

Charity registration number 1149571

Company registration number 07968584 (England and Wales)

**KIMICHI SCHOOL**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2021**

# KIMICHI SCHOOL

## LEGAL AND ADMINISTRATIVE INFORMATION

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|-----------------------------|--|-----------------------------|
| <b>Trustees</b>             | Ms S E Alexander<br>Ms K E N Berry<br>Mr R Jenkinson<br>Mr D Clarke                          | (Appointed 20 October 2020) |
| <b>Charity number</b>       | 1149571  |                             |
| <b>Company number</b>       | 07968584   |                             |
| <b>Registered office</b>    | Eastbourne House<br>111 Yardley Road<br>Acocks Green<br>Birmingham<br>B27 6LL                |                             |
| <b>Independent examiner</b> | Joanne Baldwin<br>The Oakley<br>Kidderminster Road<br>Droitwich<br>Worcestershire<br>WR9 9AY |                             |

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# KIMICHI SCHOOL

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# **KIMICHI SCHOOL**

## **TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) FOR THE PERIOD ENDED 31 AUGUST 2021**

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The Trustees present their annual report and financial statements for the period ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the School's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### **Objectives and activities**

#### ***Our Aims***

The objects of the School are the advancement of education (including social and physical training) of boys and girls, and in particular to emphasise the benefits of Music, especially to those under special circumstances.

We aim to provide a first class education to boys and girls from the ages of 9 to 18. We seek to provide a structured educational environment that develops our pupils' capabilities, competencies and skills. We promote the academic, moral and physical development of our pupils through our academic curriculum, pastoral care, sporting and other activities. We provide an educational environment where each student can develop and fulfil his or her potential, building their self-confidence and inculcating a desire to contribute to the wider community. We also provide a safe environment for those children unable to cope in mainstream secondary schools. In so doing, we prepare our pupils for the opportunities, responsibilities and experience of later life.

#### **Our Objectives**

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School.

Our key objectives for the year included:

- to enhance and improve the co-curricular provision for pupils
- to continue to develop the first class pastoral care we provide for pupils, especially those who have been failed by the maintained school system and struggling because of Covid-19
- to provide continuing support of our pupils already in receipt of fee assistance through bursaries
- to increase the provision of means tested bursary places to 4 for the September 2022 intake
- to develop our programme of co-operation and joint working with local state junior and secondary schools
- to play our part in the life of our local community through our community access and service programmes.

In carrying out the objectives as described, the Trustees feel that the charity has complied with its duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

# KIMICHI SCHOOL

## TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

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### **Achievements and performance**

#### *Pupil numbers and fees*

- Pupil numbers at School increased slightly to 37. This is thirteen places away from our DfE registered capacity of 60, but the school has recognised the issue of space within the premises and will attempt to cap pupil numbers at 45.
- Our fees for the current year, before the deduction of any means assisted bursaries and scholarships, have increased slightly to £2,400 per term as per standard. This is following a period of three years that saw no increase in fees.

#### *Academic*

Our academic results again showed further improvements with our public examination results being good for a relatively small cohort to enter throughout a time of chaos because of the Covid-19 pandemic and the lack of clear guidance from DfE around public exams. The curriculum also includes the development of the whole individual, including the 'soft skills' of self-presentation, public speaking, team working, coaching and mentoring of others and social skills. The co-curricular activities are significant for being the main avenue for developing these strengths where we combine the personal interests of our pupils with the opportunities to develop these soft skills. Within the classic classroom the curriculum is used creatively to draw out these skills in LIFE lessons.

At GCSE 60% achieved a 4-7 in Maths, 100% achieved a 4-8 in English and 100% achieved a 6-8 in Music. We have maintained our 'Good' achieved in our second Ofsted report in June 2018.

#### Co-curricular activities:

##### *Music*

All our pupils learn at least one musical instrument, and the whole school learns violin and piano. All will be entered into music exams in the following year; this was postponed from last year because of the lack of exams and the shift due to the pandemic. The ensemble regularly performs in local venues, and we regularly go into maintained schools to run workshops.

##### *Sport*

Pupils are learning football, and we now use the facilities at West Warwick's sports ground under the tutelage of Football Development Scheme.

#### Details of bursary and scholarship awards:

##### *Bursaries*

This year the value of means tested bursaries totalled £32,000 and represented 10% of our gross fees. They provided assistance to 5 of our pupils of which 3 pupils benefitted from a full remission of fees. A hardship fund is also available to help pupils in receipt of bursaries meet the costs of school trips, examination entrance fees and similar expenses. In the year, costs of £800 were met by the hardship fund.

# KIMICHI SCHOOL

## TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

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### *Review*

The Governors are currently reviewing our Bursary and Scholarship Awards policies to ensure that able children can accept offers of places at our School through the availability of means tested fee assistance. Our policy is designed to widen access to our School. We anticipate this review will help inform the development of our policy and help ensure the objective of wider access continues to be achieved.

We like to share our expertise and perspectives with colleagues from state schools. This is a growing area of activity and overall the resources invested in this area, recognised by the value of time and support costs, amounted to £2,000. HT serves as a Governor at a maintained all-through school attached to a Studio School, and DHT serves as a Governor in an RSA school alongside a maintained school.

### *Music*

Musicians from Kimichi School regularly visit our local primary schools to support their staff, run workshops and perform. We also welcome Birmingham Conservatoire students into school to share their expertise. KSO was set up to embrace those looking for more of a challenge and has performed large scale concerts that have attracted the Mayor of Birmingham and showcased the pupils of the school. Clearly, all musical activities, in fact all activities were stopped due to the pandemic which has, in fact, worsened.

### *Covid*

The pandemic has affected the school in many ways; schools were shut due to Covid twice within the year and online learning has replaced face to face teaching in those instances. Mental health and well-being have been constantly monitored. We have been required to build a testing site at school in order to facilitate pupils and staff return after the January lockdown. We have invested heavily in sanitizer, extra cleaning supplies, clear plastic shields and posters emphasising the rules and laws put in place by the UK government.

### *Charities and Public Benefit:*

#### *Community Service*

Pupils also take part in practical voluntary service in the local community, for example Clean up the Canal, working with Arts in the Yard and assisting at St. Marys church. Throughout the pandemic we also bought and delivered free school meals to families in the local area, and undertook shopping for those clinically shielding.

#### *Community access*

We see Kimichi School as a part of a wider community and where we can assist the community, without detriment to advancing the education of our pupils, we are delighted so to do. Kimichi Symphony Orchestra, chamber music groups, the North Birmingham Suzuki School and local music teachers all made regular use of our school, free of charge, out of school hours.

# **KIMICHI SCHOOL**

## **TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** ***FOR THE PERIOD ENDED 31 AUGUST 2021***

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### **Future plans**

The Governors intend to continue their current strategies of maintaining the School's position in a competitive market by investing to provide high quality education as well as readiness for life for our pupils. Achieving a high standard of academic results is a constant aim whilst maintaining the breadth and depth of the education provided.

The Headmaster and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for our pupils' development.

Our future plans are financed primarily from fee income and from our reserves. The Governors need to maintain an equitable balance ensuring our current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils in the same way as our current pupils benefit today from the investment made in the past.

The Governors view our bursary and scholarship awards as important in widening access to the education our School provides. The Governors are currently reviewing our Bursary and Scholarship Awards policies to ensure that able children can accept offers of places at our School through the availability of means-tested fee assistance.

Environmental issues are also a high priority and we are making our buildings more energy efficient, seeking the more efficient use of water and supporting local recycling initiatives; eg. waste collection.

# KIMICHI SCHOOL

## TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

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### Financial review

Financial results are included within this document.

The principal source of income is school fees.

As a Charity, the parents of our pupils have the assurance that all the income of the School must be applied for educational purposes. As an educational charity we enjoy tax exemption on our educational activities and on our investment income and gains provided these are applied for our charitable aims. As a Charity, we are also entitled to an 80% reduction on our business rates on the property we occupy for our charitable purposes. The financial benefits we receive from these tax exemptions are all applied for educational purposes and indirectly help us to maintain our bursary policies and 'teaching link' programme.

In addition to the very substantial benefits our School brings to our pupils, the local community and society through the education we offer, our bursary programme creates a social asset without cost to the Exchequer.

### *Developments and Maintenance*

Major projects include painting the front of the building, landscaping, adding an extra classroom and replacing the hall. These are ongoing. The hall in particular will incur a large cost. We have also invested in nine second-hand laptops to facilitate online access and working with a word processor.

### *Reserves and Financial Health*

The Governors regularly review the finances, budgets and spend against budget together with a monthly cash flow analysis as part of the effective stewardship of the School.

The Governors recognise that the level of reserves fluctuates during periods of investment in the School estate and we have arranged a separate "rainy day" account to build an adequate 'safety net' should it be required. As numbers increase (projected numbers are 45 at most), this will become easier.

### Our ethos, strategy and policies

Our Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education our School provides. In taking forward our strategy we:

- review and benchmark the School's academic syllabus, teaching practices and examination results
- ensure the range of co-curricular activities available to our pupils is stimulating and challenging
- invest in technology and the infrastructure of our School
- co-operate and share resources with local schools
- continue to review and develop our methods for awarding bursaries and scholarships to ensure wider access to pupils from all backgrounds

Our ethos: *"a caring School serving our local community and society"*

Kimichi School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the School and at a level that is consistent with our aim of providing a first class education to boys and girls.



# KIMICHI SCHOOL

## TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

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Our School welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

Parents are given regular information about their children's social and academic progress through constant contact and an open-door policy in addition to the traditional end of term and year reports.

### *Access policy*

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives. To this end, we also welcome LAC and those with an EHCP alongside anxiety-based school refusers.

Our bursary policy contributes to a widening of access to the education we offer and the facilities we enjoy.

### *Bursary policy*

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy.

In assessing means we take a number of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. However, our School does not have a large endowment and in funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

### **Structure, governance and management**

The School is a company limited by guarantee with charitable status. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

# KIMICHI SCHOOL

## TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE PERIOD ENDED 31 AUGUST 2021*

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The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements are as follows:

K Berry (Chairperson)

S Alexander (Headteacher)

R Jenkinson

D Clarke (appointed 20 October 2020)

The Trustees meet six times a year. The work of implementing most of their policies is carried out by all members and the Finance Committee which meet monthly.

All Trustees give of their time freely and no remuneration or expenses were paid in the year apart from the Headteacher at an agreed salary. No Trustee or person connected with a Trustee received any benefit from either means tested bursaries or scholarships awarded to our pupils.

None of the Trustees has any beneficial interest in the company and members of the company guarantee to contribute £1 in the event of a winding up.

In addition to the Trustees, the School appoint four Governors to assist them in running the day to day running of the charity as follows:

R Tattam (SEN)

R Fowler (Clerk)

A Mircea (Parent)

L Goodwin (Community)

Governors support the Trustees with operational aspects and in relation to day to day matters. The Governors and Trustees combined are referred to as the Governing body.

### **Governor Recruitment and Training**

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new trustees the important attribute is a passion for the work of our School and an understanding of education as a holistic and rounded experience of personal growth. We also invite senior local business people to consider joining our Board. Where possible the Governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a financial/accounting background
- A Governor with education experience
- A Governor with senior managerial or business experience
- A Governor with experience of equal opportunities or disability needs
- At least one female Governor and at least one male Governor

One Governor may have one or more of these skills.

# KIMICHI SCHOOL

## TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

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### Key management personnel

The Trustees consider that they, together with the Head, the Deputy Head and the Bursar comprise the Key Management Personnel. The majority of Governors give of their time freely and the pay and remuneration of the Head and senior staff is set by the Finance Committee and is kept under annual review. A number of criteria are used in setting pay:

- nature of the role and responsibilities
- competitor salaries in the region
- the sector average salary for comparable positions
- trends in pay

The Trustees have given delegated authority to the Head to pay higher salaries for exceptional candidates where this is in the interest of the School.

### Organisational Management

The Trustees determine the general policy of the School. The day to day running of the School is delegated to the Head, supported by senior staff. The Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff.

The Head oversees the recruitment of all educational staff, whilst under delegated authority the DHT oversees the recruitment of administrative and non-teaching support staff.

### Risk Management

The Trustees are responsible for the overseeing of the risks faced by the School. Detailed considerations of risk are delegated to the Senior Management of the School. Risks are identified, assessed and controls established throughout the year. A review of the charity's risk management processes is undertaken on an annual basis. Risk is managed under the headings of financial sustainability, school safety, student welfare, employment, school trips and events and community access.

The main risks that the Trustees have identified and the plans to manage those risks are:

- Reputation - The School's success is built on its reputation for the education and well-being of our pupils.

We manage this risk through safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety related issues.

- Money - Our ability to continue is reliant on pupil fees and the ability to pay bills as they fall due.

This risk is managed by marketing activity, having a reputation for academic excellence and active cash-flow management including access to an adequate short-term credit facility.

- Curriculum. Academic excellence requires the most able teachers with state of the art facilities delivering the curriculum to able students.

We manage this risk by combining attractive salaries with the freedom to teach and think outside the box often lost at other establishments.

Through the risk management processes established for the School, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

# KIMICHI SCHOOL

## TRUSTEE'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

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### Statement of Trustee's responsibilities

The Trustees, who are also the directors of Kimichi School for the purpose of company law, are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the School and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The Trustees acknowledge that at 31 July 2020 the balance sheet shows a net deficit position but have confirmed that the other creditors will not demand repayment of their loans until the charity has sufficient funds to repay them. They have also confirmed that further funds will be made available if required to enable the charity to continue for the foreseeable future.

The Trustee's report was approved by the Board of Trustees.



**Ms S E Alexander**

Trustee

Dated: .....

# KIMICHI SCHOOL

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KIMICHI SCHOOL

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I report to the Trustees on my examination of the financial statements of Kimichi School (the School) for the period ended 31 August 2021.

### **Responsibilities and basis of report**

As the Trustees of the School (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the School are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the School's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement - matter of concern identified**

Since the School's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I have identified a matter of concern in my report because I have concerns that receipts had not been retained and could not therefore be provided for all expenditure incurred and that record keeping requires improvement.

It is also noted that the balance sheet is in a net liability position and that there is consequently some concern over the ability of the charity to continue to trade for the foreseeable future. The trustees have confirmed that adequate funds will be made available as noted within the accounting policies and trustees report.

I confirm that no other matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the School as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I confirm that there are no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Joanne Baldwin

FCCAACA  
The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

Dated: .....

# KIMICHI SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2021

|  | Notes | Unrestricted funds<br>2021<br>£ | Unrestricted funds<br>2020<br>£ |
|--|-------|---------------------------------|---------------------------------|
| <b><u>Income from:</u></b>                                       |       |                                 |                                 |
| Donations and legacies   | 3     | 16,042                          | 209                             |
| Charitable activities  | 4     | 430,892                         | 324,212                         |
| <b>Total income</b>  |       | <u>446,934</u>                  | <u>324,421</u>                  |
| <b><u>Expenditure on:</u></b>                                    |       |                                 |                                 |
| Charitable activities  | 5     | <u>496,230</u>                  | <u>360,044</u>                  |
| <b>Net expenditure for the period/<br/>Net movement in funds</b> |       | (49,296)                        | (35,623)                        |
| Fund balances at 1 August 2020                                   |       | <u>(74,768)</u>                 | <u>(39,145)</u>                 |
| <b>Fund balances at 31 August 2021</b>                           |       | <u><u>(124,064)</u></u>         | <u><u>(74,768)</u></u>          |

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# KIMICHI SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2021

|  | Notes | 2021<br>£        | £                | 2020<br>£       | £               |
|--|-------|------------------|------------------|-----------------|-----------------|
| <b>Fixed assets</b>  |       |                  |                  |                 |                 |
| Tangible assets  | 9     |                  | 981              |                 | -               |
| <b>Current assets</b>  |       |                  |                  |                 |                 |
| Debtors  | 10    | 1,684            |                  | -               |                 |
| Cash at bank and in hand                                       |       | 43,021           |                  | 20,624          |                 |
|  |       | <u>44,705</u>    |                  | <u>20,624</u>   |                 |
| <b>Creditors: amounts falling due within one year</b>          | 12    | <u>(131,671)</u> |                  | <u>(46,960)</u> |                 |
| Net current liabilities  |       |                  | (86,966)         |                 | (26,336)        |
| <b>Total assets less current liabilities</b>                   |       |                  | <u>(85,985)</u>  |                 | <u>(26,336)</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 13    |                  | (38,079)         |                 | (48,432)        |
| <b>Net liabilities</b>   |       |                  | <u>(124,064)</u> |                 | <u>(74,768)</u> |
| <b>Income funds</b>  |       |                  |                  |                 |                 |
| Unrestricted funds   |       |                  | (124,064)        |                 | (74,768)        |
|  |       |                  | <u>(124,064)</u> |                 | <u>(74,768)</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the period ended 31 August 2021.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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

The financial statements were approved by the Trustees on .....



Ms S E Alexander  
Trustee

Company registration number 07968584

# KIMICHI SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2021

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### 1 Accounting policies

#### Charity information

Kimichi School is a private company limited by guarantee incorporated in England and Wales. The registered office is Eastbourne House, 111 Yardley Road, Acocks Green, Birmingham, B27 6LL.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the School's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The School is a Public Benefit Entity as defined by FRS 102.

The School has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The Trustees acknowledge that at 31 July 2020 the balance sheet shows a net deficit position but have confirmed that the other creditors will not demand repayment of their loans until the charity has sufficient funds to repay them. They have also confirmed that further funds will be made available if required to enable the charity to continue for the foreseeable future.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the School.

#### 1.4 Income

Income is recognised when the School is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the School has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the School has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.



# KIMICHI SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation. These costs include external audit and legal costs.

#### 1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                |                      |
|----------------|----------------------|
| Motor vehicles | 25% Reducing Balance |
|----------------|----------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the School reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the School's balance sheet when the School becomes party to the contractual provisions of the instrument.

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

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# KIMICHI SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the School's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

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

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

### 3 Donations and legacies

|                             | Unrestricted<br>funds | Unrestricted<br>funds |
|-----------------------------|-----------------------|-----------------------|
|                             | 2021                  | 2020                  |
|                             | £                     | £                     |
| Donations and gifts         | 15,000                | -                     |
| Business interruption grant | 1,042                 | 209                   |
|                             | <u>16,042</u>         | <u>209</u>            |

# KIMICHI SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

### 4 Charitable activities

|             | 2021<br>£ | 2020<br>£ |
|-------------|-----------|-----------|
| School fees | 430,892   | 324,212   |

### 5 Charitable activities

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| Staff costs                            | 286,808   | 174,499   |
| School requisites                      | 67,240    | 97,894    |
| Establishment costs                    | 103,477   | 71,591    |
| Insurances                             | 8,007     | 7,409     |
| Stationery, advertising etc            | 1,017     | 2,062     |
| Motor and travel                       | 5,000     | -         |
| Consultancy and professional fees      | 8,998     | -         |
| Sundries                               | 1,587     | 582       |
| COVID test site expenditure            | 2,020     | -         |
| Subscriptions                          | 2,001     | -         |
| Cleaning equipment                     | 750       | -         |
| Depreciation                           | 19        | -         |
|  | 486,924   | 354,037   |
| Share of support costs (see note 6)    | 6,201     | 3,007     |
| Share of governance costs (see note 6) | 3,105     | 3,000     |
|  | 496,230   | 360,044   |

# KIMICHI SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

### 6 Support costs

|                       | Support costs<br>£ | Governance costs<br>£ | 2021<br>£    | Support costs<br>£ | Governance costs<br>£ | 2020<br>£    |
|-----------------------|--------------------|-----------------------|--------------|--------------------|-----------------------|--------------|
| Bank charges          | 4,851              | -                     | 4,851        | 2,798              | -                     | 2,798        |
| Bank loan interest    | 1,350              | -                     | 1,350        | 209                | -                     | 209          |
| Accountancy fees      | -                  | 3,105                 | 3,105        | -                  | 3,000                 | 3,000        |
|                       | <u>6,201</u>       | <u>3,105</u>          | <u>9,306</u> | <u>3,007</u>       | <u>3,000</u>          | <u>6,007</u> |
| Analysed between      |                    |                       |              |                    |                       |              |
| Charitable activities | <u>6,201</u>       | <u>3,105</u>          | <u>9,306</u> | <u>3,007</u>       | <u>3,000</u>          | <u>6,007</u> |

Governance costs includes payments to the auditors of £3,105 (2020: £3,000) for independent examination fees.

### 7 Trustees

During the year, Ms S E Alexander, a Trustee, has received remuneration (including employers pension contributions) of £62,836 (2020: £45,094), for her role as School Head, as approved by all other Trustees.

### 8 Employees

The average monthly number of employees during the period was:

|                         | 2021<br>Number    | 2020<br>Number    |
|-------------------------|-------------------|-------------------|
| Total                   | <u>11</u>         | <u>11</u>         |
| <b>Employment costs</b> | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
| Wages and salaries      | 258,438           | 166,710           |
| Social security costs   | 12,386            | 6,274             |
| Other pension costs     | 15,984            | 1,515             |
|                         | <u>286,808</u>    | <u>174,499</u>    |

There were no employees whose annual remuneration (excluding employers pension contributions) was £60,000 or more.

# KIMICHI SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

### 9 Tangible fixed assets

|                                    | Motor vehicles<br>£ |
|------------------------------------|---------------------|
| <b>Cost</b>                        |                     |
| Additions                          | 1,000               |
| At 31 August 2021                  | 1,000               |
| <b>Depreciation and impairment</b> |                     |
| Depreciation charged in the period | 19                  |
| At 31 August 2021                  | 19                  |
| <b>Carrying amount</b>             |                     |
| At 31 August 2021                  | 981                 |

### 10 Debtors

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Prepayments and accrued income              | 1,684     | -         |

### 11 Loans and overdrafts

|                         | 2021<br>£ | 2020<br>£ |
|-------------------------|-----------|-----------|
| Bank loans              | 47,645    | 50,000    |
| Payable within one year | 9,566     | 1,568     |
| Payable after one year  | 38,079    | 48,432    |

### 12 Creditors: amounts falling due within one year

|                                    | Notes | 2021<br>£ | 2020<br>£ |
|------------------------------------|-------|-----------|-----------|
| Bank loans                         | 11    | 9,566     | 1,568     |
| Other taxation and social security |       | 4,417     | 1,624     |
| Other creditors                    |       | 40,768    | 40,768    |
| Accruals and deferred income       |       | 76,920    | 3,000     |
|                                    |       | 131,671   | 46,960    |

# KIMICHI SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

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

|            | Notes | 2021<br>£     | 2020<br>£     |
|------------|-------|---------------|---------------|
| Bank loans | 11    | 38,079        | 48,432        |
|            |       | <u>38,079</u> | <u>48,432</u> |

### 14 Related party transactions

During the period, a donation for £15,000 was received from Ms S E Alexander, a Trustee of the Charity.