

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 Cheestergate 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**

CONTENTS

	Page
Governors, officers and organisation	1 - 2
Governors' report	3 – 8
Statement of Governors' responsibilities	9
Independent auditors' report	10 – 12
Statement of financial activities	13
Balance sheet	14
Cash flow statement	15 - 16
Notes to the accounts	17 - 32

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 (appointed 6 December 2019)	Education
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

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

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.

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

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.

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

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.

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 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.

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

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.

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

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	<u>18,000</u>	<u>(42,557)</u>
Free reserves at year end		<u><u>2,615</u></u>

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.

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 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.

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

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.

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

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	2020 £'000
Fixed assets			
Tangible assets	9	63,517	62,638
Investments	10	<u>758</u>	<u>643</u>
		64,275	63,281
Current assets			
Assets held for resale		-	3,051
Debtors	11	683	2,637
Cash at bank and in hand		<u>9,354</u>	<u>8,665</u>
		10,037	14,353
Creditors: amounts falling due within one year:	12	<u>(10,781)</u>	<u>(20,016)</u>
Net current (liabilities)/assets		<u>(744)</u>	<u>(5,663)</u>
Total assets less current liabilities		63,531	57,618
Creditors: amounts falling due after more than one year	13	<u>(17,296)</u>	<u>(14,273)</u>
Net assets		<u>46,235</u>	<u>43,345</u>
Endowment funds	17	519	445
Restricted funds	18	544	1,022
Unrestricted funds	19	<u>45,172</u>	<u>41,878</u>
		<u>46,235</u>	<u>43,345</u>

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	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		<u>(2,491)</u>	<u>(31,977)</u>
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		<u>(6,352)</u>	-
Net cash (used in)/from financing activities		<u>(352)</u>	<u>18,351</u>
Change in cash and cash equivalents in the year		689	(2,048)
Cash and cash equivalents at the beginning of the year		<u>8,665</u>	<u>10,713</u>
Cash and cash equivalents at the end of the year	(ii)	<u>9,354</u>	<u>8,665</u>
(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		<u>(5,860)</u>	<u>5,311</u>
Net cash (outflow)/inflow from operations		<u>(1,031)</u>	<u>12,328</u>
(ii) Analysis of cash and cash equivalents			
		2021 £'000	2020 £'000
Cash at bank		<u>9,354</u>	<u>8,665</u>

**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

(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	<u>(12,352)</u>	<u>(4,848)</u>	<u>(17,200)</u>
	<u>(9,687)</u>	<u>1,041</u>	<u>(8,646)</u>

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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.

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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.

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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.

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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	<u>0</u>	<u>1</u>

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	<u>64,096</u>	<u>1,167</u>	<u>691</u>	<u>407</u>	<u>66,361</u>
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	<u>1,468</u>	<u>637</u>	<u>401</u>	<u>338</u>	<u>2,844</u>
Net book value					
At 31 July 2021	<u>62,628</u>	<u>530</u>	<u>290</u>	<u>69</u>	<u>63,517</u>
At 31 July 2020	<u>62,004</u>	<u>285</u>	<u>307</u>	<u>42</u>	<u>62,638</u>

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.

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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
Historical cost:	£'000
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.

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

12. Creditors: amounts falling due within one year:

	2021 £'000	2020 £'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 £'000	2020 £'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 £'000	2020 £'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

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

14. Fees received in advance

	2021 £'000	2020 £'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 £'000	2020 £'000
Within one year	4,231	3,541
Within one to five years	96	32
	4,327	3,573

15. Financial instruments

	2021 £'000	2020 £'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

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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 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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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 31 July 2021 £'000
	Balance at 1 August 2020 £'000	Incoming resources £'000	Resources expended £'000	Investments gains/losses £'000	
Permanent endowments					
Horsfield Bursary Fund	347	-	-	58	405
Brocklehurst Scholarship Fund	98	-	-	16	114
	445	-	-	74	519

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

20. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment Funds	Total 2021 £'000
	£'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	£'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 £'000	2020 £'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 £'000	2020 £'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.

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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.

**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
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2021

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

