document, the Companies Act 2006 and the Statement of Recommended Practice, Charities (FRS102).

Reference and administrative information

The Foundation was originally created under a body corporate by the Charter of King Edward VI in 1552. The Governors, officers and principal address of the Foundation are listed above.

Structure, governance and management

Governing document

The Charity is constituted as a Royal Charter Company called "The Foundation of Sir John Percyvale in Macclesfield of 1502, re-founded by King Edward VI in 1552" under the new supplemental charter that received Royal Assent on 11 February 2009 and is registered with the Charity Commission under Charity number 1137204.

Organisational management

The Governors are responsible for the overall management and control of the Charity and meet at least three times per year. The work of implementing the educational policies of the Charity is carried out by members of the **Education Committee**, who meet three times per year with the Senior Management Team. The **Finance & General Purposes Committee** is responsible for overseeing the day to day management of the Charity and monitoring strategic risks. It meets at least six times per year with the Head of Foundation, Director of Finance and Director of External Relations.

There are the following additional committees of the Governing Body that meet as required during the year. The committees have specific terms of reference and make appropriate recommendations to the Governing Body:

Nominations

Considers nominations to the Governing Body and oversees the induction and training of Governors.

External Relations

Oversees the External Relations function and monitors the School's public benefit and bursary policy.

Remuneration

Considers remuneration and annual pay awards for all staff.

Audit

Oversees the preparation and completion of the audited financial statements and annual report for approval by the Governing Body.

Recruitment and Governor Training

Governors are appointed at a meeting of the full Governing Body on the basis of nominations received from the Nominations sub-committee that vets applications to ensure they meet eligibility, competence, specialist skills and knowledge of the local community requirements for any vacant positions on the Governing Body.

New governors are inducted into the workings of the Charity, including Board policy and procedures by the Headmaster and Director of Finance. This induction is overseen by the Chair of Governors. The Director of Finance also arranges trustee-training workshops for governors covering specific issues.

Group Structures and Relationships

The Charity has one subsidiary trading company known as King's School Macclesfield Limited that was registered on 1 March 2022 with registration number 13947262. It was dormant during the year and commenced trading in the new financial year on 1 August 2022.

The King's School Macclesfield Development Trust is a subsidiary charity with number 504131 and its financial results are included in these accounts and the assets are shown within restricted funds.

The operation of the school shop and school catering are both outsourced.

Risk Management

The Governing Body is responsible for the management of the risks faced by the Charity. Detailed considerations of high level risks and their mitigations are delegated to the Finance & General Purposes Committee, the Head of Foundation and Director of Finance. The School's Senior Management Team and the Health & Safety Committee consider day to day risks and ways to mitigate them.

The key controls used by the Charity include:

- Formal agendas for all Committee and Governing Body activity;
- Detailed terms of reference for all Committees;
- Preparation and updating of the five year Development Plan, annual Budget and termly Management Accounts;
- Established organisational structure and lines of reporting through the Principals in each division;
- Formal written policies;
- Appropriate levels of insurance protection;
- Approved authorisation levels;
- Vetting procedures as required by child protection legislation, and
- Regular review of health and safety issues.

Through the risk management process overseen by the Governing Body, the Governors are satisfied that the major risks identified have been adequately mitigated, where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Major risks

The School updated its high level risk assessment in June 2022.

Key management personnel remuneration policy

The Charity has a Remuneration Committee, which meets annually. The Head of Foundation is in attendance for the meeting (leaving for the discussion regarding the Head's pay). No members of the key management personnel are members of the committee. The Head of Foundation makes recommendations for changes to salaries of key management personnel. This is to ensure such salaries reflect experience and delivery of individual targets.

The Remuneration Committee reviews all salary changes including those for the key management personnel against independent benchmarking surveys, where available. The Remuneration Committee then sets the pay for all staff.

Investment policy and objectives

The Board aims to maximise the total investment return within the objectives of maintaining income whilst preserving the real value of endowed investments.

The school's investments have continued to be managed in conformity with this policy and the Supplemental Charter.

OBJECTS

Charitable objects

The Charity's Objects, as set out in the Supplemental Charter dated 11 February 2009, are the advancement of education by way of maintaining a day school in Macclesfield. The Governors have powers to provide total or partial exemption from any fees payable to pupils who are in need of financial assistance. In addition, the Foundation has to maintain a number of restricted trust funds held for scholarships, bursaries, prizes and other educational purposes.

AIMS, OBJECTIVES AND ACTIVITIES

Ethos and values

The King's School in Macclesfield is proud of its history and ambitious for its future. Learning and personal development are at the heart of its community. The School seeks to equip young people with the character and skills necessary to meet the challenges of a changing world. The School believes that education is not just about what happens in the classroom. The School seeks to produce courageous and responsible citizens who contribute to society through leadership and service.

Principal activities of the year

The Charity continued to offer Pre-School, Infant, Junior and Sixth Form education for boys and girls between the ages of 3 to 18 on the new campus that opened in September 2020.

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS REPORT

In the year ended 31 July 2022, the average pupil population of the Foundation was:

	2019-2020	2020-2021	2021-2022
Infants & Junior Division	296	355	380
Senior Division	642	666	670
Sixth Form division	197	207	222
	1,135	**1,228**	**1,272**

In September 2022, the pupil population was 1,297.

Public benefit and grant making policy

The governors confirm that they have had due regard to the Charity Commission guidance on public benefit.

Bursaries

Governors' bursaries and Quincentenary bursaries are awarded to pupils of parents with limited financial means in accordance with the Foundation's Bursary policy. All new bursary awards are subject to an external review of family income. At the recommendation of the Head of Foundation, both bursary and scholarship awards can be removed if a pupil's behaviour or effort do not meet the standards expected.

During the year, 60 pupils benefitted from bursary support totalling £595,044. In total, 27 of these pupils received bursary support worth more than 80% of total fees. 13 pupils received support of more than 95% of total fees and a further 14 pupils received bursary support of between 94% and 80% of total fees.

In addition, the Charity made awards of Governors' scholarships based on academic, sporting or musical merit which are not means tested to 172 pupils at a cost of £214,626.

Charitable work

King's raised £31,874 for a range of local, national and international charities and good causes. This year, pupils chose to support Unicef, Friends for Leisure, Save The Children, Visyon, Prostate Cancer Research, Wood Street Mission, Red Cross, Sporting Minds, Macmillan, Children In Need, DEC Ukraine Appeal, Place2Be, Scope, Comic Relief, The Christie, Royal British Legion and The Salvation Army.

Community access programme

With Covid restrictions easing this year, there were more opportunities at the new campus to host events for organisations outside the school. Examples have included the Sports Centre hosting the National Trampolining Championships in March 2022, hosting a conference for AJIS (Association for Junior Independent Schools), hosting various sporting tournaments such as the Cheshire Hockey Club County Championships and the Macclesfield Primary School Girls' Cricket Tournament, as well as the Junior Chess Tournament and a Cheshire Police Community Cohesion Group meeting.

The Outreach Scheme was launched this year for the benefit of local children which aims to exploit the new facilities and campus. Utilising King's specialist staff to deliver the outreach activities, pupils from local primary and secondary schools have attended King's to experience sessions in the school's outdoor areas and Sports Centre. A range of different types of sessions have been offered, including Bushcraft Sessions, Forest School, Cricket Sessions, Orienteering and Swimming.

Schools that have attended this year for Bushcraft and Forest School sessions include Macclesfield Academy, Park Lane Special School, Bollinbrook Primary School, Upton Priory Primary School, Park Royal Primary School, Wilmslow Prep School and All Saints Primary School. In the case of Macclesfield Academy, the school hopes to use these sessions to build pupils' engagement in the Duke of Edinburgh Award scheme. In addition, Orienteering Sessions have been delivered to Year 5 and 6 pupils from Bollinbrook School and All Saints Primary (Leek).

Community service

Around 300 pupils participated in the Duke of Edinburgh Awards scheme. Between 1 April 2021 and 31 March 2022, King's pupils dedicated 2,223 hours to volunteering.

Sport

Cricket Sessions in our indoor cricket centre have been delivered to pupils from local schools including Broken Cross Primary, Parkroyal and Park Lane Special School. Swimming sessions have also been popular with local schools.

The sports facilities are now let to a range of community groups on five nights a week and at weekends. The multi-sports facilities have a wide range of users including sports clubs that require high-quality, local provision. Sports clubs and community organisations that benefit from King's facilities include: Macclesfield Hockey Club, Alderley Edge Hockey Club, Macclesfield Junior Football Club, Satellites Swimming Club, Macclesfield Netball Club and Macclesfield Trampolining Club.

Creative and Performing Arts

The School's hosted the first play, public concerts this year and harvest celebrations, Christmas concerts and Remembrance Services during the year.

Science

This year saw a welcome return of the 'Science Workshops' community programme, which King's has offered for many years for the benefit of local primary schools and our own Sixth Form pupils. Pupils and staff from King's ran workshops for Marton & District Primary School, Bollinbrook School, Altrincham Prep School, Marlborough Primary, Rainow School, Yorston Lodge, Prestbury Primary, All Saints (Leek), Parkroyal Community Primary and Broken Cross Primary. In total, around 960 local primary school children experienced workshops delivered by a groups of King's A Level science students.

Environmental Impact

The King's School was recognised as the first school to set up a Merit First Council to champion the United Nations' sustainable development projects.

The School continued to achieve 100% diversion of waste from landfill for the fifth consecutive year. The two orchards and the apiary on the new school campus continue to develop.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Academic

The School's academic results in August 2022 continued the school's long-standing reputation as one of the best independent schools in Cheshire and in the UK.

At GCSE, despite the recent period of school closures and uncertainty, pupils achieved 63% of all grades at grades 9-7 (A*/A); 83% at grades 9-6 (A* - B).

At A Level, 53% of all grades were A*/A, and 84% were at A* - B. Almost all leavers taking up higher education places achieved their preferred course with 74% of students achieved their first choice of university and 55% of students joined Russell Group universities.

Pupils are encouraged to participate in a range of competitions, ranging from public speaking and creative writing through to Maths, Linguistics and Physics Olympiads.

Extra-curricular activities

About half of all pupils learn at least one musical instrument. Many of the ensembles, groups and choirs were able to operate despite the restrictions this year.

Pupils continued to participate in winter and summer sports, enjoying a wide range of options. Football, hockey, netball, athletics, rugby, rounders, tennis, trampolining and cricket teams are fielded for most age groups and the results reflect the hard work and enthusiasm of the pupils and staff. The School offers pupils the opportunity to participate in chess, equestrian squad, golf, cheerleading, taekwondo, kayaking, caving, coasteering, climbing, sailing, skiing, squash and yachting.

FINANCIAL REVIEW

Results for the year

The general fee increase during the year, an increase of 44 pupils in the school and a major legacy worth £1.22 million ensured total incoming resources increased to £17.07 million (2021: £15.05 million).

Total resources expended were £15.33 million (2021: £14.55 million).

Net incoming resources from operations were £1.74 million (2021: £500,000) reflecting the financial benefit of the major legacy.

Net assets increased to £48.0 million (2021: £46.2 million).

Investment performance against objectives

The Charity's investment performance for the restricted and endowment funds continue to be monitored against the FTSE All Share Total Return Index. The Index achieved a total return of 1.0% over the year. The COIF Income Fund that is invested more internationally provided a total return of 1.6% whilst the UK focussed M & G Charifund was up 1.9%. The Charity's holding in the fixed income fund was down by 10.4%. The Charity with its holdings predominately in the COIF Income Fund achieved an overall investment return of +1.7% against the Index return of +1.0%.

Free reserves policy and financial viability

The Governors consider that the target for Free Reserves should be three months' operating costs (excluding depreciation) of approximately £4 million. This is a medium term objective that will be achievable, subject to further cash requirements for further capital expenditure.

The calculation of free reserves at 31 July 2022 is as follows:

	£'000	£'000
Unrestricted funds at year end		46,901
Less fixed assets per accounts	(62,108)	
Add back		
Long term Bank borrowings to fund the new campus	17,200	
		(44,908)
Free reserves at year end		1,993

GOVERNORS REPORT

FUTURE PLANS

During the year, the Governing Body's Strategy Group comprising governors, the Head of Foundation and Director of Finance published the five-year Strategic Plan to 2027. The strategic intent to make a difference to each and every pupil in the school. This is supported by six strategic priorities to create a holistic approach to education that is true to our ethos, values and aims:

1. Academic aspiration supported by strong levels of teaching and learning
2. Emphasis on holistic education and skills development
3. Strong pastoral care
4. Prominent and appreciated position within the local community
5. Stability (financial and otherwise)
6. Making the most of the new campus and developing the physical environment.

Through this process, the School has identified projects that are aligned with these strategic priorities and will come forwards as capital is provided to fund them whilst maintaining the school's financial stability. During the year, the detailed design and tendering for the new sports pavilion was completed and that work is scheduled to commence in 2023 if funding is available.

The successful 'Bring your own device' scheme continues to develop well and has been extended to year 9 in the new year ensuring the majority of year groups in the senior division are using the scheme next year.

Statement of disclosure to auditors
On behalf of the Governing Body, the Audit Committee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

On behalf of the Board of Governors

Mr A T Higginson

Chair of the Governing Body

Dated: 2 December 2022

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

STATEMENT OF GOVERNORS' RESPONSIBILITY

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

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

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

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

Independent Auditor's Report of The Foundation of Sir John Percyvale in Macclesfield of 1502, Re-Founded by King Edward VI in 1552 Known as The King's School in Macclesfield

Opinion

We have audited the financial statements of The Foundation of Sir John Percyvale in Macclesfield of 1502, Re-founded by King Edward VI in 1552 known as The King's School in Macclesfield for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2022 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and their environment obtained in the course of the audit, we have not identified material misstatements within the governors' report.

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

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

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 9, the governors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 charity 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, taxation legislation together with the Charities SORP (FRS 102). 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 charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment legislation and Health & Safety.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors 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 of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and General Purposes Committee 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 Charity Commission, Independent Schools Inspectorate 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.

Use of our report

This report is made solely to the charity's governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's governors as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

9th December 2022

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2022

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2022 £'000	Total 2021 £'000
Income and endowments from:						
Donations and legacies	2	1,263	34	-	1,297	322
Investment income	2	16	26	-	42	25
Charitable activities:						
School fees	3	15,010	-	-	15,010	14,232
Ancillary trading income	4	502	-	-	502	278
Other incoming resources	5	189	25	-	214	190
Total incoming resources		16,980	85	-	17,065	15,047
Expenditure on:	6					
Raising funds						
Costs of fundraising		4	-	-	4	4
Ancillary trading costs		763	-	-	763	502
Financing costs		600	1	-	601	790
		1,367	1	-	1,368	1,296
Charitable activities						
Education and grant making		13,884	73	-	13,957	13,252
Total resources expended		15,251	74	-	15,325	14,548
Net incoming resources from operations before transfers and investment gains		1,729	11	-	1,740	499
Gains/(Loss) on investment assets		-	(6)	(6)	(12)	116
Gain on disposal of land and buildings		-	-	-	-	2,275
Transfer between funds		-	-	-	-	-
Net movement in funds		1,729	5	(6)	1,728	2,890
Fund balances at 1 August 2021		45,172	544	519	46,235	43,345
Fund balances at 31 July 2022		46,901	549	513	47,963	46,235

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD
BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible assets	9		62,108		63,517
Investments	10		746		758
			62,854		64,275
Current assets					
Assets held for resale		-		-	
Debtors	11	1,640		683	
Cash at bank and in hand		7,677		9,354	
		9,317		10,037	
Creditors: amounts falling due within one year:	12	(7,732)		(10,781)	
Net current (liabilities)/assets			1,585		(744)
Total assets less current liabilities			64,439		63,531
Creditors: amounts falling due after more than one year	13		(16,476)		(17,296)
Net assets			47,963		46,235
Endowment funds	17		513		519
Restricted funds	18		549		544
Unrestricted funds	19		46,901		45,172
			47,963		46,235

The accounts were approved and authorised for issue by the Board on 2 December 2022

Mr A T Higginson
Governor

Dr J W Kennerley
Governor

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD
CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Net cash (outflow)/inflow from operating activities	(i)		**(70)**		(1,031)
Cash flows from investing activities					
Financing costs		**(601)**		(790)	
Investment income		**26**		24	
Interest received		**16**		1	
Net proceeds from sale of fixed assets		**-**		5,328	
Payments to acquire tangible fixed assets		**(248)**		(2,491)	
Net cash from/(used) in investing activities			**(807)**		2,072
Cash flows from financing activities					
AIB loan drawdown		**-**		6,000	
Loan repayments		**(800)**		(6,352)	
Net cash (used in)/from financing activities			**(800)**		(352)
Change in cash and cash equivalents in the year			**(1,677)**		689
Cash and cash equivalents at the beginning of the year			**9,354**		8,665
Cash and cash equivalents at the end of the year	(ii)		**7,677**		9,354

(i) Reconciliation of net income to cash flow from operating activities

	2022 £'000	2021 £'000
Net incoming resources	**1,740**	499
Investment income	**(26)**	(24)
Financing costs	**601**	790
Interest received	**(16)**	(1)
Depreciation of tangible fixed assets	**1,658**	1,611
Decrease/(increase) in debtors	**(957)**	1,954
(Decrease)/increase in creditors	**(3,070)**	(5,860)
Net cash (outflow)/inflow from operations	**(70)**	(1,031)

(ii) Analysis of cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank	**7,677**	9,354

(iii) Reconciliation of net debt

	1 August 2021 £'000	Cashflow £'000	**31 July 2022 £'000**
Cash in hand and at bank	9,354	(1,677)	**7,677**
Bank loan due in less than one year	(800)	-	**(800)**
Bank loan due in greater than one year	(17,200)	800	**(16,400)**
	8,646	(877)	**(9,523)**

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

The School is a Public Benefit Entity registered as a charity in England and Wales and a Royal Charter Company. It was incorporated on 25 April 1552 (company number: RC 000830) and re-registered as a charity on 30 July 2010 (charity number: 1137204).

The School continues to attract pupils and is full in many year groups. Strong pupil numbers is enabling the School to generate operational cash surpluses sufficient to cover debt service costs and to build up reserves for future investment. The Governors therefore are confident that the School has sufficient resources to continue on a going concern basis.

1.2 Incoming resources

Fee income, school shop income and dining hall income is recognised in the Statement of Financial Activities on the accruals basis. Fees received in advance of education to be provided in future years are held until either taken to income in the term when used or else refunded.

Donations received for the general purposes of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Governors. Donations and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income is credited to the Statement of Financial Activities on a receivable basis.

The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

1.3 Resources expended

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The cost headings comprise expenditure, including staff costs and depreciation, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a fair and reasonable basis.

Support costs comprise all services including an appropriate proportion of general overheads specifically identified as wholly or mainly incurred in support of the direct charitable expenditure. The irrecoverable VAT element is included with the item of expense to which it relates.

1 **Accounting policies (continued)**

1.4 **Tangible fixed assets and depreciation**

Tangible assets are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation.

Individual purchase of fixed assets costing less than £1,000 are not capitalised but charged as expenditure in the year.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Buildings	over 20 or 50 years on a straight line basis.
Fixtures, fittings, plant & equipment	over 3 to 5 years on a straight line basis.
Computers	over 3 years on a straight-line basis.
Motor vehicles	over 5 years on a straight line basis.

1.5 **Investments**

Investments are stated at market value less any provision for permanent diminution in value. Market value is taken to be the middle market price ruling at the balance sheet date.

Gains and losses on investment assets realised and unrealised are taken to the Statement of Financial Activities.

1.6 **Stock**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a "first in, first out" basis. Net realisable value is determined on the basis of estimated value or expected selling price less further costs to be incurred to disposal.

1.7 **Pensions**

The School participates in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff at rates set by the scheme actuary and advised to the Board by the Scheme Administrator. The pension liability is the responsibility of the Scheme. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

1.8 **Accumulated funds**

General funds are available for use at the discretion of the Governing Body in furtherance of the general objectives of the School.

Endowment funds are capital funds where there is no power to convert the capital into income and which therefore represent the permanent capital of the School. Changes in the market values of the investments and other assets held within these funds are debited or credited to the capital of those funds and the movements, purposes and uses of these funds are set out in the notes to the accounts. Where applicable the income arising from these endowment funds has been included in general funds or restricted funds as appropriate.

Restricted funds are funds subject to specific restrictive conditions imposed by the donors or by the purpose of the appeal. These restricted funds also include the Income Funds of the various permanent endowments where the income is earmarked for specific purposes. The purpose and use of the restricted funds is set out in the notes to the accounts.

All income and expenditure is shown in the Statement of Financial Activities.

1 **Accounting policies (continued)**

1.9 **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities, unless they are included in a hedging arrangement.

1.10 **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. **Investment and endowment income**

	Unrestricted funds £'000	**Restricted funds £'000**	**Total 2022 £'000**	Total 2021 £'000
Donations and legacies	**1,263**	**34**	**1,297**	322
Income shares in COIF	**-**	**26**	**26**	24
Interest receivable	**16**	**-**	**16**	1
	1,279	**60**	**1,339**	347

During the year, the School was left a total of £1,222,884 net of related fees in a generous bequest.

3. Charitable activities – fees receivable

	Total 2022 £'000	Total 2021 £'000
School fees		
The school's fee income comprised:		
Gross fees	**16,579**	15,833
Less: Total bursaries, grants and allowances	**(1,609)**	(1,642)
	14,970	14,191
Add:		
Bursaries and scholarships paid for by Restricted Funds	**40**	41
School fees	**15,010**	14,232
Bursaries and scholarships paid for by Restricted Fund:		
Governors' bursaries and scholarships	**40**	41
	40	41

During the year 61 pupils benefited from bursary support totalling £595,044 (2021: 80 pupils received £670,148). Of this amount £18,600 was provided by restricted and permanent capital funds (2021: £18,495). 29 of these pupils also receive scholarship support (2021: 22). In addition, Governors' scholarships (not means tested) and music scholarships were given to 130 and 41 pupils, at a cost of £176,867 and £37,761 respectively (2021: a total of 156 pupils at a cost of £161,048 and £33,429).

Total bursaries, grants and allowances includes £2,108 (2021: £14,738) of rebates were given as a result of Covid-19.

4. Ancillary trading income

	2022 £'000	2021 £'000
Dining Hall	**502**	278
School shop	**-**	-
	502	278

5. Other incoming resources

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Fundraising events	**-**	**25**	**25**	5
Furlough grants	**-**	**-**	**-**	121
Lettings income	**189**	**-**	**189**	64
	189	**25**	**214**	190

6. Analysis of expenditure

	Staff costs £'000	Depreciation £'000	Other costs £'000	Grant funding £'000	Total 2022 £'000	Total 2021 £'000
Costs of generating funds						
Fundraising	-	-	4	-	4	4
Ancillary trading costs	-	-	763	-	763	502
Financing costs	-	-	600	1	601	790
Total cost of generating funds			1,367	1	1,368	1,296
Charitable expenditure Education and grant making						
Teaching	7,825	1,636	1,134	40	10,635	9,694
Welfare	53	-	199	-	252	211
Premises	606	-	1,238	-	1,844	2,237
Support costs (note a)	770	22	434	-	1,226	1,110
Total charitable expenditure	9,254	1,658	3,005	40	13,957	13,252
Total expended	9,254	1,658	4,372	41	15,325	14,548

Included within finance costs is £530,872 (2021: £560,308) of interest on bank loans and overdrafts, £nil (2021: £19,717) of non-utilisation fees and £(7,402) (2021: £123,137) interest on retention.

During the year, the provision against doubtful fee debtors was decreased by £10,685 (2021: £12,797).

a) Governance costs included in support costs

	2022 £'000	2021 £'000
Accountancy charges	22	25
Other governance costs	40	35
	62	60

Governance costs includes payments to the auditors of £22,350 (2021: £21,300) for audit fees and £nil (2021: £1,920) for other services.

7. Governors

Nine Governors (2021: nine) who held office for at least part of the year had children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

None of the Governors (or any persons connected with them) received any remuneration or other benefits from the School or from any connected body during this year or the previous year, except as set out in note 23: Related parties. No governors were reimbursed expenses during this year (2021: none).

8. Staff costs

The average number of employees during the year	**Number 2022**	Number 2021
Teaching	**114**	109
Welfare	**2**	2
Premises	**32**	39
Support	**100**	88
	248	238

The full time equivalent number of employees during the year was 202 (2021: 197).

The school shop and catering operation of the school are outsourced.

The aggregate payroll costs for the year were as follows:	**2022 £'000**	2021 £'000
Wages and salaries	**7,265**	6,660
Social security costs	**705**	636
Other pension costs	**1,264**	1,179
Apprenticeship Levy	**20**	18
	9,254	8,493

	2022 £'000	2021 £'000
Aggregate employee benefits of key management personnel	**965**	870

8. **Staff costs** (continued)

Number of higher paid employees in bands of:	2022	2021
£60,001 to £70,000	3	2
£70,001 to £80,000	2	2
£100,001 to £110,000	1	1
£120,001 to £130,000	-	1
£160,001 to £170,000	1	-

Of the employees whose emoluments exceed £60,000, 6 (2021: 5) have retirement benefits accruing under defined benefit pension schemes and 1 (2021: 1) has benefits accruing under defined contribution schemes for which the contributions amounted to £38,328 (2021: £20,605).

During the year there were redundancy or termination payments which amounted to £nil (2021: £8,016).

9. **Tangible Fixed Assets**

	Land & Buildings £'000	Fixtures, fittings, plant & equipment £'000	Computers £'000	Motor vehicles £'000	Total £'000
Cost (or deemed cost)					
At 1 August 2021	64,096	1,167	691	407	66,361
Additions	(80)	162	158	8	248
Disposals	-	(64)	(90)	(4)	(158)
At 31 July 2022	**64,016**	**1,265**	**759**	**411**	**66,451**
Depreciation					
At 1 August 2021	1,467	637	401	338	2,843
On disposals	-	(64)	(90)	(4)	(158)
Charge for the year	1,283	162	191	22	1,658
At 31 July 2022	**2,750**	**735**	**502**	**356**	**4,343**
Net book value					
At 31 July 2022	**61,266**	**530**	**257**	**55**	**62,108**
At 31 July 2021	62,628	530	290	69	63,517

The land and buildings were held at a valuation until transition to FRS102 when the value of the land and buildings was taken as deemed cost.

10. **Fixed asset investment**

Cost or valuation:	£'000
Market value at 1 August 2021	758
Disposals	-
Change in value in the year	(12)
Market value at 31 July 2022	746

The investment assets held at the end of the year are:	£'000
Income shares in COIF	513
Charifund Units	216
Fixed Interest Bonds	16
Ground Rents	1
	746

Historical cost:	£'000
At 31 July 2022	115
At 31 July 2021	115

The above historical cost value is made up of £1,000 of unrestricted fund investments, £90,000 of restricted fund investments and £24,000 of endowment fund investments.

On 1 March 2022, a new subsidiary, King's School Macclesfield Limited, was incorporated. During the year ended 31 July 2022, no trading was undertaken by this subsidiary.

11. **Debtors**

	2022 £'000	2021 £'000
Fees	94	140
Other debtors	1,264	180
Prepayments and accrued income	282	363
	1,640	683

All debtors are due within one year.

Within fee debtors are gross fees in respect of Summer 2022 and earlier terms of £171,022 (2021: £244,832). A provision of £77,750 (2021: £104,560) against this amount has been provided for in respect of doubtful debts.

12. **Creditors: amounts falling due within one year:**

	2022 £'000	2021 £'000
Bank loan	**800**	800
Trade creditors	**528**	272
Taxes and social security costs	**179**	170
Other creditors	**754**	3,584
Accruals	**809**	1,724
Deferred income	**4,662**	4,231
	7,732	10,781

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

	2022 £'000	2021 £'000
Bank loan	**16,400**	17,200
Other creditors	**-**	-
Deferred income	**76**	96
	16,476	17,296

The School entered into the Facility Agreement with AIB Group (UK) Limited (the "Bank") on 10 August 2018 secured by a charge over all the School's freehold properties. The Facility Agreement provided a total funding commitment from the Bank of up to £24.0 million to be utilised for the funding of the construction of the new school campus. The first drawn down under the Facility took place in November 2019 and drawdowns continued through the construction phase up to a maximum of £24 million. In July 2022, the School repaid £6 million of the facility from the proceeds of sales of the previous sites. At the year end, the School had £17.20 million (2021: £18.00 million) of long-term debt outstanding.

	2022 £'000	2021 £'000
Loan maturity analysis		
Debt due in one year or less	**800**	800
In more than one year but not more than two years	**800**	800
In more than two years but not more than five years	**2,400**	2,400
In more than five years	**13,200**	14,000
	17,200	18,000
Included in liabilities falling due within one year	**(800)**	(800)
	16,400	17,200

14. Fees received in advance

	2022 £'000	2021 £'000
Deferred income is included within:		
Creditors due within one year	**4,662**	4,231
Creditors due after more than one year	**76**	96
	4,738	4,327
Total deferred income at 1 August 2021	**4,327**	3,573
Amounts received in year	**4,738**	4,327
Amounts credited to statement of financial activities	**(4,327)**	(3,573)
Total deferred income at 31 July 2022	**4,738**	4,327

Parents may enter into an agreement to pay the school up to the equivalent of one year's tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2022 £'000	2021 £'000
Within one year	**4,662**	4,231
Within one to five years	**76**	96
	4,738	4,327

15. Financial instruments

	2022 £'000	2021 £'000
Financial assets measured at amortised cost (a)	**9,034**	9,673
Financial assets measured at fair value (b)	**746**	758
Financial liabilities measured at amortised cost (c)	**1,281**	3,856
Net financial (liabilities)/assets measured at amortised cost	**7,753**	5,817

(a) Financial assets include cash, trade and fee debtors, other debtors and accrued income
(b) Financial assets held at fair value include assets held as investments
(c) Financial liabilities include deposits, trade creditors, and other creditors

16. **Pension and other post-retirement benefit commitments**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,121,229 (2021: £1,055,206) and at the year-end £nil (2021 - £ nil) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020. As a result of the consultation, the government announced on 4 February 2021 it intends to proceed with a deferred choice underpin, under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022, at the point they became payable.

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

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

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

The school also contributes to individual personal pension schemes at rates of between 4% and 14.1% of pensionable pay. These are defined contribution schemes. The cost for the year represents the school's contributions to these schemes of £143,040 (2021: £121,962). At the year-end £nil was accrued in respect of these schemes.

17. **Endowment funds**

On 6th April 2009, the Charity Commission for England & Wales granted a scheme ('the scheme') to effect a uniting direction of the subsidiary charities and to create two new subsidiary charities to be known as The King's School in Macclesfield Horsfield Bursary Fund ('Horsfield Bursary Fund') and the King's School in Macclesfield Brocklehurst Scholarship Fund ('Brocklehurst Scholarship Fund'). The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

		Movement in funds			
	Balance at 1 August 2021 £'000	**Incoming resources £'000**	**Resources expended £'000**	**Investments gains/losses £'000**	**Balance at 31 July 2022 £'000**
Permanent endowments					
Horsfield Bursary Fund	405	-	-	(5)	**400**
Brocklehurst Scholarship Fund	114	-	-	(1)	**113**
	519	**-**	**-**	**(6)**	**513**

18. Restricted funds

The restricted funds of the school comprise the following unexpended income derived from the permanent endowed assets of the school held on trusts to be applied for specific purposes. On 1st April 2011 the associated charity known as The King's School Development Trust was brought into the restricted funds of the school following a merger of the two charities. During the year, the Governors reviewed the level of unexpended income held and approved the expenditure of part of this amount by donating £67,000 (2021: £82,000) to the main School charity to provide bursaries, scholarships and prizes to pupils at the School. At the year end, unexpended income was £549,000 (2021: £544,000).

		Movement in funds				
	Balance at 1 August 2021	Incoming resources	Resources expended	Investments gains/losses	Transfers	Balance at 31 July 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Horsfield Bursary Fund	1	12	(12)	-	-	1
Brocklehurst Scholarship & Other Prize Funds	51	3	(34)	-	-	20
Quincentenary Bursary Fund	287	61	(22)	-	-	326
Bursary & Scholarship Fund	205	9	(6)	(6)	-	202
	544	85	(74)	(6)	-	549

19. Unrestricted funds

	Balance at 1 August 2021	Incoming resources	Resources expended	Gain on sale of assets	Transfers	Balance at 31 July 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds	45,172	16,980	(15,251)	-	-	46,901
	45,172	16,980	(15,251)	-	-	46,901

20. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2022
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2022 are represented by:				
Tangible fixed assets	62,108	-	-	62,108
Investments	2	231	513	746
Current assets	8,999	318	-	9,317
Creditors: amounts falling due within one year	(7,732)	-	-	(7,732)
Creditors: amounts falling due after one year	(16,476)	-	-	(16,476)
	46,901	549	513	47,963

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2021
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2021 are represented by:				
Tangible fixed assets	63,517	-	-	63,517
Investments	-	239	519	758
Current assets	9,732	305	-	10,037
Creditors: amounts falling due within one year	(10,781)	-	-	(10,781)
Creditors: amounts falling due after more than one year	(17,296)	-	-	(17,296)
	45,172	544	519	46,235

21. Capital commitments

At 31 July 2022 the School had no capital commitments (2021: £nil).

22. Operating lease commitments

The School had no operating lease commitments at the year end (2021: £nil).

23. Related parties

On 7 December 2018, Mr J Hinds was elected as a Governor. Mr Hinds is a regional director in the Manchester office of Savills plc. Savills plc are one of the advisors appointed by the School to assist on the 2020 project. This appointment took place before Mr Hinds joined the Governing Body. During the year the School has paid Savills plc a total of £42,959 (2021: £100,246) (inc VAT) in respect of its services to the School. There were no other related party transactions.

24. **Statement of Financial Activities – Comparative figures by fund – type**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000
Income and endowments from:					
Donations and legacies		277	45	-	322
Investment income	2	1	24	-	25
Charitable activities:					
School fees	3	14,232	-	-	14,232
Ancillary trading income	4	278	-	-	278
Other incoming resources	5	185	5	-	190
Total incoming resources		14,973	74	-	15,047
Expenditure on:	6				
Raising funds					
Costs of fundraising		4	-	-	4
Ancillary trading costs		502	-	-	502
Financing costs		790	-	-	790
		1,296	-	-	1,296
Charitable activities					
Education and grant making		12,658	594	-	13,252
Total resources expended		13,954	594	-	14,548
Net incoming resources from operations before transfers and investment gains		1,019	(520)	-	499
Gains/(Losses) on investment assets		-	42	74	116
Gain on disposal of land and buildings		2,275	-	-	2,275
Transfer between funds		-	-	-	-
Net movement in funds		3,294	(478)	74	2,890
Fund balances at 1 August 2020		41,878	1,022	445	43,345
Fund balances at 31 July 2021		45,172	544	519	46,235

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESLFIELD OF 1502, RE-FOUNDED BY KING ED

England & Wales - Charity number 1137204

Accounts

Charity Registration No. 1137204

Company Registration No. RC 000830 (England and Wales)

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552

KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD
LEGAL AND ADMINISTRATIVE INFORMATION

Chair of Governors	Dr J W Kennerley BPharm MRPharmS PhD
Head of Foundation	Mr J Slack BSc (Hons), MA (Ed)
Director of Finance	J M Spencer Pickup BSc (Hons) ACA
Charity number	1137204
Company number	RC 000830
Auditors	Crowe U.K. LLP The Lexicon Mount Street Manchester M2 5NT
Bankers	Allied Irish Bank (GB) 1 Underbank London EC3A 8AB National Westminster Bank plc 2 Chestergate Macclesfield SK11 6BA
Solicitors	DAC Beachcroft LLP 3 Hardman Street Manchester M3 3HF

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

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THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS, OFFICERS AND ORGANISATION

The Governing Body comprises co-opted governors who are appointed by the Governing Body following recommendations by the Nominations Committee of the Governing Body and governors appointed by outside bodies as indicated below. They have all served in office throughout the year and subsequently, except where indicated. They were the Trustees of the charity known as The King's School in Macclesfield during the year.

The Chair and Vice Chair are ex officio members of all the committees of the Governing Body. Mr Sugden stepped down as Vice Chair on 4 December 2020. Mr Higginson was elected Vice Chair on 4 December 2020.

Co-opted Governors Term of office - five years, renewable for a maximum of two further terms of five years.

Dr J W Kennerley BPharm, MR PharmS, PhD	Audit*
Chair	
Mr J Sugden MA, CEng FI Mech, CEng	Finance & General Purposes
Mrs A Chowdhury BSc	(retired 4 December 2020)
Mr S Barriskell BSc, MBA	Finance & General Purposes*, Remuneration, Audit
Prof N Hanley BSc, MB ChB, PhD, FRCP	Education, External Relations
Ms L Grainger MA, FCPFA	Education
Mr H Grant MA (appointed 4 December 2020)	Finance & General Purposes
Mr S Murrells	External Relations
Dr C Doherty B. Pharm, PhD, MBA	Education
(appointed 6 December 2019)	
Mr J Hinds BA MSc	Finance & General Purposes
Ms J White BSc	Education, Nominations
Mr S Wright MA	(retired 18 March 2021)
Mr C King MA PGCE	Education*
Mr J Watkins BA (Oxon)	External Relations, Finance & General Purposes
Nominated by the University of Manchester	
Mr I Bradley BSc	Education
Nominated by the Lord Lieutenant of Cheshire	
Mr A T Higginson BSc	Remuneration*, Nominations*
Vice Chair	
Nominated by the Lord Bishop of Chester	
Mr M Strutt BA	External Relations *, Finance & General Purposes
Nominated by the Cheshire East Council	
Cllr A Gregory	External Relations
Cllr D Edwards	Education

GOVERNORS REPORT

Cllr S Bennett-Wake, Mayor of Macclesfield, Ex-officio Governor for one year term (retired 29 June 2021)

Cllr D Edwards, Mayor of Macclesfield, Ex-officio Governor for one year term (appointed 29 June 2021)

* Chair of the Committee

All nominated governors have terms of five years (or such lesser period as the nominating body may declare at the time of nomination), renewable for a maximum of two further terms.

Officers

The principal officers of the School during the year were:

Mr J Slack was appointed Head of Foundation from 1 September 2020 following the retirement of Dr S Hyde.

Mr J M Spencer Pickup BSc, ACA - Director of Finance & Clerk to the Governors

The day to day running of the Foundation is delegated to the key management personnel that comprises the Head of Foundation, Director of Finance, Deputy Head (Academic), Deputy Head (Operations), Director of External Relations, Principal of the Infant and Junior Division, Principal of Senior School, Principal of Sixth Form and Senior Teacher.

Organisation

In September 2020, the School completed its move to the new campus where it operates a co-educational day school for pupils aged 3 years to 18 years.

From 1 September 2020, the registered office of the charity changed to The King's School in Macclesfield, Alderley Road, Prestbury, Macclesfield SK10 4SP.

The Governors present their Annual Report for the year ended 31 July 2021 under the Charities Act 2011 together with the audited financial statements under the Companies Act 2006.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the School's governing document, the Companies Act 2006 and the Statement of Recommended Practice, Charities (FRS102).

Reference and administrative information

The Foundation was originally created under a body corporate by the Charter of King Edward VI in 1552. The Governors, officers and principal address of the Foundation are listed above.

Structure, governance and management

Governing document

The Charity is constituted as a Royal Charter Company called "The Foundation of Sir John Percyvale in Macclesfield of 1502, re-founded by King Edward VI in 1552" under the new supplemental charter that received Royal Assent on 11 February 2009 and is registered with the Charity Commission under Charity number 1137204.

Organisational management

The Governors are responsible for the overall management and control of the Charity and meet at least three times per year. The work of implementing the educational policies of the Charity is carried out by members of the **Education Committee**, who meet three times per year with the Senior Management Team. The **Finance & General Purposes Committee** is responsible for overseeing the day to day management of the Charity and monitoring strategic risks. It meets at least six times per year with the Head of Foundation, Director of Finance and Director of External Relations.

There are the following additional committees of the Governing Body that meet as required during the year. The committees have specific terms of reference and make appropriate recommendations to the Governing Body:

Nominations

Considers nominations to the Governing Body and oversees the induction and training of Governors.

External relations

Oversees the External Relations function and monitors the School's public benefit and bursary policy.

Remuneration

Considers remuneration and annual pay awards for all staff.

Audit

Oversees the preparation and completion of the audited financial statements and annual report for approval by the Governing Body.

Recruitment and Governor Training

Governors are appointed at a meeting of the full Governing Body on the basis of nominations received from the Nominations sub-committee that vets applications to ensure they meet eligibility, competence, specialist skills and knowledge of the local community requirements for any vacant positions on the Governing Body.

New governors are inducted into the workings of the Charity, including Board policy and procedures by the Headmaster and Director of Finance. This induction is overseen by the Chair of Governors. The Director of Finance also arranges trustee-training workshops for governors covering specific issues.

Group Structures and Relationships

The Charity has no trading subsidiaries. The operation of the school shop and school catering are both outsourced.

The King's School Macclesfield Development Trust is a subsidiary charity with number 504131 and its financial results are included in these accounts and the assets are shown within restricted funds.

Risk Management

The Governing Body is responsible for the management of the risks faced by the Charity. Detailed considerations of high level risks and their mitigations are delegated to the Finance & General Purposes Committee, the Head of Foundation and Director of Finance. The School's Senior Management Team and the Health & Safety Committee consider day to day risks and ways to mitigate them.

The key controls used by the Charity include:

- Formal agendas for all Committee and Governing Body activity;
- Detailed terms of reference for all Committees;
- Preparation and updating of the five year Development Plan, annual Budget and termly Management Accounts;
- Established organisational structure and lines of reporting through the Principals in each division;
- Formal written policies;
- Appropriate levels of insurance protection;
- Approved authorisation levels;
- Vetting procedures as required by child protection legislation, and
- Regular review of health and safety issues.

Through the risk management process overseen by the Governing Body, the Governors are satisfied that the major risks identified have been adequately mitigated, where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Major risks

The School updated its high level risk assessment in June 2021.

The School has continued to amend its procedures and safety measures to limit any transmission of the virus between pupils and/or staff. The detailed risk assessments and procedures are reviewed by a sub-committee of the Governing Body before publication on the School's web site. The School's senior management team has kept these assessments under review and made amendments ahead of the full re-opening of the School on the new campus in September 2021.

Key management personnel remuneration policy

The Charity has a Remuneration Committee, which meets annually. The Head of Foundation is in attendance for the meeting (leaving for the discussion regarding the Head's pay). No members of the key management personnel are members of the committee. The Head of Foundation makes recommendations for changes to salaries of key management personnel. This is to ensure such salaries reflect experience and delivery of individual targets.

The Remuneration Committee reviews all salary changes including those for the key management personnel against independent benchmarking surveys, where available. The Remuneration Committee then sets the pay for all staff.

Investment policy and objectives

The Board aims to maximise the total investment return within the objectives of maintaining income whilst preserving the real value of endowed investments.

The school's investments have continued to be managed in conformity with this policy and the Supplemental Charter.

OBJECTS

Charitable objects

The Charity's Objects, as set out in the Supplemental Charter dated 11 February 2009, are the advancement of education by way of maintaining a day school in Macclesfield. The Governors have powers to provide total or partial exemption from any fees payable to pupils who are in need of financial assistance. In addition, the Foundation has to maintain a number of restricted trust funds held for scholarships, bursaries, prizes and other educational purposes.

AIMS, OBJECTIVES AND ACTIVITIES

Ethos and values

The King's School in Macclesfield is proud of its history and ambitious for its future. Learning and personal development are at the heart of its community. The School seeks to equip young people with the character and skills necessary to meet the challenges of a changing world. The School believes that education is not just about what happens in the classroom. The School seeks to produce courageous and responsible citizens who contribute to society through leadership and service.

Principal activities of the year

During the year, the Charity continued to offer co-educational Infant, Junior and Sixth Form education with boys and girls educated separately between the ages of 11 to 16. The School continued to communicate with parents about the intended move to a fully co-educational curriculum in September 2020.

From September 2020, the School moved to a fully co-educational model on the new campus.

GOVERNORS REPORT

In the year ended 31 July 2021, the average pupil population of the Foundation was:

	2019-2020	2020-2021
Infants & Junior Division	296	355
Senior Division	642	666
Sixth Form division	197	207
	1,135	**1,228**

In September 2021, the pupil population was 1,270.

Public benefit and grant making policy

The governors confirm that they have had due regard to the Charity Commission guidance on public benefit.

Bursaries

Governors' bursaries and Quincentenary bursaries are awarded to pupils of parents with limited financial means in accordance with the Foundation's Bursary policy. All new bursary awards are subject to an external review of family income. At the recommendation of the Head of Foundation, both bursary and scholarship awards can be removed if a pupil's behaviour or effort do not meet the standards expected.

During the year, 80 pupils benefitted from bursary support totalling £670,148. Twenty two of these pupils also receive scholarship support. In total, thirty four (55%) of these pupils received bursary support worth more than 80% of total fees. Twenty three pupils received support of more than 95% of total fees and a further eleven pupils received bursary support of between 94% and 80% of total fees.

In addition, the Charity made awards of Governors' scholarships based on academic, sporting or musical merit which are not means tested to 156 pupils at a cost of £161,048.

Charitable work

Despite the challenges in the year resulting in cancellation of a number of events, staff and pupils at King's continued their efforts to support good causes and raise funds for charities. Overall pupils raised £10,485 for charities.

The School is planning charity fund raising events for the new academic year.

Community service

Senior pupils are encouraged to undertake voluntary service in the local community and overseas through the World Challenge trips which take place during alternate years.

During the Covid-19 pandemic, many pupils have been unable to continue with their normal volunteering. However, some pupils have undertaken new roles to help support the NHS, including manufacturing PPE and helping with deliveries, whilst other pupils have helped support local charities who, in turn, have helped local communities affected by the lockdown.

Community access programme

The Community Access programme seeks to widen access to the School's buildings and resources for local schools, sports clubs, charities and societies. Opportunities to let the facilities were limited this year due to Covid-19. The school is working with a number of community groups for letting of facilities in 2022.

Sport

After a difficult start to the year due to Covid-19, the sports facilities are now let to a range of community groups on five nights a week and at weekends. The multi-sports facilities have a wide range of users including sports clubs that require high-quality, local provision. Sports clubs and community organisations that benefit from King's facilities include: Macclesfield Hockey Club, Alderley Edge Hockey Club, Macclesfield Junior Football Club, Satellites Swimming Club, Macclesfield Netball Club and Macclesfield Trampolining Club.

Creative and Performing Arts

The School's Senior pupils hosted fewer public concerts this year due to Covid-19, but did hold harvest celebrations, Christmas concerts and Remembrance Services. These events were broadcast online as the School was unable to invite guests.

Science

The School's community outreach activities were reduced this year. The School is planning to deliver a range of science and team-building activities in local primary schools next year.

Environmental Impact

The King's School was recognised as the first school to set up a Merit First Council to champion the United Nations' sustainable development projects.

The School continued to achieve 100% diversion of waste from landfill for the fourth consecutive year. This year, we established two orchards and an apiary on the new school campus.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Academic

The School's academic results in August 2021 continued the school's long-standing reputation as one of the best independent schools in Cheshire and in the UK.

At GCSE, despite the period of school closures and uncertainty, pupils achieved 71% of all grades at grades 9-7 (A*/A); 85% at grades 9-6 (A* - B).

At A Level, 69% of all grades were A*/A, and 90% were at A* - B. Almost all leavers taking up higher education places achieved their preferred course with 85% of students achieved their first choice of university and 65% of students joined Russell Group universities.

Pupils are encouraged to participate in a range of competitions, ranging from public speaking and creative writing through to Maths, Linguistics and Physics Olympiads, although opportunities were limited in the year.

Extra-curricular activities

About half of all pupils learn at least one musical instrument. Many of the ensembles, groups and choirs were able to operate despite the restrictions this year.

Pupils continued to participate in winter and summer sports, enjoying a wide range of options. Football, hockey, netball, athletics, rugby, rounders, tennis, trampolining and cricket teams are fielded for most age groups and the results reflect the hard work and enthusiasm of the pupils and staff. The School offers pupils the opportunity to participate in chess, equestrian squad, golf, cheerleading, taekwondo, kayaking, caving, coasteering, climbing, sailing, skiing, pistol shooting, squash and yachting.

GOVERNORS REPORT

FINANCIAL REVIEW

Results for the year

Considering the challenges during the first year of operation in the new school and continued disruption caused by the COVID 19 pandemic, the results for the year are still in line with the Business Case to support the construction of the new school. There was no general fee increase during the year, but the increase in pupils in the school ensured total incoming resources increased to £15.05 million (2020: £13.8 million).

Total resources expended were £14.55 million (2020: £12.9 million). The current year included £480,000 of reorganisation costs associated with the closing of the old sites and transferring resources to the new campus.

Net incoming resources from operations were £500,000 (2020: £930,000). There was a realised gain from the sales of the remaining sites of £2.28 million (2020: £18,000) and unrealised investment gains of £116,000 (2020: loss £49,000). The overall net movement in funds was £2.89 million (2020: £900,000). Net assets increased to £46.24 million (2020: £43.3 million).

Investment performance against objectives

The Charity's investment performance for the restricted and endowment funds continue to be monitored against the FTSE All Share Total Return Index. Following the difficult prior year the Index achieved a total return of 24.1%. The COIF Income Fund that is invested more internationally provided a total return of 16.9% whilst the UK focussed M & G Charifund was up by 23.5%. The Charity's holding in the fixed income fund was up by 1.8%. The Charity with its holdings predominately in the COIF Income Fund achieved an overall investment return of +18.4% against the Index return of +24.1%.

Free reserves policy and financial viability

The Governors consider that the target for Free Reserves should be three months' operating costs excluding depreciation of approximately £4 million. This is a medium term objective that will be achievable, subject to further cash requirements for further capital expenditure.

The calculation of free reserves at 31 July 2021 is as follows:

	£'000	£'000
Unrestricted funds at year end		45,172
Less fixed assets per accounts	(63,517)	
Add back		
Monies owed under the VINCI Build Contract	2,960	
Bank draw down to fund VINCI Build Contract	18,000	(42,557)
Free reserves at year end		2,615

FUTURE PLANS

During the year, the School completed the move to the new fully co-educational school and implemented its new senior management structure.

The Governing Body appointed Mr Jason Slack as Head of Foundation on 1 September 2020 following the retirement of Dr Simon Hyde.

GOVERNORS REPORT

The School intends to develop its teaching to be consistently at the level of the very best through enhanced sharing of best practice and quality assurance processes. An academic department review procedure is to be implemented along with a new scheme to promote continuous professional development of staff. This will be complemented by the introduction of 'research awards' for teachers undertaking educational 'action research' through their professional practice.

The successful 'Bring your own device' scheme in use within the sixth form division is to be expanded into the senior division from Year 9 upwards to modernise and enhance teaching and learning.

The School also intends to launch an external membership of its gym and sporting facilities whereby members of the community can join the membership and have access to facilities such as the swimming pool and gym at evenings and weekends.

The Governing Body appointed a Strategy Group comprising governors, the Head of Foundation and Director of Finance. The Strategy Group has set out a plan of key investments for future development of the School curriculum and pastoral care and has recommended that the School completes the building of the Sports Pavilion, subject to financing considerations.

Following the significant increase in employers' contributions to the teachers' pension scheme as explained in note 16 the Governing Body continues to monitor developments in possible future changes to the pension scheme and its ongoing viability to the school.

The School's senior management team is continuing with its planning in case the School has to revert back to on-line learning. The School has invested in new laptops for the majority of teaching staff to provide reliability and capacity for on-line learning. The School continues to work within the Government guidelines to provide a safe environment for pupils and staff during the COVID 19 pandemic.

The school has appointed an outreach co-ordination manager to assess and expand the support the school provides to community and charity organisations, its impact on the local economy and the school's bursary support.

Statement of disclosure to auditors
On behalf of the Governing Body, the Audit Committee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

On behalf of the Board of Governors

Dr J W Kennerley BPharm MRPharmS PhD

Chair of the Governing Body

Dated: 11/2/2022

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

STATEMENT OF GOVERNORS' RESPONSIBILITY

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

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

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

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

Independent Auditor's Report of The Foundation of Sir John Percyvale in Macclesfield of 1502, Re-Founded by King Edward VI in 1552 Known as The King's School in Macclesfield

Opinion

We have audited the financial statements of The Foundation of Sir John Percyvale in Macclesfield of 1502, Re-founded by King Edward VI in 1552 known as The King's School in Macclesfield for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors's 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and their environment obtained in the course of the audit, we have not identified material misstatements within the governors' report.

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

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

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 9, the governors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 charity 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, taxation legislation together with the Charities SORP (FRS 102). 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 charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, Employment legislation and Health & Safety.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors 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 of recognition of other income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and General Purposes Committee 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 Charity Commission, Independent Schools Inspectorate 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.

Use of our report

This report is made solely to the charity's governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's governors as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

1st March 2022

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2021

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Donations and legacies		277	45	-	322	650
Investment income	2	1	24	-	25	63
Charitable activities:						
School fees	3	14,232	-	-	14,232	12,495
Ancillary trading income	4	278	-	-	278	352
Other incoming resources	5	185	5	-	190	235
Total incoming resources		14,973	74	-	15,047	13,795
Expenditure on:	6					
Raising funds						
Costs of fundraising		4	-	-	4	-
Ancillary trading costs		502	-	-	502	440
Financing costs		790	-	-	790	832
		1,296	-	-	1,296	1,272
Charitable activities						
Education and grant making		12,658	594	-	13,252	11,593
Total resources expended		13,954	594	-	14,548	12,865
Net incoming resources from operations before transfers and investment gains		1,019	(520)	-	499	930
Gains on investment assets		-	42	74	116	(49)
Gain on disposal of land and buildings		2,275	-	-	2,275	18
Transfer between funds		-	-	-	-	-
Net movement in funds		3,294	(478)	74	2,890	899
Fund balances at 1 August 2020		41,878	1,022	445	43,345	42,446
Fund balances at 31 July 2021		45,172	544	519	46,235	43,345

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets	9		63,517		62,638
Investments	10		758		643
			64,275		63,281
Current assets					
Assets held for resale		-		3,051	
Debtors	11	683		2,637	
Cash at bank and in hand		9,354		8,665	
		10,037		14,353	
Creditors: amounts falling due within one year:	12	(10,781)		(20,016)	
Net current (liabilities)/assets			(744)		(5,663)
Total assets less current liabilities			63,531		57,618
Creditors: amounts falling due after more than one year	13		(17,296)		(14,273)
Net assets			46,235		43,345
Endowment funds	17		519		445
Restricted funds	18		544		1,022
Unrestricted funds	19		45,172		41,878
			46,235		43,345

The accounts were approved and authorised for issue by the Board on 11/2/2022

Dr J W Kennerley
Governor

Mr A T Higginson
Governor

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Net cash (outflow)/inflow from operating activities	(i)		**(1,031)**		12,328
Cash flows from investing activities					
Financing costs		**(790)**		(832)	
Investment income		**24**		26	
Interest received		**1**		37	
Net proceeds from sale of fixed assets		**5,328**		19	
Payments to acquire tangible fixed assets		**(2,491)**		(31,977)	
Net cash from/(used) in investing activities			**2,072**		(32,727)
Cash flows from financing activities					
AIB loan drawdown		**6,000**		18,351	
Loan repayments		**(6,352)**		-	
Net cash (used in)/from financing activities			**(352)**		18,351
Change in cash and cash equivalents in the year			**689**		(2,048)
Cash and cash equivalents at the beginning of the year			**8,665**		10,713
Cash and cash equivalents at the end of the year	(ii)		**9,354**		8,665

(i) Reconciliation of net income to cash flow from operating activities

	2021 £'000	2020 £'000
Net incoming resources	**499**	930
Investment income	**(24)**	(26)
Financing costs	**790**	832
Interest received	**(1)**	(37)
Depreciation of tangible fixed assets	**1,611**	326
Decrease in debtors	**1,954**	4,992
(Decrease)/increase in creditors	**(5,860)**	5,311
Net cash (outflow)/inflow from operations	**(1,031)**	12,328

(ii) Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank	**9,354**	8,665

(iii) Reconciliation of net debt

	1 August 2020 £'000	Cashflow £'000	31 July 2021 £'000
Cash in hand and at bank	8,665	689	9,354
Bank loan due in less than one year	(6,000)	5,200	(800)
Bank loan due in greater than one year	(12,352)	(4,848)	(17,200)
	(9,687)	1,041	(8,646)

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019.

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

The School is a Public Benefit Entity registered as a charity in England and Wales and a Royal Charter Company. It was incorporated on 25 April 1552 (company number: RC 000830) and re-registered as a charity on 30 July 2010 (charity number: 1137204).

The School continues to attract pupils and is full in many year groups. Strong pupil numbers is enabling the School to generate operational cash surpluses sufficient to cover debt service costs and to build up reserves for future investment. The Governors therefore are confident that the School has sufficient resources to continue on a going concern basis.

1.2 Incoming resources

Fee income, school shop income and dining hall income is recognised in the Statement of Financial Activities on the accruals basis. Fees received in advance of education to be provided in future years are held until either taken to income in the term when used or else refunded.

Donations received for the general purposes of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Governors. Donations and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income is credited to the Statement of Financial Activities on a receivable basis.
The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

1.3 Resources expended

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The cost headings comprise expenditure, including staff costs and depreciation, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a fair and reasonable basis.

Support costs comprise all services including an appropriate proportion of general overheads specifically identified as wholly or mainly incurred in support of the direct charitable expenditure. The irrecoverable VAT element is included with the item of expense to which it relates.

1 **Accounting policies (continued)**

1.4 **Tangible fixed assets and depreciation**

Tangible assets are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation.

Individual purchase of fixed assets costing less than £1,000 are not capitalised but charged as expenditure in the year.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Buildings	over 20 or 50 years on a straight line basis.
Fixtures, fittings, plant & equipment	over 3 to 5 years on a straight line basis.
Computers	over 3 years on a straight-line basis.
Motor vehicles	over 5 years on a straight line basis.

1.5 **Investments**

Investments are stated at market value less any provision for permanent diminution in value. Market value is taken to be the middle market price ruling at the balance sheet date.

Gains and losses on investment assets realised and unrealised are taken to the Statement of Financial Activities.

1.6 **Stock**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a "first in, first out" basis. Net realisable value is determined on the basis of estimated value or expected selling price less further costs to be incurred to disposal.

1.7 **Pensions**

The School participates in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff at rates set by the scheme actuary and advised to the Board by the Scheme Administrator. The pension liability is the responsibility of the Scheme. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

1.8 **Accumulated funds**

General funds are available for use at the discretion of the Governing Body in furtherance of the general objectives of the School.

Endowment funds are capital funds where there is no power to convert the capital into income and which therefore represent the permanent capital of the School. Changes in the market values of the investments and other assets held within these funds are debited or credited to the capital of those funds and the movements, purposes and uses of these funds are set out in the notes to the accounts. Where applicable the income arising from these endowment funds has been included in general funds or restricted funds as appropriate.

Restricted funds are funds subject to specific restrictive conditions imposed by the donors or by the purpose of the appeal. These restricted funds also include the Income Funds of the various permanent endowments where the income is earmarked for specific purposes. The purpose and use of the restricted funds is set out in the notes to the accounts.

All income and expenditure is shown in the Statement of Financial Activities.

1 **Accounting policies (continued)**

1.9 **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities, unless they are included in a hedging arrangement.

1.10 **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. **Investment income**

	Unrestricted funds £'000	**Restricted funds £'000**	**Total 2021 £'000**	Total 2020 £'000
Income shares in COIF	**-**	**24**	**24**	26
Interest receivable	**1**	**-**	**1**	37
	1	**24**	**25**	63

3. **Charitable activities – fees receivable**

	Total 2021 £'000	Total 2020 £'000
School fees		
The school's fee income comprised:		
Gross fees	**15,833**	14,642
Less: Total bursaries, grants and allowances	**(1,642)**	(2,241)
	14,191	12,401
Add:		
Bursaries and scholarships paid for by Restricted Funds	**41**	94
School fees	**14,232**	12,495
Bursaries and scholarships paid for by Restricted Fund:		
Governors' bursaries and scholarships	**41**	94
	41	94

During the year 80 pupils benefited from bursary support totalling £670,148. Of this amount £18,495 was provided by Restricted and Permanent Capital Funds. Twenty two of these pupils also receive scholarship support. In addition, the Charity made awards of Governors' scholarships based on academic or musical merit which are not means tested to 156 pupils at a cost of £161,048 and £33,429 respectively.

Total bursaries, grants and allowances includes £14,738 of rebates given as a result of Covid19.

4. **Ancillary trading income**

	2021 £'000	2020 £'000
Dining Hall	**278**	329
School shop	**-**	23
	278	352

5. **Other incoming resources**

	Unrestricted funds £'000	**Restricted funds £'000**	**Total 2021 £'000**	Total 2020 £'000
Fundraising events	**-**	**5**	**5**	-
Furlough grants	**121**	**-**	**121**	191
Lettings income	**64**	**-**	**64**	44
	185	**5**	**190**	235

6. Analysis of expenditure

	Staff costs £'000	Depreciation £'000	Other costs £'000	Grant funding £'000	Total 2021 £'000	Total 2020 £'000
Costs of generating funds						
Fundraising	-	-	**4**	-	**4**	-
Ancillary trading costs	-	-	**502**	-	**502**	440
Financing costs	-	-	**790**	-	**790**	832
Total cost of generating funds	-	-	**1,296**	-	**1,296**	1,272
Charitable expenditure Education and grant making						
Teaching	**7,145**	**1,586**	**881**	**82**	**9,694**	8,315
Welfare	**50**	-	**161**	-	**211**	200
Premises	**596**	-	**1,642**	-	**2,237**	1,938
Support costs (note a)	**710**	**25**	**374**	-	**1,110**	1,140
Total charitable expenditure	**8,501**	**1,611**	**3,058**	**82**	**13,252**	11,593
Total expended	**8,501**	**1,611**	**4,354**	**82**	**14,548**	12,865

Included within finance costs is £560,308 (2020: £372,530) of interest on bank loans and overdrafts, £19,717 (2020: £204,704) of non-utilisation fees and £123,137 interest on retention.

During the year, the provision against doubtful fee debtors was decreased by £12,797 (2020: increase of £45,591).

a) Governance costs included in support costs

	2021 £'000	2020 £'000
Accountancy charges	**25**	21
Other governance costs	**35**	74
	60	95

Governance costs includes payments to the auditors of £21,300 (2020: £21,480) for audit fees and £1,920 (2020: £ nil) for other services.

7. **Governors**

Nine Governors (2020: six) who held office for at least part of the year had children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

None of the Governors (or any persons connected with them) received any remuneration or other benefits from the School or from any connected body during this year or the previous year, except as set out in note 23: Related parties. No governors were reimbursed expenses during this year (2020: one governor of £174).

8. **Staff costs**

The average number of employees during the year	**Number 2021**	Number 2020
Teaching	**109**	111
Welfare	**2**	3
Premises	**39**	37
Support	**88**	88
	238	239

The full time equivalent number of employees during the year was 197 (2020: 196).

The school shop and catering operation of the school are outsourced.

The aggregate payroll costs for the year were as follows:	**2021 £'000**	2020 £'000
Wages and salaries	**6,660**	6,634
Social security costs	**636**	627
Other pension costs	**1,179**	1,182
Apprenticeship Levy	**18**	18
	8,493	8,461

	2021 £'000	2020 £'000
Aggregate employee benefits of key management personnel	**870**	876

8. Staff costs (continued)

	2021	2020
Number of higher paid employees in bands of:		
£60,001 to £70,000	**2**	2
£70,001 to £80,000	**2**	2
£90,001 to £100,000	**0**	1
£100,001 to £110,000	**1**	0
£110,001 to £120,000	**0**	0
£120,001 to £130,000	**1**	0
£130,001 to £140,000	**0**	1

Of the employees whose emoluments exceed £60,000, 5 (2020: 5) have retirement benefits accruing under defined benefit pension schemes and 1 (2020: 1) has benefits accruing under defined contribution schemes for which the contributions amounted to £20,605 (2020: £26,009).

During the year there were redundancy or termination payments which amounted to £8,016 (2020: £4,186).

9. Tangible Fixed Assets

	Land & Buildings £'000	**Fixtures, fittings, plant & equipment £'000**	**Computers £'000**	**Motor vehicles £'000**	**Total £'000**
Cost (or deemed cost)					
At 1 August 2020	62,176	1,016	648	379	64,219
Additions	1,920	372	147	52	2,491
Disposals	-	(221)	(104)	(24)	(349)
At 31 July 2021	64,096	1,167	691	407	66,361
Depreciation					
At 1 August 2020	172	731	341	337	1,581
On disposals	-	(221)	(104)	(24)	(349)
Charge for the year	1,296	127	164	25	1,612
At 31 July 2021	1,468	637	401	338	2,844
Net book value					
At 31 July 2021	62,628	530	290	69	63,517
At 31 July 2020	62,004	285	307	42	62,638

The land and buildings were held at a valuation until transition to FRS102 when the value of the land and buildings was taken as deemed cost.

10. **Fixed asset investment**

Cost or valuation:	**£'000**
Market value at 1 August 2020	**643**
Disposals	**-**
Change in value in the year	**115**
Market value at 31 July 2021	**758**

The investment assets held at the end of the year are:	**£'000**
Income shares in COIF	**519**
Charifund Units	**220**
Fixed Interest Bonds	**18**
Ground Rents	**1**
	758

	£'000
Historical cost:	
At 31 July 2021	**115**
At 31 July 2020	115

The above historical cost value is made up of £1,000 of unrestricted fund investments, £90,000 of restricted fund investments and £24,000 of endowment fund investments.

11. **Debtors**

	2021 **£'000**	2020 £'000
Fees	**140**	554
Other debtors	**180**	1,648
Prepayments and accrued income	**363**	435
	683	2,637

All debtors are due within one year, except for £nil (2020: £150,096) in respect of other debtors which are due after more than one year.

Within fee debtors are gross fees in respect of Summer 2021 and earlier terms of £244,832 (2020: £715,054). A provision of £104,560 (2020: £161,465) against this amount has been provided for in respect of doubtful debts.

Other debtors includes a security deposit of £1,563,957 paid to Cheshire East Borough Council, of which £1,413,861 was repaid on completion of the highway works at the new school site. The remaining £150,096 is due on approval of the final works.

12. **Creditors: amounts falling due within one year:**

	2021	2020
	£'000	£'000
Bank loan	**800**	6,000
Trade creditors	**272**	2,792
Taxes and social security costs	**170**	159
Other creditors	**3,584**	6,716
Accruals	**1,724**	808
Deferred income	**4,231**	3,541
	10,781	20,016

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

	2021	2020
	£'000	£'000
Bank loan	**17,200**	12,352
Other creditors	**-**	1,889
Deferred income	**96**	32
	17,296	14,273

The School entered into the Facility Agreement with AIB Group (UK) Limited (the "Bank") on 10 August 2018 secured by a charge over all the School's freehold properties. The Facility Agreement provided a total funding commitment from the Bank of up to £24.0 million to be utilised for the funding of the construction of the new school campus. The first drawn down under the Facility took place in November 2019 and drawdowns continued through the construction phase up to a maximum of £24 million. In July 2021, the School repaid £6 million of the facility from the proceeds of sales of the previous sites. At the year end, the School had £18 million of long term debt outstanding.

Since entering into the Facility Agreement, the School has been paying commitment fees to the Bank. These fees of £19,717 (2020: £204,704) in the year have been charged as financing expenditure in the year.

	2021	2020
	£'000	£'000
Loan maturity analysis		
Debt due in one year or less	**800**	6,000
In more than one year but not more than two years	**800**	800
In more than two years but not more than five years	**2,400**	2,400
In more than five years	**14,000**	9,152
	18,000	18,352
Included in liabilities falling due within one year	**(800)**	(6,000)
	17,200	12,352

14. **Fees received in advance**

	2021	2020
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	**4,231**	3,541
Creditors due after more than one year	**96**	32
	4,327	3,573
Total deferred income at 1 August 2020	**3,573**	3,508
Amounts received in year	**4,327**	3,573
Amounts credited to statement of financial activities	**(3,573)**	(3,508)
Total deferred income at 31 July 2021	**4,327**	3,573

Parents may enter into an agreement to pay the school up to the equivalent of one year's tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2021	2020
	£'000	£'000
Within one year	**4,231**	3,541
Within one to five years	**96**	32
	4,327	3,573

15. **Financial instruments**

	2021	2020
	£'000	£'000
Financial assets measured at amortised cost (a)	**9,673**	10,867
Financial assets measured at fair value (b)	**758**	643
Financial liabilities measured at amortised cost (c)	**3,856**	11,397
Net financial (liabilities)/assets measured at amortised cost	**5,817**	(530)

(a) Financial assets include cash, trade and fee debtors, other debtors and accrued income
(b) Financial assets held at fair value include assets held as investments
(c) Financial liabilities include deposits, trade creditors, and other creditors

16. **Pension and other post-retirement benefit commitments**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,055,206 (2020: £1,064,463) and at the year-end £nil (2020 - £ nil) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020. As a result of the consultation, the government announced on 4 February 2021 it intends to proceed with a deferred choice underpin, under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022, at the point they became payable.

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

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

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

The school also contributes to individual personal pension schemes at rates of between 4% and 14.1% of pensionable pay. These are defined contribution schemes. The cost for the year represents the school's contributions to these schemes of £121,962 (2020: £115,996). At the year-end £nil was accrued in respect of these schemes.

17. **Endowment funds**

On 6th April 2009, the Charity Commission for England & Wales granted a scheme ('the scheme') to effect a uniting direction of the subsidiary charities and to create two new subsidiary charities to be known as The King's School in Macclesfield Horsfield Bursary Fund ('Horsfield Bursary Fund') and the King's School in Macclesfield Brocklehurst Scholarship Fund ('Brocklehurst Scholarship Fund'). The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

		Movement in funds			
	Balance at 1 August 2020 £'000	Incoming resources £'000	Resources expended £'000	Investments gains/losses £'000	Balance at 31 July 2021 £'000
Permanent endowments					
Horsfield Bursary Fund	**347**	**-**	**-**	**58**	**405**
Brocklehurst Scholarship Fund	**98**	**-**	**-**	**16**	**114**
	445	-	-	**74**	**519**

18. **Restricted funds**

The restricted funds of the School comprise the following unexpended income derived from the permanent endowed assets of the school held on trusts to be applied for specific purposes. On 1st April 2011 the associated charity known as The King's School Development Trust was brought into the restricted funds of the school following a merger of the two charities. During the year, the Governors reviewed the level of unexpended income held and approved the expenditure of part of this amount by donating £82,000 (2020: £97,000) to the main School charity to provide bursaries, scholarships and prizes to pupils at the School. At the year end, unexpended income was £544,000 (2020: £1,022,000).

		Movement in funds			
	Balance at 1 August 2020	Incoming resources	Resources expended	Investments gains/losses	Transfers	Balance at 31 July 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Horsfield Bursary Fund	1	11	(11)	-	-	1
Brocklehurst Scholarship & Other Prize Funds	51	3	(3)	-	-	51
Quincentenary Bursary Fund	253	51	(23)	6	-	287
Cricket pitch and bridge fund	508	-	(508)	-	-	-
Bursary & Scholarship Fund	168	9	(8)	36	-	205
Sport Now Fund	41	-	(41)	-	-	-
	1,022	74	(594)	42	-	544

19. **Unrestricted funds**

	Balance at 1 August 2020	Incoming resources	Resources expended	Gain on sale of assets	Transfers	Balance at 31 July 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted general funds	41,878	14,973	(13,954)	2,275	-	45,172
	41,878	14,973	(13,954)	2,275	-	45,172

20. **Analysis of net assets between funds**

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2021
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2021 are represented by:				
Tangible fixed assets	**63,517**	**-**	**-**	**63,517**
Investments	**-**	**239**	**519**	**758**
Current assets	**9,732**	**305**	**-**	**10,037**
Creditors: amounts falling due within one year	**(10,781)**	**-**	**-**	**(10,781)**
Creditors: amounts falling due after one year	**(17,296)**	**-**	**-**	**(17,296)**
	45,172	**544**	**519**	**46,235**

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2020
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2020 are represented by:				
Tangible fixed assets	62,638	-	-	62,638
Investments	2	196	445	643
Current assets	13,527	826	-	14,353
Creditors: amounts falling due within one year	(20,016)	-	-	(20,016)
Creditors: amounts falling due after more than one year	(14,273)	-	-	(14,273)
	41,878	1,022	445	43,345

21. **Capital commitments**

	2021	2020
	£'000	£'000
At 31 July 2021 the School had no capital commitments.		
Expenditure contracted for but not provided in the year	-	1,140

22. **Operating lease commitments**

	2021	2020
	£'000	£'000
Within one year	=	40

The above operating lease commitment is in respect of the sale and leaseback arrangement for the school buildings. The lease was terminated on 18 September 2020.

23. **Related parties**

On 7 December 2018, Mr J Hinds was elected as a Governor. Mr Hinds is a regional director in the Manchester office of Savills plc. Savills plc are one of the advisors appointed by the School to assist on the 2020 project. This appointment took place before Mr Hinds joined the Governing Body. During the year the School has paid Savills plc a total of £100,246 (2020: £40,155) (inc VAT) in respect of its services to the School. There were no other related party transactions.

24. **Statement of Financial Activities – Comparative figures by fund – type**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000
Income and endowments from:					
Donations and legacies		96	554	-	650
Investment income	2	36	27	-	63
Charitable activities:					
School fees	3	12,495	-	-	12,495
Ancillary trading income	4	352	-	-	352
Other incoming resources	5	235	-	-	235
Total incoming resources		13,214	581	-	13,795
Expenditure on:	6				
Raising funds					
Ancillary trading costs		440	-	-	440
Financing costs		832	-	-	832
		1,272	-	-	1,272
Charitable activities					
Education and grant making		11,496	97	-	11,593
Total resources expended		12,768	97	-	12,865
Net incoming resources from operations before transfers and investment gains		446	484	-	930
Gains on investment assets		-	(50)	1	(49)
Gain on disposal of land and buildings		18	-	-	18
Transfer between funds		-	-	-	-
Net movement in funds		464	434	1	899
Fund balances at 1 August 2019		41,414	588	444	42,446
Fund balances at 31 July 2020		41,878	1,022	445	43,345

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESLFIELD OF 1502, RE-FOUNDED BY KING ED

England & Wales - Charity number 1137204

Accounts

Charity Registration No. 1137204

Company Registration No. RC 000830 (England and Wales)

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552

KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2020

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD
LEGAL AND ADMINISTRATIVE INFORMATION

Chair of Governors	Dr J W Kennerley BPharm MRPharmS PhD
Headmaster	Dr S Hyde, MA, DPhil
Director of Finance	J M Spencer Pickup BSc (Hons) ACA
Charity number	1137204
Company number	RC 000830
Auditors	Crowe U.K. LLP The Lexicon Mount Street Manchester M2 5NT
Bankers	Allied Irish Bank (GB) 1 Underbank London EC3A 8AB National Westminster Bank plc 2 Chestergate Macclesfield SK11 6BA
Solicitors	DAC Beachcroft LLP 3 Hardman Street Manchester M3 3HF

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

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THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS, OFFICERS AND ORGANISATION

The Governing Body comprises co-opted governors who are appointed by the Governing Body following recommendations by the Nominations Committee of the Governing Body and governors appointed by outside bodies as indicated below. They have all served in office throughout the year and subsequently, except where indicated. They were the Trustees of the charity known as The King's School in Macclesfield during the year.

The Chair and Vice Chair are ex officio members of all the committees of the Governing Body. Mr Sugden stepped down as Vice Chair on 4 December 2020. Mr Higginson elected Vice Chair on 4 December 2020.

Co-opted Governors Term of office - five years, renewable for a maximum of two further terms of five years.

Dr J W Kennerley BPharm, MR PharmS, PhD	Audit*
Chair	
Mr J Sugden MA, CEng FI Mech, CEng	Remuneration*, Nominations*
Mrs A Chowdhury BSc	(Retired 4 December 2020)
Mr S Barriskell BSc, MBA	Finance & General Purposes*, Remuneration, Steering
Prof N Hanley BSc, MB ChB, PhD, FRCP	Education, External Relations
Ms L Grainger MA, FCPFA	Education
(appointed 6 December 2019)	
Mr H Grant MA (appointed 4 December 2020)	Finance & General Purposes
Mr S Murrells (appointed 6 December 2019)	External Relations
Dr C Doherty B. Pharm, PhD, MBA	Education
(appointed 6 December 2019)	
Mr J Hinds BA MSc	Finance & General Purposes, Steering
Mr C R W Petty MA (Cantab)	(retired 6 December 2019)
Mrs R J Spinks MA PGCE	(retired 6 December 2019)
Ms J White BSc	Education, Nominations
Mr S Wright MA	Education*
Mr C King MA PGCE	Education
Mr J Watkins BA (Oxon)	External Relations, Finance & General Purposes
Nominated by the University of Manchester	
Mr I Bradley BSc	Education
Nominated by the Lord Lieutenant of Cheshire	
Mr A T Higginson BSc	Finance & General Purposes, Nominations, Steering
Nominated by the Lord Bishop of Chester	Finance & General Purposes, External Relations, Steering
Mr M Strutt BA	
Nominated by the Cheshire East Council	
Cllr A Gregory (appointed 6 December 2019)	External Relations
Cllr D Edwards (appointed 6 December 2019)	Education

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS, OFFICERS AND ORGANISATION

Cllr S Bennett-Wake, Mayor of Macclesfield, Ex-officio Governor for one year term (appointed 29 June 2020)

Cllr J Jackson, Mayor of Macclesfield, Ex-officio Governor for one year term (retired 29 June 2020)

* Chair of the Committee

All nominated governors have terms of five years (or such lesser period as the nominating body may declare at the time of nomination), renewable for a maximum of two further terms.

Officers

The principal officers of the School during the year were:

Dr S Hyde MA DPhil – Headmaster

Dr S Hyde retired as Headmaster on 31 August 2020

Mr J Slack was appointed Head of Foundation from 1 September 2020

Mr J M Spencer Pickup BSc, ACA - Director of Finance & Clerk to the Governors

The day to day running of the Foundation is delegated to the key management personnel that comprises the Head of Foundation and Director of Finance & Clerk to the Governors

Organisation

The principal operation of the Foundation is a day school. The current year was the final year as operation of a "diamond" school operating on two sites and organised into four divisions:

1. Infant & Junior Division
2. Boys' Division (11-16)
3. Girls' Division (11-16)
4. Sixth Form Division

Although there was a delay caused by the impact of the COVID 19 pandemic, the new campus opened to new pupils in September 2020 as a co-educational day school. From 1 September 2020 the registered office of the charity changed to the King's School in Macclesfield, Alderley Road, Prestbury, Macclesfield SK10 4SP.

2020 Project

In 2014, the School began developing a long term strategic project to consolidate all its operations on a new purpose built campus, known as the 2020 Project. In 2016, the School acquired an option to purchase 51 acres of land in Prestbury, adjoining the School's Derby Fields playing fields. In 2016, detailed planning permission was granted to build a new school and sports facilities on the land, together with the planning permissions for the residential development of the School's current sites at Fence Avenue and Westminster Road.

The school executed its option to purchase the land in Prestbury and this was funded by a major donation. In 2018, the School acquired Fallibroome Farm and associated paddocks to complete the overall development site for the new school.

Following detailed negotiations overseen by the Steering Committee and the full Governing Body, the Governing Body met in August 2018 to approve the detailed contracts, legal due diligence reports and arrangements to proceed with the 2020 project.

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS, OFFICERS AND ORGANISATION

During the year ended 31 July 2018, the Governing Body approved the following:

The McCarthy Sales Agreement between McCarthy & Stone Retirement Lifestyles Limited and the School was signed on 6 February 2018 in relation to the land at King's School, Coare Street, Macclesfield. The parties entered into a deed of variation and the School sold the site with vacant possession on 12 February 2021.

The Hillcrest Homes Sales Agreement between Hillcrest Homes (Est 1985) Limited and the School was signed on 20 July 2018 in relation to the land at King's School, Cumberland Street. The parties entered into a deed of variation and the School sold the site with vacant possession on 2 February 2021.

The HCA Sale and Lease Back Agreement being the arrangement between Homes and Communities Agency and the School was signed on 25 May 2018 in relation to the land at King's School, Fence Avenue, Macclesfield. The sale was completed on 10 August 2018 and the Lease Back Agreement was entered into in conjunction with this agreement for the period of 10 August 2018 until 18 September 2020 when the School handed over the site with vacant possession.

The Bellway Sale and Lease Back Agreement being the arrangement between Bellway Homes Limited and the School was signed on 10 July 2018 in relation to the land at King's School, Westminster Road, Macclesfield. The sale was subsequently completed on 28 August 2018 and a lease back was entered into in conjunction with the sales agreement. On 21 September 2020, the School terminated the lease arrangement and the School handed over the site with vacant possession.

The Facility Agreement being the agreement between AIB Group (UK) plc and the School was signed on 10 August 2018, with a total funding commitment of £24.0 million, to be utilised for the funding of the construction of a new school. During the year, the School drew down £18.35 million to fund the costs of the VINCI Build Contract. On 29 January 2021, the parties entered into an agreement to extend the repayment date for the £6 million payment due on 31 January 2021 to 31 March 2021. Details of draw down of funds and repayment of funds under the Facility Agreement after 1 August 2020 are set out in Note 24: Subsequent events in the Accounts.

The VINCI Build Contract being the arrangement between VINCI Construction UK Limited and the School for the design and construction of a new school was signed on 10 August 2018. The construction programme continued on schedule during the year until March 2020 when the impact of the COVID pandemic led to delays in resources and materials to site. The operational delays resulted in the new Academic Building being handed over on 18 July 2020 so the School staff could commence transferring resources from the old sites. After the year end, the School took possession of the Sports Building and the Building Contract reached its formal Practical Completion on 14 September 2020. The new Campus successfully opened on time at the beginning of September 2020 to all pupils and staff. There is now a 12 month defect liability period under the contract.

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS' REPORT

The Governors present their Annual Report for the year ended 31 July 2020 under the Charities Act 2011 together with the audited financial statements under the Companies Act 2006.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the School's governing document, the Companies Act 2006 and the Statement of Recommended Practice, Charities (FRS102).

Reference and administrative information

The Foundation was originally created under a body corporate by the Charter of King Edward VI in 1552. The Governors, officers and principal address of the Foundation are listed above.

Structure, governance and management

Governing document

The Charity is constituted as a Royal Charter Company called "The Foundation of Sir John Percyvale in Macclesfield of 1502, re-founded by King Edward VI in 1552" under the new supplemental charter that received Royal Assent on 11 February 2009 and is registered with the Charity Commission under Charity number 1137204.

Organisational management

The Governors are responsible for the overall management and control of the Charity and meet at least three times per year. The work of implementing the educational policies of the Charity is carried out by members of the **Education Committee**, who meet three times per year with the Senior Management Team. The **Finance & General Purposes Committee** is responsible for overseeing the day to day management of the Charity and monitoring strategic risks. It meets at least six times per year with the Head of Foundation, Director of Finance and Director of External Relations.

There are the following additional committees of the Governing Body that meet as required during the year. The committees have specific terms of reference and make appropriate recommendations to the Governing Body:

Nominations

Considers nominations to the Governing Body and oversees the induction and training of Governors.

External relations

Oversees the External Relations function and monitors the School's public benefit and bursary policy.

Remuneration

Considers remuneration and annual pay awards for all staff.

Steering committee

Monitors and assesses the development of the new School site. The responsibilities of the Steering Committee were transferred to the Finance & General Purposes Committee in September 2020.

Audit

Oversees the preparation and completion of the audited financial statements and annual report for approval by the Governing Body.

Recruitment and Governor Training

Governors are appointed at a meeting of the full Governing Body on the basis of nominations received from the Nominations sub-committee that vets applications to ensure they meet eligibility, competence, specialist skills and knowledge of the local community requirements for any vacant positions on the Governing Body.

New governors are inducted into the workings of the Charity, including Board policy and procedures by the Headmaster and Director of Finance. This induction is overseen by the Chair of Governors. The Director of Finance also arranges trustee-training workshops for governors covering specific issues.

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS' REPORT

Group Structures and Relationships

The Charity has no trading subsidiaries. The operation of the school shop and school catering are both outsourced.

The King's School Macclesfield Development Trust is a subsidiary charity with number 504131 and its financial results are included in these accounts and the assets are shown within restricted funds.

Risk Management

The Governing Body is responsible for the management of the risks faced by the Charity. Detailed considerations of high level risks and their mitigations are delegated to the Finance & General Purposes Committee, the Head of Foundation and Director of Finance. The School's Foundation Leadership Group and the Health & Safety Committee consider day to day risks and ways to mitigate them.

The key controls used by the Charity include:

- Formal agendas for all Committee and Governing Body activity;
- Detailed terms of reference for all Committees;
- Preparation and updating of the five year Development Plan, annual Budget and termly Management Accounts;
- Established organisational structure and lines of reporting through the Principals in each division;
- Formal written policies;
- Appropriate levels of insurance protection;
- Approved authorisation levels;
- Vetting procedures as required by child protection legislation, and
- Regular review of health and safety issues.

Through the risk management process overseen by the Governing Body, the Governors are satisfied that the major risks identified have been adequately mitigated, where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Major risks

The School updated its high level risk assessment in March 2020 at the start of the COVID 19 pandemic. The key short term risks identified were significant as the Charity was required to close its existing school sites, furlough support staff and move teaching and pastoral support to an on-line model in the Junior and Senior divisions. At the same time, the Charity was in the final stages of completing its new campus with uncertainty when the project would be completed. The Governing Body decided to provide fee discount in the Summer term to reflect the change in the educational service whilst meeting the School's cash flow requirements. The Charity continued to collect termly fees despite some cases of hardship among the school's parents. These cases were dealt with through the School's normal bursary procedures with oversight by the Chair of the External Relations committee.

On partial re-opening in June 2020, the School had to put in place new procedures and safety measure to limit any transmission of the virus between pupils and/or staff. The detailed risk assessments and procedures were reviewed by a sub-committee of the Governing Body before publication on the School's web site in June 2020. The School's senior management team have kept these assessments under review and made amendments ahead of the full re-opening of the School on the new campus in September 2020.

With regard to the ongoing 2020 project, the Governing Body continued to monitor through the Steering Committee, the following strategic risks and mitigation measures set out below:

a) Delay in receipt of proceeds from sales of the remaining sites.

The School continues to monitor progress of these sales. The School has cash reserves that can be used to cover any short term delay in receipts of proceeds.

b) Over-run on costs under the Vinci Construction design and build contract against budget.

The School's cost consultants are providing detailed monthly cost reports to assess expenditure against the fixed cost and provisional sum elements of the contract. The School has instructed additional work under the contract that has reduced the contingency left against the budget. At the time of signing of these Accounts, the School assisted by its cost consultants are continuing to negotiate the final account and it is the School's expectation that it will be within the overall budget set by the Governing Body.

c) A reduction in pupil population reduces the level of surplus to invest in the 2020 project.

Despite the challenges associated with the COVID 19 pandemic, the School has increased its pupil population ahead of the Business case projections with a number of year groups presently full. There is significant interest from potential new parents in the new school. Despite the challenges, the School continues to actively market the school to prospective new parents through on-line events and professionally produced videos.

d) Operational risks

The School re-opened to pupils in June 2020 following the national restrictions using a detailed risk assessment to limit the transmission of COVID 19 in the school environment. The School fully re-opened in September 2020 using an updated and reviewed risk assessment based on Government guidelines. The School has contingency arrangements for moving to online teaching and has increased substantial sums in new equipment and training of staff.

The school's most recent regulatory ISI Inspection known as the Materials Change inspection in August 2020 required before the new campus opened stated that "the evidence that has been evaluated remotely suggests that all relevant standards and requirements have been met".

Key management personnel remuneration policy

The Charity has a Remuneration Committee, which meets annually. The Head of Foundation is in attendance for the meeting (leaving for the discussion regarding the Headmaster's pay). No members of the key management personnel are members of the committee. The Head of Foundation makes recommendations for changes to salaries of key management personnel. This is to ensure such salaries reflect experience and delivery of individual targets.

The Remuneration Committee reviews all salary changes including those for the key management personnel against independent benchmarking surveys, where available. The Remuneration Committee then sets the pay for all staff.

Investment policy and objectives

The Board aims to maximise the total investment return within the objectives of maintaining income whilst preserving the real value of endowed investments.

The school's investments have continued to be managed in conformity with this policy and the Supplemental Charter.

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS' REPORT

OBJECTS

Charitable objects

The Charity's Objects, as set out in the Supplemental Charter dated 11 February 2009, are the advancement of education by way of maintaining a day school in Macclesfield. The Governors have powers to provide total or partial exemption from any fees payable to pupils who are in need of financial assistance. In addition, the Foundation has to maintain a number of restricted trust funds held for scholarships, bursaries, prizes and other educational purposes.

AIMS, OBJECTIVES AND ACTIVITIES

Ethos and values

The King's School in Macclesfield is proud of its history and ambitious for its future. Learning and personal development are at the heart of its community. The School seeks to equip young people with the character and skills necessary to meet the challenges of a changing world. The School believes that education is not just about what happens in the classroom. The School seeks to produce courageous and responsible citizens who contribute to society through leadership and service.

Principal activities of the year

During the year, the Charity continued to offer co-educational Infant, Junior and Sixth Form education with boys and girls educated separately between the ages of 11 to 16. The School continued to communicate with parents about the intended move to a fully co-educational curriculum in September 2020.

From September 2020, the School moved to a fully co-educational model on the new campus.

In the year ended 31 July 2020, the average pupil population of the Foundation was:

	2019-2020	2018-2019
Infants & Junior Division	296	306
Boys' Division	357	343
Girls' Division	285	269
Sixth Form division	197	205
	1,135	**1,123**

In September 2020, the pupil population was 1,218.

Public benefit and grant making policy

The governors confirm that they have had due regard to the Charity Commission guidance on public benefit.

Bursaries

Governors' bursaries and Quincentenary bursaries are awarded to pupils of parents with limited financial means in accordance with the Foundation's Bursary policy. All new bursary awards are subject to an external review of family income. At the recommendation of the Headmaster, both bursary and scholarship awards can be removed if a pupil's behaviour or effort do not meet the standards expected.

During the year 100 pupils benefited from bursary support totalling £674,943. This included an additional 38 pupils who were supported from the temporary hardship fund at a total cost of £67,200. Of this amount £74,350 was provided by Restricted and Permanent Capital Funds. 26 of these pupils also receive scholarship support.

In addition, the Charity made awards of Governors' scholarships based on academic, sporting or musical merit which are not means tested to 132 pupils at a cost of £175,473.

Charitable work

This year, staff and pupils at King's continued their efforts to support good causes and raise funds for charities. The Covid-19 pandemic, and subsequent closure of all schools, meant that this year was very much a year of two halves. Despite this, pupils raised £33,660 for charities. At Christmas, Infant & Junior pupils raised £535 for Save the Children; £175 for Destiny Garden School in Kenya; £872 for East Cheshire Hospice; £500 for Hand On Heart (defibrillators for schools) and £770 to help relieve the situation following the forest fires in Australia.

Senior pupils raised £2281 for Children In Need, £1536 for Sport Relief, £4000 for The Christie (Cancer Hospital), £706 for MacMillan Care Research and just under £1000 for homeless charities Shelter and Cheshire Streetwise. King's Senior pupils undertook a sponsored 'Sleep Out' for Cheshire Streetwise, a local charity committed to helping the homeless.

A highlight of the fundraising calendar was the Sixth Form Fashion Show, which raised £11,000 for The Christie cancer hospital.

Community service

Senior pupils are encouraged to undertake voluntary service in the local community and overseas through the World Challenge trips which take place during alternate years. The School's pupils gain educationally and culturally though a meaningful interaction with those outside the School community. 34 rugby players undertook a tour of South America in July 2019, playing nine matches, visiting three countries and undertaking coaching sessions with local children in the 'favelas'.

During the year, 14 Sixth Form pupils were involved in giving their time through voluntary work locally at charity shops, schools, Age UK and care homes. In addition, just under 300 pupils undertook voluntary work as part of their Duke of Edinburgh Award Scheme.

During the Covid-19 pandemic, many pupils have been unable to continue with their normal volunteering. However, some pupils have undertaken new roles to help support the NHS, including manufacturing PPE and helping with deliveries, whilst other pupils have helped support local charities who, in turn, have helped local communities affected by the lockdown.

Community access programme

The Community Access programme seeks to widen access to the School's buildings and resources for local schools, sports clubs, charities and societies. In total, we let our facilities to 36 community groups, some as 'one off' bookings and others as regular bookings. Of these, 15 were subsidised lettings and some were given free of charge.

Sport

The School's sports facilities are let to a range of community groups on five nights a week and at weekends. The multi-sports facilities have a wide range of users including sports clubs that require high-quality, local provision. Sports clubs and community organisations that benefit from King's facilities include: Macclesfield Hockey Club, Bollington Ladies Hockey Club, Bollington F.C., Wilmslow Town FC Veterans, Macclesfield Junior Football Club, AFC Prestbury Nomads (Juniors), Park Royal F.C.(Juniors) and Macclesfield Netball Club.

In addition, King's Sports Scholarship scheme and King's Elite Athlete Programme continue to offer talented young sports people the opportunity to have subsidised places and access to a programme of support, mentoring and training. A total of four Sports Scholarships and an additional ten places on KEAP were taken up by pupils starting in Year 7 in September 2020.

Many of our staff act as coaches at local rugby and other sports clubs and our Sixth Form students assist in the running of the Sports at local schools, swimming pools and sports clubs. Around 30 of our Sixth Form pupils participated in the Community Sports Leaders Award Scheme, acting as coaches in local schools.

Creative and Performing Arts

Pupils from local primary schools, as well as adults from the locality, attend the Macclesfield Music Centre (MMC) which uses the school's facilities each Saturday for rehearsals. MMC is an independent charity offering everyone in the community the opportunity to be taught a musical instrument and to perform together. Unfortunately, due to Covid-19, MMC were unable to use our facilities after lockdown commenced on 23 March 2020.

The School's Senior pupils hosted fewer public concerts this year due to Covid-19, but did hold harvest celebrations, Christmas concerts and Remembrance Services. Our Infant & Junior Division put on 3 public concerts and 2 dramatic performances. Senior pupils put on a performance of 'Bugsy Malone', which was open to friends, family and the wider community.

Science

The School's community outreach activities continued this year, delivering a range of science and team-building activities to around 300 pupils in five local primary schools. In addition, several schools visited King's Science Department for workshops.

Environmental Impact

The King's School was recognised as the first school on the planet to set up a Merit First Council to champion the United Nations' sustainable development projects.

The School's Merit First Council organised and lead on a range of global issues within the Senior school, with representatives from Years 7 – 11 engaged in supporting the United Nation's Sustainable Development Goals. Activities were widespread, but involved encouraging pupils and families to reduce the use of single use plastics, undertake beach clean-ups and to help eradicate global period poverty. They supported local foodbanks, held an eco fashion show, raised money for The Christie Hospital, collected litter and recyclable plastic around the town, raised money and donated clothes to DoubleJoy orphanage in Kenya.

This School continued its work to achieve 100% diversion of waste from landfill, for the third consecutive year.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Academic

The School's academic results in August 2020 continued the school's long-standing reputation as one of the best independent schools in Cheshire and in the UK.

At GCSE, despite the period of school closures and uncertainty, pupils achieved 70% of all grades at grades 9-7 (A*/A); 86% at grades 9-6 (A* - B). 70% of pupils achieved a 9/8 (A*) in at least one subject.

At A Level, 61% of all grades were A*/A, and 90% were at A* - B. Almost all leavers taking up higher education places achieved their preferred course with 83% of students achieved their first choice of university and 66% of students joined Russell Group universities. Of these, three students joined Cambridge University.

Pupils are encouraged to participate in a range of competitions, ranging from public speaking and creative writing through to Maths, Linguistics and Physics Olympiads. Pupils achieved considerable success at regional and national level. This year, a team of Year 12 scientists were awarded EDT Gold CREST Awards for their project supporting a local engineering company; two Sixth Form pupils won Silver or Bronze medals in the UK Linguistics Olympiad, one Year 13 pupil achieved a Gold Award in the RSC Chemistry Olympiad and another achieved a Silver, and a team of Year 12 pupils won the first round of the ESU Mace Debating competition and progressed to Round 2.

Extra-curricular activities:

About half of all pupils learn at least one musical instrument. There are many ensembles, groups and choirs, which start in the Infant Department and provide opportunities right through to the Sixth Form.

All pupils have the opportunity to take part in Drama productions. This year, the Senior Divisions put on a stage production of Bugsy Malone. This production included pupils from Years 8 – 13 in key roles, as well as pupils playing in the orchestra and looking after lighting/sound. This main production was in addition to a number of smaller performances by GCSE students, plus the Year 7 girls who held a Drama Evening and Year 8 boys who hosted a Creative Evening.

Pupils participate in winter and summer sports, enjoying a wide range of options. Football, hockey, netball, athletics, rugby, rounders, trampolining and cricket teams are fielded for most age groups and the results reflect the hard work and enthusiasm of the pupils and staff. New this year was a competitive tennis squad. The School offers pupils the opportunity to participate in chess, equestrian squad, taekwondo, kayaking, caving, coasteering, climbing, sailing, skiing, pistol shooting, squash and yachting.

Sporting highlights of the year include:

- A Year 7 gymnast was crowned English Gymnastics Champion for ages 10 - 11.
- A Year 8 pupil was selected for a British Junior Orienteering training tour, a week-long event in late July.
- A Year 11 pupil achieved 2nd place in the National Pop-up Dressage competition.
- Two Year 7 pupils were selected to represent Cheshire at the Inter Counties Cross Country Championships.
- One pupil was selected to represent Cheshire at the ESAA National Schools Cross Country Championships.
- Nine hockey players were selected for Regional Performance Centres, in addition to the 20 boys and 30 girls who were selected for Junior Academy Centres (East Cheshire, Greater Manchester, Derbyshire).
- The U13 girls' Hockey Squad reached the North West semi-finals.
- The U11 boys' hockey team won the AJIS North West Hockey Championships for the first time.
- The U11 girls'vhockey team were crowned Cheshire Champions, after remaining unbeaten in the IN2 County Hockey Tournament. The girls qualified for the Regional Finals.
- The girls' U13 hockey team progressed through to North West Round of National Schools' Competition
- Nine King's netball players were selected to represent their county, with three girls making the Manchester Thunder squad, the North West section of the elite performance pathway to national recognition.
- King's trampolinists were crowned North of Britain Champions, with seven teams and four individuals qualifying for the National Trampoline Finals.
- The U11 football team won the Macclesfield & District Primary School's Football Cup.
- King's U12 Rugby squad were unbeaten all season and were ranked fifth nationwide in the RFU rankings coordinated with the Daily Mail.
- The U12 rugby team won the Myles Marshall Sevens trophy.
- Our U15 VII won the Plate at the Giggleswick School Sevens.
- The Senior Netball First V11 qualified in the Cheshire rounds of the National Schools' Cup and went on to represent Cheshire in the North West Regional finals.
- The U14 netball squad qualified to the fourth round of the Sisters In Sport National Cup. The U15 squad had success in the Independent Schools' Netball Plate, making it to the last 16 in Country.

GOVERNORS' REPORT

FINANCIAL REVIEW

Results for the year

Total incoming resources were £13.80 million (2019: £13.27 million) with no overall change in fee income due to the COVID refunds provided to all parents in the Summer term offsetting the general fee increase and small improvement in pupil numbers during the year. An increase in donations, offset by a reduction in trading income due to the school closure in the Summer term led to £526,000 increase in total incoming resources.

Total resources expended were £12.87 million (2019: £12.18 million) as the School incurred £832,000 (2019: £398,000) of financing costs as the AIB Facility was drawn down. Staff costs increased by £603,000 with the £330,000 increase in employers' contributions to the TPS and other salary increases of £273,000.

Overall, the net increase in funds was £930,000 (2019: £1.09 million), a decline on last year but in line with the Business case projections for the 2020 Project.

The overall increase in Net Movement of Funds in the year of £899,000 has increased the Net Assets of the Charity from £42.45 million at the start of the year to £43.35 million at the year end.

Investment performance against objectives

The Charity's investment performance for the restricted and endowment funds continue to be monitored against the FTSE All Share Total Return Index. It was a poor year for UK equity markets following the financial shock caused by the COVID19 pandemic. The year to date Index was down 20.5%. Against this challenging backdrop the COIF Income Fund that is invested more internationally provided a total return of 3.3% whilst the UK focussed M & G Charifund was down by 21.3%. The Charity's holding in the fixed income fund was up by 3.3%. The Charity with its holdings predominately in the COIF Income Fund achieved an overall investment return of +3.5% against the Index return of -20.5%.

Free reserves policy and financial viability

The Governors have reviewed the calculation of the free reserves of the Charity as the School has spent a significant capital sum of £62 million to complete the construction of the new campus. This has been funded from capital receipts from the sale of the sites, the new Allied Irish Bank Facility and operational cash flow, including donations.

At the start of the year, the School had a designated fund of £12.77 million that was fully expended in the year on payments to fund the monthly invoices required under the VINCI Build Contract for the construction of the new campus in Prestbury.

At the year end, the Governing Body considers that the School has sufficient working capital comprising cash resources of £8.6 million, undrawn bank facility of £5.65 million and contracts for disposal of the remaining sites for approximately £5 million to meet the outstanding obligations in respect of the remaining capital commitment of £1.1 million to complete construction of the new school, funding the bridging loan repayment of £6.0 million on or before 31 January 2021 and repayment of £6.8 million of retentions under the VINCI Build contract due by September 2021.

The calculation of free reserves at 31 July 2020 is as follows:

	£'000	£'000
Unrestricted funds at year end		41,878
Less designated funds		Nil
Less fixed assets per accounts	(65,582)	
Add back		
Monies owed under the VINCI Build Contract	7,970	
Bank draw down to fund VINCI Build Contract	18,352	(39,260)
Free reserves at year end		2,618

The Governors consider that the target for Free Reserves should be three months' operating costs excluding depreciation of approximately £2.7 million. This is a medium term objective that has to be balanced with the demands on cash resources for the 2020 project in the short term.

FUTURE PLANS

During the year, the School completed its preparations for the new fully co-educational school and implemented its new senior management structure .

Following eight successful years as headmaster, Dr Simon Hyde announced in September 2019 that he would be leaving the school at the end of the current academic year to take up a new role as membership secretary of the Headmasters' and Headmistresses' Conference. The Governing Body completed the recruitment of the new Head of Foundation with Mr Jason Slack joining the School on 1 September 2020.

The school also prepared an outreach report to assess and quantify the support the school provides to community and charity organisations, its impact on the local economy and the school's bursary support.

Following the significant increase in employers' contributions to the teachers' pension scheme as explained in note 16, the school held a briefing session for all teaching staff in September 2019. The Governing Body continues to monitor developments in possible future changes to the pension scheme and its ongoing viability to the school.

The School's senior management team is continuing with its planning in case the School has to revert back to on-line learning. The School has invested in new laptops for the majority of teaching staff to provide reliance and capacity for on-line learning. The School continues to work within the Government guidelines to provide a safe environment for pupils and staff during the COVID 19 pandemic.

The School is recruiting a sports centre manager and team to allow the School to let its new sports facilities to community users and develop further the School's trading income. The Former Pupils' Association is supporting the School to build a café area in the new sports centre during the current year.

The new Head of Foundation is preparing a development plan that will set out targets for the education, co-curriculum and pastoral development across the Foundation. The opinions of stakeholders are being sought, including a professional commissioned questionnaire. This will be reviewed by the Governing Body before approval in Summer 2021.

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

GOVERNORS' REPORT

Statement of disclosure to auditors
On behalf of the Governing Body, the Audit Committee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

On behalf of the Board of Governors

Dr J W Kennerley BPharm MRPharmS PhD

Chair of the Governing Body

Dated: 19 March 2021

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

STATEMENT OF GOVERNORS' RESPONSIBILITY

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

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

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

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

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of The Foundation of Sir John Percyvale in Macclesfield of 1502, Re-founded by King Edward VI in 1552 known as The King's School in Macclesfield for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 14, the governors 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

INDEPENDENT AUDITORS' REPORT

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

Use of our report

This report is made solely to the charity's governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's governors as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

31st March 2021

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and legacies		96	554	-	650	43
Investment income	3	36	27	-	63	169
Charitable activities:						
School fees	4	12,495	-	-	12,495	12,555
Ancillary trading income	2	352	-	-	352	453
Other incoming resources	5	235	-	-	235	49
Total incoming resources		13,214	581	-	13,795	13,269
Expenditure on:	6					
Raising funds						
Ancillary trading costs		47	-	-	47	628
Financing costs		832	-	-	832	398
		879	-	-	879	1,026
Charitable activities						
Education and grant making		11,889	97	-	11,986	11,155
Total resources expended		12,768	97	-	12,865	12,181
Net incoming resources from operations before transfers and investment gains		446	484	-	930	1,088
Gains on investment assets		-	(50)	1	(49)	32
Gain on disposal of land and buildings		18	-	-	18	18,732
Transfer between funds		-	-	-	-	-
Net movement in funds		464	434	1	899	19,852
Fund balances at 1 August 2019		41,414	588	444	42,446	22,594
Fund balances at 31 July 2020		41,878	1,022	445	43,345	42,446

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD
BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Tangible assets	9		62,638		33,931
Investments	10		643		691
			63,281		34,622
Current assets					
Assets held for resale		3,051		-	
Debtors	11	2,637		7,629	
Cash at bank and in hand		8,665		10,713	
		14,353		18,342	
Creditors: amounts falling due within one year:	12	(20,016)		(8,415)	
Net current (liabilities)/assets			(5,663)		9,927
Total assets less current liabilities			57,618		44,549
Creditors: amounts falling due after more than one year	13		(14,273)		(2,103)
Net assets			43,345		42,446
Endowment funds	17		445		444
Restricted funds	18		1,022		588
Unrestricted funds	19		41,878		41,414
			43,345		42,446

The accounts were approved and authorised for issue by the Board on 19 March 2021.

Dr J W Kennerley
Governor

Mr A T Higginson
Governor

THE FOUNDATION OF SIR JOHN PERCYVALE IN MACCLESFIELD OF 1502, RE-FOUNDED BY KING EDWARD VI IN 1552 KNOWN AS THE KING'S SCHOOL IN MACCLESFIELD
CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Net cash inflow from operating activities	(i)		**12,328**		588
Cash flows from investing activities					
Financing costs		**(832)**		(371)	
Investment income		**26**		25	
Interest received		**37**		144	
Net proceeds from sale of fixed assets		**19**		30,709	
Payments to acquire tangible fixed Assets		**(31,977)**		(24,760)	
Net cash from/(used) in investing activities			**(32,727)**		5,747
Cash flows from financing activities					
AIB loan drawdown		**18,351**		-	
Net cash from financing activities			**18,351**		-
Change in cash and cash equivalents in the year			**(2,048)**		6,335
Cash and cash equivalents at the beginning of the year			**10,713**		4,378
Cash and cash equivalents at the end of the year	(ii)		**8,665**		10,713

(i) Reconciliation of net income to cash flow from operating activities

	2020 £'000	2019 £'000
Net incoming resources	**930**	1,088
Investment income	**(26)**	(25)
Financing costs	**832**	371
Interest received	**(37)**	(144)
Depreciation of tangible fixed assets	**326**	290
Decrease/(increase) in debtors	**4,992**	(6,729)
Increase in creditors	**5,311**	5,737
Net cash inflow from operations	**12,328**	588

(ii) Analysis of cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank	**8,665**	10,713

(iii) Reconciliation of net debt

	1 August 2019 £'000	Cashflow £'000	31 July 2020 £'000
Cash in hand and at bank	10,713	(2,048)	8,665
Bank loan due in less than one year	-	(6,000)	(6,000)
Bank loan due in greater than one year	-	(12,352)	(12,352)
	10,713	(20,400)	(9,687)

1 **Accounting policies**

1.1 **Basis of preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

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

The School is a Public Benefit Entity registered as a charity in England and Wales and a Royal Charter Company. It was incorporated on 25 April 1552 (company number: RC 000830) and re-registered as a charity on 30 July 2010 (charity number: 1137204).

The School continues to attract pupils and has adequate pupil numbers even in the current economic climate. The School manages operational cash flow to make best use of available resources and to build up reserves for future investments. The Governors have reviewed the current financial forecasts based on improved pupil numbers against the original Business Case for the 2020 project. Taking into account the full draw down of the AIB Bank facility and expected receipts for the sales of the two remaining sites, the Governors are confident that the School has sufficient resources to continue on a going concern basis.

1.2 **Incoming resources**

Fee income, school shop income and dining hall income is recognised in the Statement of Financial Activities on the accruals basis. Fees received in advance of education to be provided in future years are held until either taken to income in the term when used or else refunded.

Donations received for the general purposes of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on the Governors. Donations and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income is credited to the Statement of Financial Activities on a receivable basis.
The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

1 **Accounting policies (continued)**

1.3 **Resources expended**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The cost headings comprise expenditure, including staff costs and depreciation, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a fair and reasonable basis.

Support costs comprise all services including an appropriate proportion of general overheads specifically identified as wholly or mainly incurred in support of the direct charitable expenditure. The irrecoverable VAT element is included with the item of expense to which it relates.

1.4 **Tangible fixed assets and depreciation**

Tangible assets are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation.

Individual purchase of fixed assets costing less than £1,000 are not capitalised but charged as expenditure in the year.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Buildings	over 20 or 50 years on a straight line basis.
Fixtures, fittings, plant & equipment	over 3 to 5 years on a straight line basis.
Computers	over 3 years on a straight-line basis.
Motor vehicles	over 5 years on a straight line basis.

During the year the School has incurred significant professional costs in respect of the future relocation of the school site. As a result all costs incurred during the year have been capitalised from the date planning consent was received. Professional fees incurred before this date have now been expensed.

1.5 **Investments**

Investments are stated at market value less any provision for permanent diminution in value. Market value is taken to be the middle market price ruling at the balance sheet date.

Gains and losses on investment assets realised and unrealised are taken to the Statement of Financial Activities.

1.6 **Stock**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a "first in, first out" basis. Net realisable value is determined on the basis of estimated value or expected selling price less further costs to be incurred to disposal.

1.7 **Pensions**

The School participates in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff at rates set by the scheme actuary and advised to the Board by the Scheme Administrator. The pension liability is the responsibility of the Scheme. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly, under FRS 102 the scheme is accounted for as if it were a defined contribution scheme.

1 **Accounting policies (continued)**

1.8 **Accumulated funds**

General funds are available for use at the discretion of the Governing Body in furtherance of the general objectives of the School.

Endowment funds are capital funds where there is no power to convert the capital into income and which therefore represent the permanent capital of the School. Changes in the market values of the investments and other assets held within these funds are debited or credited to the capital of those funds and the movements, purposes and uses of these funds are set out in the notes to the accounts. Where applicable the income arising from these endowment funds has been included in general funds or restricted funds as appropriate.

Restricted funds are funds subject to specific restrictive conditions imposed by the donors or by the purpose of the appeal. These restricted funds also include the Income Funds of the various permanent endowments where the income is earmarked for specific purposes. The purpose and use of the restricted funds is set out in the notes to the accounts.

All income and expenditure is shown in the Statement of Financial Activities.

1.9 **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities, unless they are included in a hedging arrangement.

1 **Accounting policies (continued)**

1.10 **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. **Ancillary trading income**

	2020	2019
	£'000	£'000
Dining Hall	**329**	445
School shop	**23**	8
	352	453

3. **Investment income**

	Unrestricted funds	**Restricted funds**	**Total 2020**	Total 2019
	£'000	**£'000**	**£'000**	£'000
Income shares in COIF	**-**	**26**	**26**	25
Interest receivable	**36**	**1**	**37**	144
	36	**27**	**63**	169

4. **Charitable activities – fees receivable**

	Total 2020 £'000	Total 2019 £'000
School fees		
The school's fee income comprised:		
Gross fees	**14,642**	13,993
Less: Total bursaries, grants and allowances	**(2,241)**	(1,517)
	12,401	12,476
Add:		
Bursaries and scholarships paid for by Restricted Funds	**94**	79
School fees	**12,495**	12,555
Bursaries and scholarships paid for by Restricted Fund:		
Governors' bursaries and scholarships	**94**	79
	94	79

During the year 100 pupils benefited from bursary support totalling £674,943. Of this amount £74,345 was provided by Restricted and Permanent Capital Funds. Twenty six of these pupils also receive scholarship support. In addition, the Charity made awards of Governors' scholarships based on academic or musical merit which are not means tested to 132 pupils at a cost of £146,148 and £29,325 respectively.

Total bursaries, grants and allowances includes £621,087 of rebates given as a result of Covid19.

5. **Other incoming resources**

	Unrestricted funds £'000	**Restricted funds £'000**	**Total 2020 £'000**	Total 2019 £'000
Furlough grants	**191**	**-**	**191**	-
Lettings income	**44**	**-**	**44**	49
	235	**-**	**235**	49

6. **Analysis of expenditure**

	Staff costs £'000	Depreciation £'000	Other costs £'000	Grant funding £'000	Total 2020 £'000	Total 2019 £'000
Costs of generating funds						
Ancillary trading costs	-	-	**440**	-	**440**	628
Financing costs	-	-	**832**	-	**832**	398
Total cost of generating funds	-	-	**1,272**	-	**1,272**	1,026
Charitable expenditure Education and grant making						
Teaching	**7,107**	**295**	**818**	**95**	**8,315**	8,058
Welfare	**62**	-	**138**	-	**200**	227
Premises	**620**	-	**1,318**	-	**1,938**	1,850
Support costs (note a)	**677**	**31**	**432**	-	**1,140**	1,020
Total charitable expenditure	**8,466**	**326**	**2,706**	**95**	**11,593**	11,155
Total expended	**8,466**	**326**	**3,978**	**95**	**12,865**	12,181

Included within finance costs is £372,530 (2019: £nil) of interest on bank loans and overdrafts, £204,704 (2019: £371,251) of non-utilisation fees and £199,607 interest on retention.

During the year, the provision against doubtful fee debtors was increased by £45,591 (2019: £17,723).

a) Governance costs included in support costs

	2020 £'000	2019 £'000
Accountancy charges	**21**	24
Other governance costs	**74**	38
	95	62

Governance costs includes payments to the auditors of £21,480 (2019: £19,500) for audit fees and £nil (2019: £1,625) for other services.

7. **Governors**

Six Governors (2019: four) who held office for at least part of the year had children enrolled at the school during the year. The children attend the school on the same terms as the other pupils.

None of the Governors (or any persons connected with them) received any remuneration or other benefits from the School or from any connected body during this year or the previous year, except as set out in note 23: Related parties. One governor was reimbursed expenses of £174 during this year (2019: £51).

8. **Staff costs**

The average number of employees during the year	**Number 2020**	Number 2019
Teaching	**111**	112
Welfare	**3**	3
Premises	**37**	39
Support	**88**	90
	239	244

The full time equivalent number of employees during the year was 196 (2019: 204).

The school shop and catering operation of the school are outsourced.

The aggregate payroll costs for the year were as follows:	**2020 £'000**	2019 £'000
Wages and salaries	**6,858**	6,906
Social security costs	**627**	624
Other pension costs	**1,182**	829
Apprenticeship Levy	**18**	17
	8,685	8,376

	2020 £'000	2019 £'000
Aggregate employee benefits of key management personnel	**484**	497

8. **Staff costs** (continued)

	2020	2019
Number of higher paid employees in bands of:		
£60,001 to £70,000	2	2
£70,001 to £80,000	2	1
£90,001 to £100,000	1	1
£130,001 to £140,000	1	-
£140,001 to £150,000	-	1

Of the employees whose emoluments exceed £60,000, 5 (2019: 4) have retirement benefits accruing under defined benefit pension schemes and 1 (2019: 1) has benefits accruing under defined contribution schemes for which the contributions amounted to £26,009 (2019: £30,243).

During the year there were redundancy or termination payments which amounted to £4,186 (2019: £6,538).

9. **Tangible Fixed Assets**

	Land & Buildings £'000	Fixtures, fittings, plant & equipment £'000	Computers £'000	Motor vehicles £'000	Total £'000
Cost (or deemed cost)					
At 1 August 2019	34,110	801	427	379	35,717
Transfer to assets held for resale	(3,362)	-	-	-	(3,362)
Additions	31,428	237	312	-	31,977
Disposals	-	(22)	(91)	-	(113)
At 31 July 2020	62,176	1,016	648	379	64,219
Depreciation					
At 1 August 2019	491	671	318	306	1,786
Transfer to assets held for resale	(418)	-	-	-	(418)
On disposals	-	(22)	(91)	-	(113)
Charge for the year	99	82	114	31	326
At 31 July 2020	172	731	341	337	1,581
Net book value					
At 31 July 2020	62,004	285	307	42	62,638
At 31 July 2019	33,619	130	109	73	33,931

The land and buildings were held at a valuation until transition to FRS102 when the value of the land and buildings was taken as deemed cost.

10. **Fixed asset investment**

Cost or valuation:	£'000
Market value at 1 August 2019	691
Disposals	
Change in value in the year	(48)
Market value at 31 July 2020	643

The investment assets held at the end of the year are:	£'000
Income shares in COIF	445
Charifund Units	178
Fixed Interest Bonds	19
Ground Rents	1
	643

	£'000
Historical cost:	
At 31 July 2020	115
At 31 July 2019	115

The above historical cost value is made up of £1,000 of unrestricted fund investments, £90,000 of restricted fund investments and £24,000 of endowment fund investments.

11. **Debtors**

	2020 £'000	2019 £'000
Fees	554	126
Other debtors	1,648	6,912
Prepayments and accrued income	435	591
	2,637	7,629

All debtors are due within one year, except for £150,096 (2019: £156,396) in respect of other debtors which are due after more than one year.

Within fee debtors are gross fees in respect of Summer 2020 and earlier terms of £715,054 (2019: £241,588). This included £264,117 of direct debit receipts received in August 2020 that had been deferred by one month to assist parents during the Covid-19 pandemic. A provision of £161,465 (2019: £115,874) against this amount has been provided for in respect of doubtful debts.

Other debtors includes a security deposit of £1,563,957 paid to Cheshire East Borough Council, of which £1,413,861 was repaid on completion of the highway works at the new school site. The remaining £150,096 in September 2021.

12. **Creditors: amounts falling due within one year:**

	2020	2019
	£'000	£'000
Bank loan	**6,000**	-
Trade creditors	**2,792**	2,402
Taxes and social security costs	**159**	158
Other creditors	**6,716**	1,652
Accruals	**808**	714
Deferred income	**3,541**	3,489
	20,016	8,415

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

	2020	2019
	£'000	£'000
Bank loan	**12,352**	-
Other creditors	**1,889**	2,084
Deferred income	**32**	19
	14,273	2,103

The School entered into the Facility Agreement with AIB Group (UK) Limited (the "Bank") on 10 August 2018. The Facility Agreement provides a total funding commitment from the Bank of up to £24.0 million to be utilised for the funding of the construction of the new school campus. The first drawn down under the Facility took place in November 2019 and at the year end, the School had drawn down £18.35 million (2019: £nil) under the Facility Agreement. Since entering into the Facility Agreement, the School has been paying commitment fees to the Bank. These fees of £204,704 in the year have been charged as financing expenditure in the year.

The Bank has security by way of a charge over the School's freehold properties known as Willow Trees, Fallibroome Farm, Derby Fields and the land adjoining Derby Fields on which VINCI Construction Limited was constructing the new School campus during the year.

	2020	2019
	£'000	£'000
Loan maturity analysis		
Debt due in one year or less	**6,000**	-
In more than one year but not more than two years	**800**	-
In more than two years but not more than five years	**2,400**	-
In more than five years	**9,152**	-
	18,352	-
Included in liabilities falling due within one year	**(6,000)**	-
	12,352	-

14. **Fees received in advance**

	2020	2019
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	**3,541**	3,489
Creditors due after more than one year	**32**	19
	3,573	3,508
Total deferred income at 1 August 2019	**3,508**	3,364
Amounts received in year	**3,573**	3,485
Amounts credited to statement of financial activities	**(3,508)**	(3,341)
Total deferred income at 31 July 2020	**3,573**	3,508

Parents may enter into an agreement to pay the school up to the equivalent of one year's tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2020	2019
	£'000	£'000
Within one year	**3,541**	3,489
Within one to five years	**32**	19
	3,573	3,508

15. **Financial instruments**

	2020	2019
	£'000	£'000
Financial assets measured at amortised cost (a)	**10,867**	17,751
Financial assets measured at fair value (b)	**643**	691
Financial liabilities measured at amortised cost (c)	**11,397**	6,138
Net financial (liabilities)/assets measured at amortised cost	**(530)**	11,613

(a) Financial assets include cash, trade and fee debtors, other debtors and accrued income
(b) Financial assets held at fair value include assets held as investments
(c) Financial liabilities include deposits, trade creditors, and other creditors

16. **Pension and other post-retirement benefit commitments**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,064,463 (2019: £734,322) and at the year-end £nil (2019 - £95,412) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020. As a result of the consultation, the government announced on 4 February 2021 it intends to proceed with a deferred choice underpin, under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022, at the point they became payable.

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

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

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

The school also contributes to individual personal pension schemes at rates of between 4% and 14.1% of pensionable pay. These are defined contribution schemes. The cost for the year represents the school's contributions to these schemes of £115,996 (2019: £92,881). At the year-end £nil was accrued in respect of these schemes.

17. **Endowment funds**

On 6th April 2009, the Charity Commission for England & Wales granted a scheme ('the scheme') to effect a uniting direction of the subsidiary charities and to create two new subsidiary charities to be known as The King's School in Macclesfield Horsfield Bursary Fund ('Horsfield Bursary Fund') and the King's School in Macclesfield Brocklehurst Scholarship Fund ('Brocklehurst Scholarship Fund'). The income from the investment of the endowment funds forms the restricted funds of the school and is spent in accordance with the scheme.

		Movement in funds			
	Balance at 1 August 2019 £'000	**Incoming resources £'000**	**Resources expended £'000**	**Investments gains/losses £'000**	**Balance at 31 July 2020 £'000**
Permanent endowments					
Horsfield Bursary Fund	347	-	-	1	348
Brocklehurst Scholarship Fund	97	-	-	-	97
	444	-	-	**1**	**445**

18. **Restricted funds**

The restricted funds of the School comprise the following unexpended income derived from the permanent endowed assets of the school held on trusts to be applied for specific purposes. On 1st April 2011 the associated charity known as The King's School Development Trust was brought into the restricted funds of the school following a merger of the two charities. During the year, the Governors reviewed the level of unexpended income held and approved the expenditure of part of this amount by donating £97,000 (2019: £13,355) to the main School charity to provide bursaries, scholarships and prizes to pupils at the School. At the year end, unexpended income was £1,022,000 (2019: £588,304).

		Movement in funds				
	Balance at 1 August 2019	**Incoming resources**	**Resources expended**	**Investments gains/losses**	**Transfers**	**Balance at 31 July 2020**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Horsfield Bursary Fund	1	11	(11)	-	-	1
Brocklehurst Scholarship & Other Prize Funds	51	3	(3)	-	-	51
Quincentenary Bursary Fund	287	49	(76)	(7)	-	253
Cricket pitch and bridge fund	-	508	-	-		508
Bursary & Scholarship Fund	208	10	(7)	(43)	-	168
Sport Now Fund	41	-	-	-	-	41
	588	581	(97)	(50)	-	1,022

19. **Unrestricted funds**

	Balance at 1 August 2019	**Incoming resources**	**Resources expended**	**Gain on sale of assets**	**Transfers**	**Balance at 31 July 2020**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Unrestricted general funds	28,641	13,214	(12,768)	18	12,773	41,878
Designated funds	12,773	-	-	-	(12,773)	-
	41,414	13,214	(12,768)	18	(12,773)	41,878

The Designated Fund of £12.77 million was fully expended in the year on funding the construction of the new campus in Prestbury.

20. **Analysis of net assets between funds**

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2020
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2020 are represented by:				
Tangible fixed assets	**62,638**	**-**	**-**	**62,638**
Investments	**2**	**196**	**445**	**643**
Current assets	**13,527**	**826**	**-**	**14,353**
Creditors: amounts falling due within one year	**(20,016)**	**-**	**-**	**(20,016)**
Creditors: amounts falling due after one year	**(14,273)**	**-**	**-**	**(14,273)**
	41,878	**1,022**	**445**	**43,345**

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2019
	£'000	£'000	£'000	£'000
Fund balances as at 31 July 2019 are represented by:				
Tangible fixed assets	33,931	-	-	33,931
Investments	1	246	444	691
Current assets	18,000	342	-	18,342
Creditors: amounts falling due within one year	(8,415)	-	-	(8,415)
Creditors: amounts falling due after more than one year	(2,103)	-	-	(2,103)
	41,414	588	444	42,446

21. **Capital commitments**

	2020	2019
	£'000	£'000
At 31 July 2020 the School had capital commitments as follows:		
Expenditure contracted for but not provided in the year	**1,140**	30,318

At 31 July 2020, the School had capital commitments outstanding of £1.14 million (including VAT) in respect of the Vinci Build contract. This capital commitment was funded by the draw down of the remaining balance of £5.65 million under the AIB Facility Agreement on 30 October 2020.

22. **Operating lease commitments**

	2020	2019
	£'000	£'000
Within one year	**40**	240

The above operating lease commitment is in respect of the sale and leaseback arrangement for the school buildings. There is a further arrangement in place whereby a peppercorn rental is payable. Both leases were terminated after the year end – see note 24 below.

23. **Related parties**

On 7 December 2018, Mr J Hinds was elected as a Governor. Mr Hinds is a regional director in the Manchester office of Savills plc. Savills plc are one of the advisors appointed by the School to assist on the 2020 project. This appointment took place before Mr Hinds joined the Governing Body. During the year the School has paid Savills plc a total of £40,155 (2019: £32,761) (inc VAT) in respect of its services as planning consultant to the School. There were no other related party transactions.

24. **Subsequent events**

On 14 September 2020, the School terminated its lease on the Westminster Roads Sports Fields with Bellway Homes Limited and the School ceased to have any economic interest in the property.

On 18 September 2020, the School terminated its lease on the Fence Avenue site with Homes England and the School ceased to have any economic interest in the property.

On 30 October 2020, the School drew down the remaining balance of £5.65 million under the AIB Facility Agreement.

On 15 January 2021, the School repaid £2 million under the AIB Facility Agreement.

On 2 February 2021, the School completed the sale of land at Cumberland Street under the Hillcrest Homes Sales Agreement and the school ceased to have any economic interest in the property.

On 5 February 2021, the School repaid £4 million under the AIB Facility Agreement from the proceeds of the Hillcrest Homes Sales Agreement and cash resources.

On 12 February 2021, the School completed the sale of land at Coare Street under the McCarthy Sales Agreement and the school ceased to have any economic interest in the property.

25. **Statement of Financial Activities – Comparative figures by fund – type**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2019 £'000
Income and endowments from:					
Donations and legacies		17	26	-	43
Investment income	3	143	26	-	169
Charitable activities:					
School fees	4	12,555	-	-	12,555
Ancillary trading income	2	453	-	-	453
Other incoming resources	5	49	-	-	49
Total incoming resources		13,217	52	-	13,269
Expenditure on:	6				
Raising funds					
Ancillary trading costs		628	-	-	628
Financing costs		398	-	-	398
		1,026	-	-	1,026
Charitable activities					
Education and grant making		11,076	79	-	11,155
Total resources expended		12,102	79	-	12,181
Net incoming resources from operations before transfers and investment gains		1,115	(27)	-	1,088
Gains on investment assets		-	(5)	37	32
Movement in fair value of derivative financial instrument		-	-	-	-
Gain on disposal of land and buildings	9	18,732	-	-	18,732
Transfer between funds		-	-	-	-
Net movement in funds		19,847	(32)	37	19,852
Fund balances at 1 August 2018		21,567	620	407	22,594
Fund balances at 31 July 2019		41,414	588	444	42,446