

KING DAVID SCHOOLS (MANCHESTER)

England & Wales · Charity number 526631

Details

Other names	MANCHESTER JEWS SCHOOL (KNOWN AS KING DAVID SCHOOLS)
Status	Registered
Legal form	Other
Registered	1967-02-08
Register	View on the Charity Commission register

Contact

Address King David School
Eaton Road
Manchester
M8 5DY

Phone 01617403181

Activities

Objects: A DAY SCHOOL FOR BOYS AND GIRLS

Activities: King David Schools (Manchester) exists to provide Jewish Children with a meaningful orthodox Jewish religious education coupled with an excellent secular education.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** MANCHESTER AND NEIGHBOUHOOD
- Manchester City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£11,400,600	£12,265,744	£22,762,191	209
2024-08-31	£10,471,324	£11,468,806	£23,625,360	207
2023-08-31	£9,416,540	£10,600,023	£24,512,047	137
2022-08-31	£10,249,728	£10,485,580	£25,515,797	167
2021-08-31	£9,421,910	£9,976,703	£23,162,927	161
2020-08-31	£9,235,077	£9,752,564	£23,967,666	213

Trustees

Name	Role	Appointed
KDS TRUSTEES LIMITED		2012-06-26

KING DAVID SCHOOLS (MANCHESTER)

England & Wales - Charity number 526631

Accounts

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

KING DAVID SCHOOLS (MANCHESTER)

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KING DAVID SCHOOLS (MANCHESTER)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2025**

Trustee

KDS Trustees Limited

Directors of Trustee company:

J Rowe (Chair of Trustees)

S E Elias

A Berkeley (Treasurer)

D Lopian (Resigned 31 March 2026)

Charity registered number

526631

Principal office

Eaton Road

Crumpsall

Manchester

M8 5DY

Independent auditors

Crowe U.K. LLP

3rd floor

St Georges House,

56 Peter St,

Manchester

M2 3NQ

Bankers

The Co-operative Bank plc

1 Balloon Street

Manchester

M60 4EP

Lloyds Bank

Manchest Market Branch

PO Box 100

Andover

BX1 1LT

Solicitors

Kuit Steinart Levy

3 St Mary's Parsonage

Manchester

M3 2RD

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 AUGUST 2025

The Trustee presents its annual report together with the audited financial statements of the Charity for the year 1 September 2024 to 31 August 2025.

Objectives and activities

a. Charity Information

The Trustee presents its annual report and the financial statements for the year ended 31 August 2025. These accounts are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Statement of Recommended Practice (SORP) 2019 and Charities Act 2011.

b. Reference and Administrative Details

King David Schools (Manchester) is a registered Charity (No. 526631), its principal address is shown on the Charity information page. The Charity is a public benefit entity.

c. Structure, Governance and Management

King David Schools (Manchester) was established under a Trust Deed dated 20 February 1873 and Articles of Government sealed 27 January 1959 as amended by Constitution dated 13 January 2003.

On 7 February 2012 the Charity Commission for England and Wales approved the replacement of the former individual Trustees by a corporate Trustee, KDS Trustees Limited. The former individual Trustees became directors of the new Trustee company.

The Trustee is responsible for the overall governance of the Schools as a charity. The Trustee's role is to have an overview of the effectiveness of the Schools and to ensure the maintenance of the faith and of the high standards of education generally. The Trustee appoints the Governors. The delivery of the education and curriculum and the management of the Schools is controlled through the various Boards of Governors of each of the schools, namely

- The King David High School (including Sixth Form and Yavneh)
- The King David Primary School
- Crèche/Nursery (incorporated within the Charity)

Effective partnership between the Trustee, Governors and staff has contributed significantly to a successful year of activity. The Trustees meet, formally, once per year to discuss the accounts and are in touch with each other throughout the year. These meetings include a review of strategy and operational performance and set operating plans and budgets as and when necessary.

New officers of the Trustee company receive an induction pack containing everything they need to know about the Schools and its work for effective and informed decision-making. The officers of the Trustee company are regularly kept up to date about their responsibilities. Remuneration of key management personnel is determined by the Trustee.

d. Bursar and Trustee

The Bursar and certain delegated officers of the Trustee company are responsible for the day to day management of King David Schools (Manchester) and for implementing policies.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

e. Corporate Governance

Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the Treasurer of the Trustee company and its Board of Directors.

The systems of internal control are designed to provide reasonable assurance but not absolute assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustee company.
- Regular consideration by the Trustee of financial results and variances from budgets.
- Delegation of day to day management authority and segregation of duties.
- Identification and management of risks.

f. Risk Management

The Trustee has introduced a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks the School faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of managing the risks. As part of this process the Trustee has reviewed the adequacy of the School's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to the Board of Directors of the Trustee that include regular bank reconciliations as well as the production of management accounts every month which are reviewed by the officers of the Trustee.

The key risk facing the Charity is the level of voluntary contributions and donations that it receives from parents and donors. Declining receipts translate into less funds available to improve the education being offered to our pupils. The Trustee endeavours to educate parents along with the wider community of the importance of their financial support especially in the light of the reducing government funding being made to our schools on the KD campus.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Achievements and performance

a. Objectives, Activities, Achievements and Performance

King David Schools (Manchester) exists to provide children with a meaningful orthodox Jewish religious education coupled with an excellent secular education.

The main objectives of all units on Campus during the period ended 31 August 2025 were:

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

The Trustee has given due consideration to the Charity Commission's guidance on public benefit requirement under the Charities Act 2011, when reviewing the Charity's aims and objectives and in planning future activities. As a leading quality school to the Jewish community, the Trustee notes that its success continues to be acknowledged nationally both in the secular and religious fields. Our pupils are well prepared to move on to leading universities, religious and secular colleges with many of our former students achieving success in the wider community.

b. Core Objectives and Strategy

The strategy is achieved by encouraging all units on the King David Campus to employ highest grade teachers who are able to instil in the pupils not only excellence in knowledge but also to experience a warm, friendly Jewish environment with a commitment to giving to the community as a whole. The Trustee continues to ensure that the facilities are up to date and suitable for the delivery of the educational and religious objectives.

The Schools are dependent on voluntary contributions from parents, donations and educational grants in order to fulfil their objectives. Failure of parents to meet their voluntary contribution commitments will threaten the school's ability to achieve its objectives.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Financial review

a. Financial Review, Management Policies and Results for the Year

The Consolidated Statement of Financial Activities (SoFA), set out on page 13, shows that the Group received total income of £11,400,600 (2024: £10,471,324). £12,265,744 (2024: 11,468,806) was incurred as expenditure leaving a loss of £863,169 (2024: £886,687) after a depreciation charge of £671,589 (2024: £693,525) and losses arising from changes in actuarial assumptions of £1,000 (2024: gains of £107,000).

This Group position however, takes into account surpluses in actuarial gains/(losses) in the pension schemes positions, which are long term non-cash items, of (£10,000) (2024: (£2,000)) in The King David High School (KDHS) and £9,000 (2024: £109,000) in the King David Primary School (KDPS). Had these accounting entries not been included in this year's results, we would be facing a loss of around £862,169 (2024: £993,687).

The principal funding sources are donations, voluntary contributions from parents, income from the nursery and statutory government funding for the two academies, King David High School and King David Primary School.

The Charity itself before consolidation generated a loss of £294,788 (2024: loss of £554,528).

The Charity made an unrealised gain on its investments of £2,975 (2024: £3,795), leaving a total net movement in funds to be subtracted from the reserves. The Trustee remains conscious that more funds will have to be raised to maintain the ongoing excellence to which they are committed. Without parental assistance the current achievement of acclaimed success could be threatened.

The Charity continues to monitor its results against performance as its measurement of success. The Charity does not employ a professional fundraiser and relies on assistance from the Trustee, Governors and parents. Whilst it was noted that the Voluntary Contributions from parents continued below expectation, the Charity held a Fundraising event in January 2026 to raise much needed funds. The Charity must continue its fundraising activities in order for it to be able to continue providing for its primary objectives and to maintain the high levels of educational standards. The Charity has not received any complaints about its fundraising activities and has policies in place to ensure that there is no unreasonable intrusion into a person's privacy.

b. Reserves

The policy of the Trustee has been and continues to be to utilise all reserves to fund the activities of the Charity which has resulted from the development and growth of the campus, particularly the High School and to improve the religious and cultural educational experience across all the schools. Ideally the Trustee would like the trust to hold one year's net expenditure of approx £1,000,000 in the unrestricted reserve fund but with constant erosion of the Academies funding from central government resulting in the Trustee having to support the two academies on the KD campus at a greater level than was envisaged that has not been possible.

The total reserves at the year end are £22,762,191 (2024: £23,625,360). This includes unrestricted reserves of £770,848 (2024: £840,874) and restricted reserves of £21,991,343 (2023: £22,784,486).

The Trustee is seeking sources of additional funding for capital expenditure in order that total reserve levels are improved. The Trustee does not consider that this has inhibited activities in any way.

Free reserves for the Group as at 31 August 2025 stood at (£561,299) (2024: (£463,043)).

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

c. Investment Policy and Performance

The Charity has a small investment in a quoted company. The policy is to sell these shares as and when the Trustee considers the time to be propitious.

d. Staff Training and Career Development

The Schools are committed to the training, career development and welfare of its employees. An individual's career development is assessed through appraisal and supervision. Training programmes are provided to meet ongoing needs, with the aim of developing employees for both their current and their future roles.

Pay and remuneration of Key Management Personnel are reviewed independently by the Directors of the Trustee Company who themselves are not compensated.

e. Auditors

Crowe U.K. LLP will be proposed for re-appointment at the Trustee meeting.

f. Future Plans

The King David School Campus now provides top class education in both secular and Jewish religious studies, with a wide cross section of extracurricular activities covering sports, art and culture housed in the most modern buildings with enhanced advanced technological facilities supported by a most dedicated and capable staff. The Trustee is determined to reach out further in building a school of excellence which will continue to be the pride of the Jewish Community.

g. Going Concern

The Trustee has considered the Charity and Group's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. The Charity and Group's cash flow forecasts are reliant on continued fundraising efforts and increased levels of voluntary contributions by parents, the success of which by their very nature remains uncertain at the time of signing.

To mitigate the impact of this uncertainty, the parent Charity has overhauled its fundraising processes, continues to actively encourage voluntary contributions and is actively monitoring its cashflows. The Charity and Group are exploring opportunities to generate alternative income streams and to increase pupil numbers at the two subsidiary academies whilst retaining the Jewish ethos of the academies.

These factors indicate the existence of a material uncertainty that may cast doubt on the Charity's ability to continue as a going concern. Nevertheless, the Trustee believes that, based on current plans, it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the Charity were unable to continue as a going concern.

KING DAVID SCHOOLS (MANCHESTER)

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025**

Statement of Trustee's responsibilities

The Trustee is 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).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

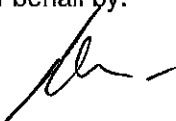
The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements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

Disclosure of information to auditors

Each director of the Trustee at the time when this Trustee's report is approved has confirmed that:

- so far as the directors of the Trustee are aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that the directors of the Trustee have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of Trustee on
their behalf by:



Andrew Berkeley
Treasurer of KDS Trustees Ltd

19/5/2026

and signed on

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)

Opinion

We have audited the financial statements of King David Schools (Manchester) for the year ended 31 August 2025 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which describes the Trustees' assessment of the Charity's and the Group's ability to continue as a going concern. As set out in that note, the Charity is reliant upon future fund raising events and donations for which amounts are uncommitted which indicates that there is a material uncertainty of the future funding of the Charity and Group. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Charity's and Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER) (CONTINUED)

Other information

The Trustee is 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 we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustee's responsibilities statement set out on page 7, the Trustee is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustee 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 Trustee is responsible for assessing the Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER) (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the Group's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the Group for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be from the management override of controls and completeness of donation income. Our audit procedures to respond to these risks included enquiries of management and the Trustee about their own identification and assessment of the risks of irregularities, testing a selection of posting of journals, comparing donation rates against history and reviewing regulatory correspondence with the Charity Commission, 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.

KING DAVID SCHOOLS (MANCHESTER)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)
(CONTINUED)**

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 Trustee, 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 Trustee those matters we are required to state to them in an Auditors' 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 its Trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

3rd floor

St Georges House,

56 Peter St,

Manchester

M2 3NQ

Date: 19 May 2026

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025**

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	3	651,287	848,207	1,499,494	720,545
Charitable activities	4	1,347,554	8,269,682	9,617,236	8,929,799
Other trading activities	5	281,484	-	281,484	817,637
Other income	6	2,386	-	2,386	3,343
Total income		<u>2,282,711</u>	<u>9,117,889</u>	<u>11,400,600</u>	<u>10,471,324</u>
Expenditure on:					
Charitable activities	7	2,355,712	9,910,032	12,265,744	11,468,806
Total expenditure		<u>2,355,712</u>	<u>9,910,032</u>	<u>12,265,744</u>	<u>11,468,806</u>
Net expenditure before net gains on investments					
		(73,001)	(792,143)	(865,144)	(997,482)
Net gains on investments		2,975	-	2,975	3,795
Net movement in funds before other recognised gains/(losses)		<u>(70,026)</u>	<u>(792,143)</u>	<u>(862,169)</u>	<u>(993,687)</u>
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(1,000)	(1,000)	107,000
Net movement in funds		<u>(70,026)</u>	<u>(793,143)</u>	<u>(863,169)</u>	<u>(886,687)</u>
Reconciliation of funds:					
Total funds brought forward		840,874	22,784,486	23,625,360	24,512,047
Net movement in funds		(70,026)	(793,143)	(863,169)	(886,687)
Total funds carried forward		<u>770,848</u>	<u>21,991,343</u>	<u>22,762,191</u>	<u>23,625,360</u>

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

The notes on pages 16 to 41 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2025**

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	23,305,261	23,965,360
Investments	13	18,229	15,254
		<u>23,323,490</u>	<u>23,980,614</u>
Current assets			
Stocks	14	18,516	10,718
Debtors	15	219,852	265,022
Cash at bank and in hand		376,802	1,124,434
		<u>615,170</u>	<u>1,400,174</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(1,176,469)	(1,429,811)
Net current liabilities		<u>(561,299)</u>	<u>(29,637)</u>
Total assets less current liabilities		<u>22,762,191</u>	<u>23,950,977</u>
Creditors: amounts falling due after more than one year	17	-	(325,617)
Total net assets		<u>22,762,191</u>	<u>23,625,360</u>
Charity funds			
Restricted funds	19	21,991,343	22,784,486
Unrestricted funds	19	770,848	840,874
Total funds		<u>22,762,191</u>	<u>23,625,360</u>

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



Andrew Berkeley
Treasurer of KDS Trustees Limited
Date: 19/5/2026

The notes on pages 16 to 41 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**CHARITY BALANCE SHEET
AS AT 31 AUGUST 2025**

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	19,577,408	20,140,652
Investments	13	18,229	15,254
		<u>19,595,637</u>	<u>20,155,906</u>
Current assets			
Stocks	14	12,895	10,718
Debtors	15	26,193	115,689
Cash at bank and in hand		211,088	247,506
		<u>250,176</u>	<u>373,913</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(466,204)	(526,196)
Net current liabilities		<u>(216,028)</u>	<u>(152,283)</u>
Total assets less current liabilities		<u>19,379,609</u>	<u>20,003,623</u>
Creditors: amounts falling due after more than one year	17	-	(325,617)
Total net assets		<u>19,379,609</u>	<u>19,678,006</u>
Charity funds			
Restricted funds	19	18,263,491	18,826,735
Unrestricted funds	19	1,116,118	851,271
Total funds		<u>19,379,609</u>	<u>19,678,006</u>

The Charity's net movement in funds for the year was £(298,397) (2024 - £(554,528)).

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



Andrew Berkeley
Treasurer of KDS Trustees Limited

Date: 19/12/2026

The notes on pages 16 to 41 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025**

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	21	(735,320)	401,980
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets		(11,490)	(12,171)
		<hr/>	<hr/>
Net cash used in investing activities		(11,490)	(12,171)
		<hr/>	<hr/>
Cash flows from financing activities			
		<hr/>	<hr/>
Net cash provided by financing activities		-	-
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(746,810)	389,809
Cash and cash equivalents at the beginning of the year		759,073	369,264
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	22	12,263	759,073
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 41 form part of these financial statements

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. General information

King David Schools (Manchester) is a registered Charity (No. 526631), its principal address is shown on the Charity information page. The Charity is a public benefit entity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

King David Schools (Manchester) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. The Charity has the right to appoint/ remove members and governors of the consolidated entities and as such has control. The subsidiaries included in the consolidation are The King David Primary School (company number 08424154) and The King David High School (company number 07716057).

2.2 Going concern

The Trustee has considered the Charity and Group's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. The Charity and Group's cash flow forecasts are reliant on continued fundraising efforts and increased levels of voluntary contributions by parents, the success of which by their very nature remains uncertain at the time of signing.

To mitigate the impact of this uncertainty, the parent Charity has overhauled its fundraising processes, continues to actively encourage voluntary contributions and is actively monitoring its cashflows. The Charity and Group are exploring opportunities to generate alternative income streams and to increase pupil numbers at the two subsidiary academies whilst retaining the Jewish ethos of the academies.

These factors indicate the existence of a material uncertainty that may cast doubt on the Charity's ability to continue as a going concern. Nevertheless, the Trustee believes that, based on current plans, it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the Charity were unable to continue as a going concern.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. As pledges of donations made at fundraising events over multiple years are not considered certain, they are not recognised as income until they are received.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.4 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property and buildings	- 2% Straight line
Motor vehicles	- 20% Straight line
Fixtures and fittings	- 15% Reducing balance
Computer equipment	- 33% Straight line

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.12 Pensions

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

Contributions for personal pension schemes are accounted for in the year to which they relate.

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

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

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

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

3. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Donations & grants	4,031	841,253	845,284
Parental voluntary contributions	548,665	6,954	555,619
Tax refund	98,591	-	98,591
	<u>651,287</u>	<u>848,207</u>	<u>1,499,494</u>
	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Donations & grants	-	37,209	37,209
Parental voluntary contributions	570,366	6,914	577,280
Tax refund	106,056	-	106,056
	<u>676,422</u>	<u>44,123</u>	<u>720,545</u>

4. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Operation of the schools	<u>1,347,554</u>	<u>8,269,682</u>	<u>9,617,236</u>
	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Operation of the schools	<u>1,161,715</u>	<u>7,768,084</u>	<u>8,929,799</u>

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

5. Fundraising income

Income from fundraising events

	Unrestricted funds 2025 £	Total funds 2025 £
Donations	281,484	281,484

	Unrestricted funds 2024 £	Total funds 2024 £
Donations	817,637	817,637

6. Other income

	Unrestricted funds 2025 £	Total funds 2025 £
Interest received	2,386	2,386

	Unrestricted funds 2024 £	Total funds 2024 £
Interest received	3,343	3,343

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Operation of the schools	<u>2,355,712</u>	<u>9,910,032</u>	<u>12,265,744</u>
	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total 2024 £</i>
Operation of the schools	<u>2,762,575</u>	<u>8,706,231</u>	<u>11,468,806</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Operation of the schools	<u>9,979,550</u>	<u>2,286,194</u>	<u>12,265,744</u>
	<i>Activities undertaken directly 2024 £</i>	<i>Support costs 2024 £</i>	<i>Total funds 2024 £</i>
Operation of the schools	<u>8,998,938</u>	<u>2,469,868</u>	<u>11,468,806</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Operation of the schools 2025 £	Total funds 2025 £
Staff costs	8,075,441	8,075,441
Educational materials	788,765	788,765
Food & meal costs	809,016	809,016
Trips	275,180	275,180
Teacher training	26,507	26,507
Other direct costs	1,428	1,428
Potential bad debt	3,213	3,213
	9,979,550	9,979,550
	9,979,550	9,979,550
	<i>Operation of the school 2024 £</i>	<i>Total funds 2024 £</i>
Staff costs	7,074,661	7,074,661
Educational materials	799,436	799,436
Food & meal costs	743,746	743,746
Trips	318,223	318,223
Travel costs	786	786
Teacher training	56,626	56,626
Other direct costs	5,460	5,460
	8,998,938	8,998,938
	8,998,938	8,998,938

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operation of the school 2025 £	Total funds 2025 £
Staff costs	276,138	276,138
Depreciation	671,590	671,590
Governance	42,069	42,069
Security and transport	288,686	288,686
Repair costs	195,572	195,572
Light & heat	298,577	298,577
Loan interest	5,495	5,495
Cleaning	28,729	28,729
Printing, postage and stationery	8,208	8,208
Bank charges and interest	6,474	6,474
Insurance	92,737	92,737
Sundries	27,302	27,302
Telephone	2,758	2,758
Legal and professional fees	341,859	341,859
	<u>2,286,194</u>	<u>2,286,194</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Operation of the school 2024 £</i>	<i>Total funds 2024 £</i>
Staff costs	203,982	203,982
Depreciation	693,525	693,525
Governance	44,204	44,204
Security and transport	339,270	339,270
Repair costs	175,821	175,821
Light & heat	439,571	439,571
Loan interest	6,242	6,242
Cleaning	50,851	50,851
Printing, postage and stationery	8,111	8,111
Bank charges and interest	6,892	6,892
Insurance	79,733	79,733
Sundries	159,023	159,023
Telephone	5,745	5,745
Legal and professional fees	256,898	256,898
	2,469,868	2,469,868

9. Auditors' remuneration

	2025 £	2024 £
Fees payable to the Group's auditor in respect of:		
Audit of subsidiaries	21,833	16,225
Audit of Charity	11,500	6,690
Accounts preparation of subsidiaries	2,400	2,410
Accounts preparation of Charity	1,800	1,292
	28,533	26,617

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

10. Staff costs

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Wages and salaries	6,514,307	5,504,961	1,659,563	1,083,053
Social security costs	589,779	551,340	83,209	98,545
Contribution to defined contribution pension schemes	1,247,494	1,222,342	39,593	58,512
	8,351,580	<i>7,278,643</i>	1,782,365	<i>1,240,110</i>

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

	Group 2025 No.	<i>Group 2024 No.</i>
Teaching	124	125
Educational Support	52	58
Administration	8	5
Premises	3	3
Management	7	6
LA/SLA	15	10
	209	<i>207</i>

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

	Group 2025 No.	<i>Group 2024 No.</i>
In the band £60,001 - £70,000	8	3
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1

The remuneration (excluding employer pension and NI costs) received by key management personnel of the Charity was £101,158 (2024: £92,705). The remuneration received by key management personnel of the academies was £933,677 (2024: £849,665).

Key management of the Charity include the bursar and the governors' administrator. Key management of the academies include the Trustee and senior management team.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

11. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 August 2025, no Trustee expenses have been incurred (2024 - £NIL).

12. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2024	31,628,263	56,175	938,176	474,271	33,096,885
Additions	-	-	-	11,490	11,490
At 31 August 2025	<u>31,628,263</u>	<u>56,175</u>	<u>938,176</u>	<u>485,761</u>	<u>33,108,375</u>
Depreciation					
At 1 September 2024	7,907,834	49,843	740,689	433,159	9,131,525
Charge for the year	632,565	3,799	26,591	8,634	671,589
At 31 August 2025	<u>8,540,399</u>	<u>53,642</u>	<u>767,280</u>	<u>441,793</u>	<u>9,803,114</u>
Net book value					
At 31 August 2025	<u><u>23,087,864</u></u>	<u><u>2,533</u></u>	<u><u>170,896</u></u>	<u><u>43,968</u></u>	<u><u>23,305,261</u></u>
At 31 August 2024	<u><u>23,720,429</u></u>	<u><u>6,332</u></u>	<u><u>197,487</u></u>	<u><u>41,112</u></u>	<u><u>23,965,360</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

12. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2024	27,590,718	530,837	5,130	28,126,685
At 31 August 2025	27,590,718	530,837	5,130	28,126,685
Depreciation				
At 1 September 2024	7,526,268	454,635	5,130	7,986,033
Charge for the year	551,814	11,430	-	563,244
At 31 August 2025	8,078,082	466,065	5,130	8,549,277
Net book value				
At 31 August 2025	19,512,636	64,772	-	19,577,408
At 31 August 2024	20,064,450	76,202	-	20,140,652

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

13. Fixed asset investments

Group and Charity	Listed investments £
Cost or valuation	
At 1 September 2024	15,254
Revaluations	2,975
At 31 August 2025	<u>18,229</u>
Net book value	
At 31 August 2025	18,229
At 31 August 2024	<u>15,254</u>

14. Stocks

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Kitchen supplies	<u>18,516</u>	<u>10,718</u>	<u>12,895</u>	<u>10,718</u>

15. Debtors

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Due within one year				
Trade debtors	1,226	7,337	1,226	7,337
Amounts owed by Group undertakings	-	-	-	50
Other debtors	26,443	41,974	15,178	58,216
Prepayments and accrued income	192,183	215,711	9,789	50,086
	<u>219,852</u>	<u>265,022</u>	<u>26,193</u>	<u>115,689</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

16. Creditors: Amounts falling due within one year

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Bank overdrafts	364,539	<i>365,361</i>	364,539	<i>365,361</i>
Bank loans	-	<i>12,836</i>	-	<i>12,836</i>
Trade creditors	257,958	<i>78,616</i>	36,646	<i>56,042</i>
Amounts owed to Group undertakings	-	-	-	<i>1,750</i>
Other taxation and social security	31,320	<i>21,735</i>	31,320	<i>21,735</i>
Other creditors	394,771	<i>777,310</i>	19,542	<i>21,576</i>
Accruals and deferred income	127,881	<i>173,953</i>	14,157	<i>46,896</i>
	<u>1,176,469</u>	<i><u>1,429,811</u></i>	<u>466,204</u>	<i><u>526,196</u></i>
	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Deferred income at 1 September 2024	108,702	<i>26,238</i>	7,716	<i>13,119</i>
Resources deferred during the year	-	<i>108,702</i>	2,167	<i>197</i>
Amounts released from previous periods	(108,702)	<i>(26,238)</i>	(7,716)	<i>(5,600)</i>
	<u>-</u>	<i><u>108,702</u></i>	<u>2,167</u>	<i><u>7,716</u></i>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

17. Creditors: Amounts falling due after more than one year

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Other loans	-	325,617	-	325,617

Included within the above are amounts falling due as follows:

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Between one and two years				
Other loans	-	325,617	-	325,617

Included within creditors are balances due to lenders in respect of bank loans. At 31 August 2025 this loan was fully repaid (2024: £12,836 outstanding). The interest charged on the loan is 3.5% over bank base rate. The loans are secured by a letter of set off over credit balances.

In the year to 31 August 2025, a concessionary loan from J Rowe, a trustee of King David Schools (Manchester) of £325,617 was waived and the funds donated to the Charity. This balance was included within creditors above for the year ended 31 August 2024. Before the waiver, the loan was unsecured, subject to a 12 month notice period and not subject to interest.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

18. Financial instruments

	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Financial assets				
Financial assets measured at amortised cost	551,311	<i>1,389,456</i>	221,055	<i>363,195</i>
	Group 2025 £	<i>Group 2024 £</i>	Charity 2025 £	<i>Charity 2024 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	1,131,574	<i>1,755,428</i>	432,211	<i>815,813</i>

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals.

Financial assets measured at fair value through income and expenditure comprise investments and total £18,229 (2024: £15,524) for both the Group and Charity.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

19. Statement of funds - Group

Statement of funds - current year

	Balance at 1 September 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2025 £
Unrestricted funds					
General Funds - all funds	840,874	2,282,711	(2,355,712)	2,975	770,848
Restricted funds					
Academy funds	3,957,751	7,863,270	(8,092,168)	(1,000)	3,727,853
Donations	-	845,284	(845,284)	-	-
SEN income	-	128,801	(128,801)	-	-
Nursery grant	-	273,580	(273,580)	-	-
Further education grant	-	6,954	(6,954)	-	-
Grant of buildings and fixtures from BSF	18,826,735	-	(563,245)	-	18,263,490
	<u>22,784,486</u>	<u>9,117,889</u>	<u>(9,910,032)</u>	<u>(1,000)</u>	<u>21,991,343</u>
Total of funds	<u><u>23,625,360</u></u>	<u><u>11,400,600</u></u>	<u><u>(12,265,744)</u></u>	<u><u>1,975</u></u>	<u><u>22,762,191</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

19. Statement of funds (continued)

Statement of funds - Group - prior year

	<i>Balance at 1 September 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2024 £</i>
Unrestricted funds					
General Funds	940,537	2,659,117	(2,762,575)	3,795	840,874
Restricted funds					
Academy funds	4,279,513	7,463,030	(7,784,792)	-	3,957,751
Donations	(100,000)	110,113	(10,113)	-	-
SEN income	-	130,701	(130,701)	-	-
Nursery grant	-	101,449	(101,449)	-	-
Further education grant	-	6,914	(6,914)	-	-
Grant of buildings and fixtures from BSF	19,391,997	-	(565,262)	-	18,826,735
Pension reserve	-	-	(107,000)	107,000	-
	<u>23,571,510</u>	<u>7,812,207</u>	<u>(8,706,231)</u>	<u>107,000</u>	<u>22,784,486</u>
Total of funds	<u><u>24,512,047</u></u>	<u><u>10,471,324</u></u>	<u><u>(11,468,806)</u></u>	<u><u>110,795</u></u>	<u><u>23,625,360</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	1,559,946	21,745,315	23,305,261
Fixed asset investments	18,229	-	18,229
Current assets	250,839	364,331	615,170
Creditors due within one year	(1,058,166)	(118,303)	(1,176,469)
Total	<u><u>770,848</u></u>	<u><u>21,991,343</u></u>	<u><u>22,762,191</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Tangible fixed assets	-	22,661,443	1,303,917	23,965,360
Fixed asset investments	-	-	15,254	15,254
Current assets	-	1,026,938	373,236	1,400,174
Creditors due within one year	-	(903,895)	(525,916)	(1,429,811)
Creditors due in more than one year	-	-	(325,617)	(325,617)
Total	-	22,784,486	840,874	23,625,360

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	Group 2024 £
Net expenditure for the year (as per Statement of Financial Activities)	(862,169)	(993,687)
Adjustments for:		
Depreciation charges	671,589	693,525
Gains/(losses) on investments	(2,975)	3,795
Decrease/(increase) in stocks	(7,798)	2,042
Decrease/(increase) in debtors	45,833	56,962
Increase/(decrease) in creditors	(578,800)	516,478
LGPS pension movement	(1,000)	107,000
Defined benefit pension scheme cost less contributions payable	-	15,865
Net cash provided by/(used in) operating activities	(735,320)	401,980

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

22. Analysis of cash and cash equivalents

	Group 2025	<i>Group 2024</i>
	£	£
Cash in hand	376,802	1,124,434
Overdraft facility repayable on demand	(364,539)	(365,361)
Total cash and cash equivalents	12,263	<i>759,073</i>

23. Analysis of changes in net debt

	At 1 September 2024	Cash flows	At 31 August 2025
	£	£	£
Cash at bank and in hand	1,124,434	(747,632)	376,802
Bank overdrafts repayable on demand	(365,361)	822	(364,539)
Loan due within 1 year	(12,836)	12,836	-
Loans due after 1 year	(325,617)	325,617	-
	420,620	(408,357)	12,263

24. Pension commitments

The Charity operates a defined contribution pension scheme. Contributions totalling £11,862 (2024: £15,900) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

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

Teachers' Pension Scheme

The pension charge for the year includes contributions payable to the TPS of £39,593 (2024: £58,512) and at the year-end £11,862 (2024 - £15,900) 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

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

24. Pension commitments (continued)

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.

Valuation of the Teachers' Pension Scheme

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

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2025 was £257,000 (2024 - £245,000), of which employer's contributions totalled £191,000 (2024 - £182,000) and employees' contributions totalled £66,000 (2024 - £63,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 12 per cent for employees.

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

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

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2025	<i>At 31 August 2024</i>
	%	%
Discount rate	6.05	5.00
Rate of increase in salaries	3.50	3.45
Rate of increase for pensions in payment/inflation	2.70	2.65

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

24. Pension commitments (continued)

	At 31 August 2025 Years	<i>At 31 August 2024 Years</i>
Mortality rates (in years)		
- for a male aged 65 now	20.3	<i>20</i>
- at 65 for a male aged 45 now	20	<i>19.9</i>
- for a female aged 65 now	22.3	<i>22.2</i>
- at 65 for a female aged 45 now	24.4	<i>24.2</i>

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

	At 31 August 2025 £	<i>At 31 August 2024 £</i>
Equities	3,701,100	<i>2,280,450</i>
Gilts	967,980	<i>495,750</i>
Property	512,460	<i>264,400</i>
Cash and other liquid assets	512,460	<i>264,400</i>
Total fair value of assets	5,694,000	<i>3,305,000</i>

The actual return on scheme assets was £427,050 (2024 - £310,670).

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

	2025 £	<i>2024 £</i>
Current service cost	216,000	<i>321,000</i>
Interest cost	220,000	<i>208,000</i>
Total amount recognised in the Consolidated Statement of Financial Activities	436,000	<i>529,000</i>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

24. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2025 £
Opening defined benefit obligation	4,312,000
Actuarial gains	(796,000)
Benefits paid	(88,000)
Current service cost	216,000
Interest cost	220,000
Employee contributions	66,000
Closing defined benefit obligation	3,930,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2025 £
Opening fair value of scheme assets	4,312,000
Interest income	246,000
Actuarial losses	(797,000)
Contributions by scheme participants	66,000
Benefits paid	(88,000)
Employer contributions	191,000
Closing fair value of scheme assets	3,930,000

The fair value of the Group's share of scheme assets at 31 August 2025 totalled £5,694k (2024 - £5,133k). An asset ceiling has been applied and as such a derecognition of the asset was made totalling £943k (2024 - £821k) and is included within actuarial losses. The total derecognition to date is £1,764k.

The present value of the defined benefit pension has been in a surplus position over the past two years. Our accounting policy states that a net surplus is recognised only to the extent that it is recoverable by the Group through reduced contributions or through refunds from the plan. Neither applies to the Pension surplus therefore, the present value has been adjusted to nil.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

25. Operating lease commitments

At 31 August 2025 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	<i>Group 2024 £</i>
Not later than 1 year	15,340	<i>6,600</i>
Later than 1 year and not later than 5 years	25,332	<i>24,750</i>
	40,672	<i>31,350</i>

26. Related party transactions

During the year J Rowe, a Director of the Trustee Company, provided £nil (2024: £40,000) of additional loan funding to the Charity. In the year to 31 August 2025, a concessionary loan from J Rowe, a Trustee of King David Schools (Manchester) of £325,617 was waived and the funds donated to the Charity. This balance was included within creditors above for the year ended 31 August 2024. Before the waiver, the loan was unsecured, subject to a 12 month notice period and not subject to interest.

The Charity has claimed exemption under FRS 102 section 33.1A to not disclose related party transactions with wholly owned subsidiaries King David High School and King David Primary School which form part of the consolidated financial statements.

KING DAVID SCHOOLS (MANCHESTER)

England & Wales - Charity number 526631

Accounts

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

KING DAVID SCHOOLS (MANCHESTER)

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KING DAVID SCHOOLS (MANCHESTER)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2024**

Trustee

KDS Trustees Limited

Directors of Trustee company:

J Rowe (Chair of Trustees)

S E Elias

A Berkeley (Treasurer)

D Lopian

Charity registered number

526631

Principal office

Eaton Road

Crumpsall

Manchester

M8 5DY

Independent auditor

Crowe U.K. LLP

3rd floor

St Georges House

56 Peter St

Manchester

M2 3NQ

Bankers

The Co-operative Bank plc

1 Balloon Street

Manchester

M60 4EP

Solicitors

Kuit Steinart Levy

3 St Mary's Parsonage

Manchester

M3 2RD

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 AUGUST 2024

The Trustee presents their annual report together with the audited financial statements of the King David Schools (Manchester) for the year 1 September 2023 to 31 August 2024.

Objectives and activities

a. Charity Information

The Trustee presents its annual report and the financial statements for the year ended 31 August 2024. These accounts are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Statement of Recommended Practice (SORP) 2019 and Charities Act 2011.

b. Reference and Administrative Details

King David Schools (Manchester) is a registered charity (No. 526631), its principal address is shown on the charity information page. The charity is a public benefit entity.

c. Structure, Governance and Management

King David Schools (Manchester) was established under a Trust Deed dated 20 February 1873 and Articles of Government sealed 27 January 1959 as amended by Constitution dated 13 January 2003.

On 7 February 2012 the Charity Commission for England and Wales approved the replacement of the former individual trustees by a corporate trustee, KDS Trustees Limited. The former individual trustees became directors of the new trustee.

The Trustee is responsible for the overall governance of the Schools as a charity. The Trustee's role is to have an overview of the effectiveness of the schools and to ensure the maintenance of the faith and of the high standards of education generally. The Trustee appoints the Governors. The delivery of the education and curriculum and the management of the schools is controlled through the various Boards of Governors of each of the schools, namely

- The King David High School (including Sixth Form and Yavneh)
- The King David Primary School
- Crèche/Nursery (incorporated within the Charity)

Effective partnership between the Trustee, Governors and staff has contributed significantly to a successful year of activity. The trustees meet, formally, once per year to discuss the accounts and are in touch with each other throughout the year. These meetings include a review of strategy and operational performance and set operating plans and budgets as and when necessary.

New officers of the Trustee company receive an induction pack containing everything they need to know about the Schools and its work for effective and informed decision-making. The officers of the Trustee company are regularly kept up to date about their responsibilities. Remuneration of key management personnel is determined by the trustee.

d. Bursar and Trustee

The Bursar and certain delegated officers of the Trustee company are responsible for the day to day management of King David Schools (Manchester) and for implementing policies.

KING DAVID SCHOOLS (MANCHESTER)

Objectives and activities (continued)

e. Corporate Governance

Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the Treasurer of the Trustee company and its Board of Directors.

The systems of internal control are designed to provide reasonable assurance but not absolute assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustee company.
- Regular consideration by the trustee of financial results and variances from budgets.
- Delegation of day to day management authority and segregation of duties.
- Identification and management of risks.

f. Risk Management

The Trustee has introduced a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks the School faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of managing the risks. As part of this process the Trustee has reviewed the adequacy of the School's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to the Board of Directors of the Trustee that include regular bank reconciliations as well as the production of management accounts every month which are reviewed by the officers of the Trustee.

The key risk facing the charity is the level of voluntary contributions and donations that it receives from parents and donors. Declining receipts translate into less funds available to improve the education being offered to our pupils. The Trustee endeavours to educate parents along with the wider community of the importance of their financial support especially in the light of the reducing government funding being made to our schools on the KD campus.

KING DAVID SCHOOLS (MANCHESTER)

Achievements and performance

a. Objectives, Activities, Achievements and Performance

King David Schools (Manchester) exists to provide children with a meaningful orthodox Jewish religious education coupled with an excellent secular education.

The main objectives of all units on Campus during the period ended 31 August 2024 were:

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

The Trustee has given due consideration to the Charity Commission's guidance on public benefit requirement under the Charities Act 2011, when reviewing the Charity's aims and objectives and in planning future activities. As a leading quality school to the Jewish community, the Trustee notes that its success continues to be acknowledged nationally both in the secular and religious fields. Our pupils are well prepared to move on to leading universities, religious and secular colleges with many of our former students achieving success in the wider community.

b. Core Objectives and Strategy

The strategy is achieved by encouraging all units on the King David Campus to employ highest grade teachers who are able to instil in the pupils not only excellence in knowledge but also to experience a warm, friendly Jewish environment with a commitment to giving to the community as a whole. The Trustee continues to ensure that the facilities are up to date and suitable for the delivery of the educational and religious objectives.

The Schools are dependent on voluntary contributions from parents, donations and educational grants in order to fulfil their objectives. Failure of parents to meet their voluntary contribution commitments will threaten the school's ability to achieve its objectives.

KING DAVID SCHOOLS (MANCHESTER)

Financial review

a. Financial Review, Management Policies and Results for the Year

The Consolidated Statement of Financial Activities (SoFA), set out on page 13, shows that the group received total income of £10,471,324 (2023: 9,416,540). £11,468,806 (2023: 10,600,023) was incurred as expenditure leaving a loss of £886,687 (2023: £1,003,750) after a depreciation charge of £693,525 (2023: £693,052) and gains arising from changes in actuarial assumptions of £107,000 (2023: losses of £179,000).

This group position however, takes into account surpluses in actuarial gains/(losses) in the pension schemes positions, which are long term non-cash items, of (£2,000) (2023: (£151,000)) in The King David High School (KDHS) and £109,000 (2023: (£28,000)) in the King David Primary School (KDPS). Had these accounting entries not been included in this year's results, we would be facing a loss of around £993,687 (2023: £1,182,750).

The principal funding sources are donations, voluntary contributions from parents, income from the nursery and statutory government funding for the two academies, King David High School and King David Primary School.

The charity itself generated a loss of £554,528 (2023: loss of £912,414).

The charity made an unrealised gain on its investments of £3,795 (2023: £733), leaving a total net movement in funds to be subtracted from the reserves. The trustee remains conscious that more funds will have to be raised to maintain the ongoing excellence to which they are committed. Without parental assistance the current achievement of acclaimed success could be threatened.

The Charity continues to monitor its results against performance as its measurement of success. The Charity does not employ a professional fundraiser and relies on assistance from the Trustee, Governors and parents. Whilst it was noted that the Voluntary Contributions from parents continued below expectation, the Charity held a Fundraising event in January 2024 with funds of £1m expected to be received over the two years following the event. The Charity must continue its fundraising activities in order for it to be able to continue providing for its primary objectives and to maintain the high levels of educational standards. The Charity has not received any complaints about its fundraising activities and has policies in place to ensure that there is no unreasonable intrusion into a person's privacy.

b. Reserves

The policy of the Trustee has been and continues to be to utilise all reserves to fund the activities of the charity which has resulted from the development and growth of the campus, particularly the High School and to improve the religious and cultural educational experience across all the schools. Ideally the trustee would like the trust to hold one year's net expenditure of approx £1,000,000 in the unrestricted reserve fund but with constant erosion of the Academies funding from central government resulting in the Trustee having to support the two academies on the KD campus at a greater level than was envisaged that has not been possible.

The total reserves at the year end are £23,625,360 (2023: £24,512,047). This includes unrestricted reserves of £840,874 (2023: £940,537) and restricted reserves of £22,784,486 (2023: 23,571,510).

The Trustee is seeking sources of additional funding for capital expenditure in order that total reserve levels are improved. The Trustee does not consider that this has inhibited activities in any way.

Free Reserves

Free reserves for the group as at 31 August 2024 stood at (£463,043) (2023: (£373,138)).

c. Investment Policy and Performance

The Charity has a small investment in a quoted company and a subsidiary. The policy is to sell these shares as and when the trustee considers the time to be propitious.

KING DAVID SCHOOLS (MANCHESTER)

Financial review (continued)

d. Staff Training and Career Development

The schools are committed to the training, career development and welfare of its employees. An individual's career development is assessed through appraisal and supervision. Training programmes are provided to meet ongoing needs, with the aim of developing employees for both their current and their future roles.

Pay and remuneration of Key Management Personnel are reviewed independently by the Directors of the Trustee Company who themselves are not compensated.

e. Auditors

Crowe U.K. LLP will be proposed for re-appointment at the Trustee meeting.

f. Future Plans

The King David School Campus now provides top class education in both secular and Jewish religious studies, with a wide cross section of extracurricular activities covering sports, art and culture housed in the most modern buildings with enhanced advanced technological facilities supported by a most dedicated and capable staff. The Trustee is determined to reach out further in building a school of excellence which will continue to be the pride of the Jewish Community.

g. Going Concern

The charity and group meets its day-to-day requirements through its bank facilities and the extremely generous donors and parents. The group are considering a number of fundraising opportunities to recover the deficits going forward. Charity projections taking account of reasonable possible changes in performance show that the charity should be able to operate within the level of its current facilities. There is no intention by Mr J Rowe to request full repayment of the concessionary loan in the near future unless the charity can afford to do so.

The charity continues to monitor its results against performance as its measurement of success. The charity does not employ a professional fundraiser and relies on the assistance from the Trustee, governor and parents. Whilst voluntary contributions from parents continue to be below the ideal level, to compensate, the charity held a campaign in January 2024. The fundraising campaign had £1m pledged of which £817k has been recognised in these accounts and £290k not recognised due to the uncertainties of it being received as at the year end. Following the year end, of the £290k, £253k has been received so far. In addition to the fundraising income, the charity has an overdraft facility with a net credit limit of £170k, which can be utilized if needed.

The Charity has undertaken to provide financial support to the KDHS Academy, provided that KDHS's financial requirements do not exceed their budget and that there are no significant changes to the Board of Governors of the KDHS Academy.

The Termination Warning notice issued to KDHS Academy from the DFE was removed in January 2024, being replaced with a 'notice to improve'.

As has been the case for many years, the Trustee continues its success in maintaining sufficient income to ensure the requirements of the group are met in full. However, the group must continue its fundraising activities if the Academies are to continue to provide the academic excellence it has in the past.

The group therefore continues to adopt the going concern basis in the financial statements.

KING DAVID SCHOOLS (MANCHESTER)

Statement of Trustee's responsibilities

The Trustee is 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).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditor

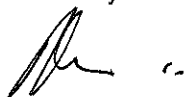
Each director of the Trustee at the time when this Trustee's report is approved have confirmed that:

- so far as the directors of the Trustee are aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that the directors of the Trustee have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Approved by order of the members of the board of Trustee on
their behalf by:

30th May 2015

and signed on



Andrew Berkeley
Treasurer of KDS Trustees Ltd

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)

Opinion

We have audited the financial statements of King David Schools (Manchester) (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2024 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee'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 Group's or the parent 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 Trustees with respect to going concern are described in the relevant sections of this report.

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER) (CONTINUED)

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER) (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included testing samples of voluntary contributions from the nominal ledger back to supporting documentation, review minutes of Trustee meetings to identify any material donations and ensure they are included in the nominal ledger where mentioned, review the controls over completeness of voluntary income to ensure adequate and perform a walkthrough test, enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reviewing regulatory correspondence with the Charity Commission.

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

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

KING DAVID SCHOOLS (MANCHESTER)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)
(CONTINUED)**

Auditor's report.

Use of our report

This report is made solely to the charity's trustees, 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 trustees 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

3rd floor

St Georges House

56 Peter St

Manchester

M2 3NQ

Date:

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	3	44,123	676,422	720,545	946,335
Charitable activities	4	7,768,084	1,161,715	8,929,799	8,382,008
Other trading activities	5	-	817,637	817,637	87,150
Other income	6	-	3,343	3,343	1,047
Total income		7,812,207	2,659,117	10,471,324	9,416,540
Expenditure on:					
Charitable activities	7	8,706,231	2,762,575	11,468,806	10,600,023
Total expenditure		8,706,231	2,762,575	11,468,806	10,600,023
Net expenditure before net gains on investments					
		(894,024)	(103,458)	(997,482)	(1,183,483)
Net gains on investments		-	3,795	3,795	733
Net movement in funds before other recognised gains/(losses)					
		(894,024)	(99,663)	(993,687)	(1,182,750)
Actuarial gains on defined benefit pension schemes	24	107,000	-	107,000	179,000
Net movement in funds		(787,024)	(99,663)	(886,687)	(1,003,750)
Reconciliation of funds:					
Total funds brought forward		23,571,510	940,537	24,512,047	25,515,797
Net movement in funds		(787,024)	(99,663)	(886,687)	(1,003,750)
Total funds carried forward		22,784,486	840,874	23,625,360	24,512,047

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

The notes on pages 16 to 42 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2024**

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	12	23,965,360	24,646,714
Investments	13	15,254	11,459
		<u>23,980,614</u>	<u>24,658,173</u>
Current assets			
Stocks	14	10,718	12,760
Debtors	15	265,022	321,984
Cash at bank and in hand		1,124,434	758,080
		<u>1,400,174</u>	<u>1,092,824</u>
Creditors: amounts falling due within one year	16	(1,429,811)	(953,333)
Net current liabilities / assets		<u>(29,637)</u>	139,491
Total assets less current liabilities		<u>23,950,977</u>	<u>24,797,664</u>
Creditors: amounts falling due after more than one year	17	(325,617)	(285,617)
Net assets excluding pension asset		<u>23,625,360</u>	<u>24,512,047</u>
Total net assets		<u><u>23,625,360</u></u>	<u><u>24,512,047</u></u>
Charity funds			
Restricted funds	19	22,784,486	23,571,510
Unrestricted funds	19	840,874	940,537
Total funds		<u><u>23,625,360</u></u>	<u><u>24,512,047</u></u>

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



Andrew Berkeley
Treasurer of KDS Trustees Limited
Date: 30/8/2025

The notes on pages 16 to 42 form part of these financial statements.


KING DAVID SCHOOLS (MANCHESTER)

**CHARITY BALANCE SHEET
AS AT 31 AUGUST 2024**

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	12	20,140,652	20,705,914
Investments	13	15,254	11,459
		<u>20,155,906</u>	<u>20,717,373</u>
Current assets			
Stocks	14	10,718	12,760
Debtors	15	115,689	124,849
Cash at bank and in hand		247,506	301,811
		<u>373,913</u>	<u>439,420</u>
Creditors: amounts falling due within one year	16	(526,196)	(638,642)
Net current liabilities		<u>(152,283)</u>	<u>(199,222)</u>
Total assets less current liabilities		<u>20,003,623</u>	<u>20,518,151</u>
Creditors: amounts falling due after more than one year	17	(325,617)	(285,617)
Net assets excluding pension asset		<u>19,678,006</u>	<u>20,232,534</u>
Total net assets		<u><u>19,678,006</u></u>	<u><u>20,232,534</u></u>
Charity funds			
Restricted funds	19	18,826,735	19,391,997
Unrestricted funds	19	851,271	840,537
Total funds		<u><u>19,678,006</u></u>	<u><u>20,232,534</u></u>

The Charity's net movement in funds for the year was £(554,528) (2023 - £(912,414)).

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:


 Andrew Berkeley
 Treasurer of KDS Trustees Limited
 Date: 30/5/2025

The notes on pages 16 to 42 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	21	401,980	(282,720)
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of tangible fixed assets		(12,171)	(288,535)
		<hr/>	<hr/>
Net cash used in investing activities		(12,171)	(288,535)
		<hr/>	<hr/>
Cash flows from financing activities			
Repayments of borrowing		-	(74,732)
		<hr/>	<hr/>
Net cash provided by/(used in) financing activities		-	(74,732)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		389,809	(645,987)
Cash and cash equivalents at the beginning of the year		369,264	1,015,251
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	22	759,073	369,264
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 42 form part of these financial statements

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1. General information

King David Schools (Manchester) is a registered charity (No. 526631), its principal address is shown on the charity information page. The charity is a public benefit entity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

King David Schools (Manchester) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. The charity has the right to appoint/ remove members and governors of the consolidated entities and as such has control. The subsidiaries included in the consolidation are The King David Primary School (company number 08424154) and The King David High School (company number 07716057).

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.2 Going concern

The charity and group meets its day-to-day requirements through its bank facilities and the extremely generous donors and parents. The group are considering a number of fundraising opportunities to recover the deficits going forward. Charity projections taking account of reasonable possible changes in performance show that the charity should be able to operate within the level of its current facilities.

The charity continues to monitor its results against performance as its measurement of success. The charity does not employ a professional fundraiser and relies on the assistance from the Trustee, governor and parents. Whilst voluntary contributions from parents continue to be below the ideal level, to compensate, the charity held a campaign in January 2024. The fundraising campaign had £1m pledged of which £817k has been recognised in these accounts and £290k not recognised due to the uncertainties of it being received as at the year end. Following the year end, of the £290k, £253k has been received so far. In addition to the fundraising income, the charity has an overdraft facility with a net credit limit of £170k, which can be utilized if needed.

The Charity has undertaken to provide financial support to the KDHS Academy, provided that KDHS's financial requirements do not exceed their budget and that there are no significant changes to the Board of Governors of the KDHS Academy.

The Termination Warning notice issued to KDHS Academy from the DFE was removed in January 2024, being replaced with a 'notice to improve'.

As has been the case for many years, the Trustee continues its success in maintaining sufficient income to ensure the requirements of the group are met in full. However, the group must continue its fundraising activities if the Academies are to continue to provide the academic excellence it has in the past.

The group therefore continues to adopt the going concern basis in the financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. As pledges of donations made at fundraising events over multiple years are not considered certain, they are not recognised as income until they are received.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

2. Accounting policies (continued)

2.4 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property and buildings	- 2% Straight line
Motor vehicles	- 20% Straight line
Fixtures and fittings	- 15% Reducing balance
Computer equipment	- 33% Straight line

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

2. Accounting policies (continued)

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.12 Pensions

The Group operates a two defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year. Contributions for personal pension schemes are accounted for in the year to which they relate.

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

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

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

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

3. Income from donations and legacies

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Donations & grants	37,209	-	37,209
Parental voluntary contributions	6,914	570,366	577,280
Tax refund	-	106,056	106,056
	44,123	676,422	720,545
	44,123	676,422	720,545

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Donations & grants	203,891	105,867	309,758
Parental voluntary contributions	-	529,162	529,162
Tax refund	-	107,415	107,415
	203,891	742,444	946,335
	203,891	742,444	946,335

4. Income from charitable activities

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Operation of the schools	7,768,084	1,161,715	8,929,799
	7,768,084	1,161,715	8,929,799
	7,768,084	1,161,715	8,929,799

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Operation of the schools	7,656,721	725,287	8,382,008
	7,656,721	725,287	8,382,008
	7,656,721	725,287	8,382,008

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

5. Fundraising income

Income from fundraising events

	Unrestricted funds 2024 £	Total funds 2024 £
Donations	817,637	817,637

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Donations	87,150	87,150

6. Other income

	Unrestricted funds 2024 £	Total funds 2024 £
Interest received	3,343	3,343

	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Interest received	1,047	1,047

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total 2024 £
Operation of the schools	<u>8,706,231</u>	<u>2,762,575</u>	<u>11,468,806</u>
	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total 2023 £</i>
Operation of the schools	<u>8,799,128</u>	<u>1,800,895</u>	<u>10,600,023</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Operation of the schools	<u>8,998,938</u>	<u>2,469,868</u>	<u>11,468,806</u>
	<i>Activities undertaken directly 2023 £</i>	<i>Support costs 2023 £</i>	<i>Total funds 2023 £</i>
Operation of the schools	<u>8,291,659</u>	<u>2,308,364</u>	<u>10,600,023</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Operation of the schools 2024 £	Total funds 2024 £
Staff costs	7,074,661	7,074,661
Educational materials	799,436	799,436
Food & meal costs	743,746	743,746
Trips	318,223	318,223
Travel costs	786	786
Teacher training	56,626	56,626
Other direct costs	5,460	5,460
	8,998,938	8,998,938
	<i>Operation of the school 2023 £</i>	<i>Total funds 2023 £</i>
Staff costs	6,743,890	6,743,890
Educational materials	660,208	660,208
Food & meal costs	611,003	611,003
Trips	229,455	229,455
Travel costs	10	10
Bus donations	16,806	16,806
Teacher training	20,263	20,263
Other direct costs	10,024	10,024
	8,291,659	8,291,659

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operation of the school 2024 £	Total funds 2024 £
Staff costs	203,982	203,982
Depreciation	693,525	693,525
Governance	44,204	44,204
Security and transport	339,270	339,270
Repair costs	175,821	175,821
Light & heat	439,571	439,571
Loan interest	6,242	6,242
Cleaning	50,851	50,851
Printing, postage and stationery	8,111	8,111
Bank charges and interest	6,892	6,892
Insurance	79,733	79,733
Sundries	159,023	159,023
Telephone	5,745	5,745
Legal and professional fees	256,898	256,898
	<u>2,469,868</u>	<u>2,469,868</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Operation of the school 2023 £</i>	<i>Total funds 2023 £</i>
Staff costs	152,261	152,261
Depreciation	693,052	693,052
Governance	36,183	36,183
Security and transport	261,984	261,984
Repair costs	171,577	171,577
Light & heat	543,656	543,656
Loan interest	8,614	8,614
Cleaning	98,787	98,787
Printing, postage and stationery	7,853	7,853
Bank charges and interest	6,801	6,801
Insurance	88,234	88,234
Sundries	64,820	64,820
Telephone	7,107	7,107
Recharge of expenses	244	244
Legal and professional fees	167,191	167,191
	<u>2,308,364</u>	<u>2,308,364</u>

9. Auditor's remuneration

	2024 £	2023 £
Fees payable to the Group's auditor for the audit of the Group's consolidated financial statements.	<u>22,915</u>	<u>22,250</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

10. Staff costs

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Wages and salaries	5,504,961	5,250,444	1,083,053	1,068,579
Social security costs	551,340	506,970	98,545	68,926
Contribution to defined contribution pension schemes	1,222,342	1,138,737	58,512	19,775
	<u>7,278,643</u>	<u>6,896,151</u>	<u>1,240,110</u>	<u>1,157,280</u>

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

	Group 2024 No.	<i>Group 2023 No.</i>
Teaching	125	95
Educational Support	58	32
Administration	5	4
Premises	3	2
Management	6	4
LA/SLA	10	-
	<u>207</u>	<u>137</u>

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

	Group 2024 No.	<i>Group 2023 No.</i>
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	-

The remuneration (excluding employer pension and NI costs) received by key management personnel of the charity was £92,705 (2023: £79,834). The remuneration received by key management personnel of the academies was £663,990 (2023: £603,697).

Key management of the charity include the bursar and the governors' administrator. Key management of the academies include the trustees and senior management team.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

11. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, no Trustee expenses have been incurred (2023 - £NIL).

12. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2023	31,628,263	56,175	938,176	433,660	28,440	33,084,714
Additions	-	-	-	12,171	-	12,171
Transfers between classes	-	-	-	28,440	(28,440)	-
At 31 August 2024	<u>31,628,263</u>	<u>56,175</u>	<u>938,176</u>	<u>474,271</u>	<u>-</u>	<u>33,096,885</u>
Depreciation						
At 1 September 2023	7,275,268	46,044	712,081	404,607	-	8,438,000
Charge for the year	632,566	3,799	28,608	28,552	-	693,525
At 31 August 2024	<u>7,907,834</u>	<u>49,843</u>	<u>740,689</u>	<u>433,159</u>	<u>-</u>	<u>9,131,525</u>
Net book value						
At 31 August 2024	<u><u>23,720,429</u></u>	<u><u>6,332</u></u>	<u><u>197,487</u></u>	<u><u>41,112</u></u>	<u><u>-</u></u>	<u><u>23,965,360</u></u>
At 31 August 2023	<u><u>24,352,995</u></u>	<u><u>10,131</u></u>	<u><u>226,095</u></u>	<u><u>29,053</u></u>	<u><u>28,440</u></u>	<u><u>24,646,714</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

12. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2023	27,590,718	530,837	5,130	28,126,685
At 31 August 2024	<u>27,590,718</u>	<u>530,837</u>	<u>5,130</u>	<u>28,126,685</u>
Depreciation				
At 1 September 2023	6,974,453	441,188	5,130	7,420,771
Charge for the year	551,815	13,447	-	565,262
At 31 August 2024	<u>7,526,268</u>	<u>454,635</u>	<u>5,130</u>	<u>7,986,033</u>
Net book value				
At 31 August 2024	<u>20,064,450</u>	<u>76,202</u>	<u>-</u>	<u>20,140,652</u>
<i>At 31 August 2023</i>	<u>20,616,265</u>	<u>89,649</u>	<u>-</u>	<u>20,705,914</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

13. Fixed asset investments

	Listed investments £
Group and Charity	
Cost or valuation	
At 1 September 2023	11,459
Revaluations	3,795
	15,254
At 31 August 2024	15,254
 Net book value	
At 31 August 2024	15,254
At 31 August 2023	11,459

14. Stocks

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Finished goods and goods for resale	10,718	12,760	10,718	12,760

15. Debtors

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Due within one year				
Trade debtors	7,337	22,894	7,337	22,894
Amounts owed by group undertakings	-	-	50	50
Amounts owed by King David Resources Limited	-	-	1,594	-
Other debtors	41,974	143,693	56,622	67,259
Prepayments and accrued income	215,711	155,397	50,086	34,646
	265,022	321,984	115,689	124,849

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

16. Creditors: Amounts falling due within one year

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Bank overdrafts	365,361	388,816	365,361	388,816
Bank loans	12,836	85,687	12,836	85,687
Trade creditors	78,616	249,503	56,042	103,986
Amounts owed to group undertakings	-	-	1,750	1,299
Other taxation and social security	21,735	22,082	21,735	22,082
Other creditors	777,310	145,952	21,576	10,838
Accruals and deferred income	173,953	61,293	46,896	25,934
	1,429,811	953,333	526,196	638,642
	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Deferred income at 1 September 2023	26,238	49,511	13,119	7,519
Resources deferred during the year	108,702	26,238	197	13,119
Amounts released from previous periods	(26,238)	(49,511)	(5,600)	(7,519)
	108,702	26,238	7,716	13,119

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

17. Creditors: Amounts falling due after more than one year

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Other loans	325,617	<i>285,617</i>	325,617	<i>285,617</i>

Included within the above are amounts falling due as follows:

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Between one and two years				
Other loans	325,617	<i>285,617</i>	325,617	<i>285,617</i>

Included within creditors are balances due to lenders in respect of bank loans. At 31 August 2024 the balance is £12,836 (2023: £85,687). The interest charged on the loan is 3.5% over bank base rate. The loans are secured by a letter of set off over credit balances.

Creditors includes a concessionary loan from J Rowe, a trustee of King David Schools (Manchester), of £325,617 (2023: £285,617). The loan is subject to a 12 month notice period and not subject to interest.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

18. Financial instruments

	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Financial assets				
Financial assets measured at amortised cost	<u>1,389,456</u>	<u>924,717</u>	<u>363,195</u>	<u>392,014</u>
	Group 2024 £	<i>Group 2023 £</i>	Charity 2024 £	<i>Charity 2023 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>1,755,428</u>	<u>1,276,879</u>	<u>815,813</u>	<u>982,078</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals.

Financial assets measured at fair value through income and expenditure comprise investments and total £15,524 (2023: £11,459) for both the Group and Charity.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

19. Statement of funds - Group

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2024 £
Unrestricted funds					
General Funds	940,537	2,659,117	(2,762,575)	3,795	840,874
Restricted funds					
Academy funds	4,279,513	7,463,030	(7,784,792)	-	3,957,751
Donations	(100,000)	110,113	(10,113)	-	-
SEN income	-	130,701	(130,701)	-	-
Nursery grant	-	101,449	(101,449)	-	-
Further education grant	-	6,914	(6,914)	-	-
Grant of buildings and fixtures from BSF	19,391,997	-	(565,262)	-	18,826,735
Pension reserve	-	-	(107,000)	107,000	-
	<u>23,571,510</u>	<u>7,812,207</u>	<u>(8,706,231)</u>	<u>107,000</u>	<u>22,784,486</u>
Total of funds	<u><u>24,512,047</u></u>	<u><u>10,471,324</u></u>	<u><u>(11,468,806)</u></u>	<u><u>110,795</u></u>	<u><u>23,625,360</u></u>

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

19. Statement of funds (continued)

Statement of funds - Group - prior year

	<i>Balance at 1 September 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2023</i>
	£	£	£	£	£
Unrestricted funds					
General Funds	1,184,771	1,555,928	(1,800,895)	733	940,537
Restricted funds					
Academy funds	4,370,849	7,015,718	(7,107,054)	-	4,279,513
Donations	-	676,845	(776,845)	-	(100,000)
SEN income	-	109,005	(109,005)	-	-
Nursery grant	-	59,044	(59,044)	-	-
Grant of buildings and fixtures from BSF	19,960,177	-	(568,180)	-	19,391,997
Pension reserve	-	-	(179,000)	179,000	-
	<u>24,331,026</u>	<u>7,860,612</u>	<u>(8,799,128)</u>	<u>179,000</u>	<u>23,571,510</u>
Total of funds	<u><u>25,515,797</u></u>	<u><u>9,416,540</u></u>	<u><u>(10,600,023)</u></u>	<u><u>179,733</u></u>	<u><u>24,512,047</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024	Unrestricted funds 2024	Total funds 2024
	£	£	£
Tangible fixed assets	22,661,443	1,303,917	23,965,360
Fixed asset investments	-	15,254	15,254
Current assets	1,026,938	373,236	1,400,174
Creditors due within one year	(903,895)	(525,916)	(1,429,811)
Creditors due in more than one year	-	(325,617)	(325,617)
Total	<u><u>22,784,486</u></u>	<u><u>840,874</u></u>	<u><u>23,625,360</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	23,332,798	1,313,916	24,646,714
Fixed asset investments	-	11,459	11,459
Current assets	568,851	523,973	1,092,824
Creditors due within one year	(330,139)	(623,194)	(953,333)
Creditors due in more than one year	-	(285,617)	(285,617)
Total	23,571,510	940,537	24,512,047

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	Group 2023 £
Net expenditure for the period (as per Statement of Financial Activities)	(993,687)	(1,182,750)
Adjustments for:		
Depreciation charges	693,525	693,051
Gains on investments	3,795	733
Decrease/(increase) in stocks	2,042	(3,617)
Decrease/(increase) in debtors	56,962	(24,432)
Increase/(decrease) in creditors	516,478	(296,705)
LGPS pension movement	107,000	531,000
Defined benefit pension scheme cost less contributions payable	15,865	-
Net cash provided by/(used in) operating activities	401,980	(282,720)

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of cash and cash equivalents

	Group 2024	<i>Group 2023</i>
	£	£
Cash in hand	1,124,434	758,080
Overdraft facility repayable on demand	(365,361)	(388,816)
Total cash and cash equivalents	759,073	<i>369,264</i>

23. Analysis of changes in net debt

	At 1 September 2023	Cash flows	At 31 August 2024
	£	£	£
Cash at bank and in hand	758,080	366,354	1,124,434
Bank overdrafts repayable on demand	(388,816)	23,455	(365,361)
Loan due within 1 year	(85,687)	72,851	(12,836)
Loans due after 1 year	(285,617)	(40,000)	(325,617)
	(2,040)	422,660	420,620

24. Pension commitments

The Charity operates a defined contribution pension scheme. Contributions totalling £15,900 (2023: £6,496) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

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

Teachers' Pension Scheme

The pension charge for the year includes contributions payable to the TPS of £58,512 (2023: £19,775) and at the year-end £15,900 (2023 - £6,496) 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

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

24. Pension commitments (continued)

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.

Valuation of the Teachers' Pension Scheme

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

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk>).

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

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2023 was £245,000 (2023 - £215,000), of which employer's contributions totalled £182,000 (2023 - £162,000) and employees' contributions totalled £63,000 (2023 - £53,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 12 per cent for employees.

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

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

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2024	<i>At 31 August 2023</i>
	%	%
Discount rate	5.00	5.20
Rate of increase in salaries	3.45	3.80
Rate of increase for pensions in payment/inflation	2.65	3
	At 31 August 2024	<i>At 31 August 2023</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	20	20.1
- at 65 for a male aged 45 now	19.9	19.8
- for a female aged 65 now	22.2	22.4
- at 65 for a female aged 45 now	24.2	24.7

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

24. Pension commitments (continued)

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

	At 31 August 2024	<i>At 31 August 2023</i>
	£	£
Equities	2,280,450	3,166,800
Gilts	495,750	633,360
Property	264,400	361,920
Cash and other liquid assets	264,400	361,920
Total fair value of assets	3,305,000	4,524,000

The actual return on scheme assets was negative £310,670 (2023 - £59,000).

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

	2024	<i>2023</i>
	£	£
Current service cost	321,000	351,000
Interest cost	208,000	180,000
Total amount recognised in the Consolidated Statement of Financial Activities	529,000	531,000

Movements in the present value of the defined benefit obligation were as follows:

	2024
	£
Opening defined benefit obligation	4,524,000
Actuarial (losses)/gains	(735,000)
Benefits paid	(69,000)
Current service costs	321,000
Interest cost	208,000
Employee contributions	63,000
Closing defined benefit obligation	4,312,000

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Movements in the fair value of the Group's share of scheme assets were as follows:

	2024 £
Opening fair value of scheme assets	4,524,000
Interest income	240,000
Actuarial gains	107,000
Actuarial (losses)/gains	(735,000)
Contributions by scheme participants	63,000
Benefits paid	(69,000)
Employer contributions	182,000
Closing fair value of scheme assets	4,312,000

Included within actuarial losses is £821k (2023: £619k) representing the non-recognition of the pension asset in accordance with the requirements of FRS 102.

25. Operating lease commitments

At 31 August 2024 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	Group 2023 £
Not later than 1 year	6,600	7,378
Later than 1 year and not later than 5 years	24,750	25,994
	31,350	33,372

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
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26. Related party transactions

During the year J Rowe, a Director of the Trustee Company advanced £40,000 (2023: £nil) and was repaid £nil (2023: £nil) of the loan owed to him. The amount due to him at the year end was £325,617 (2023: £285,617). This loan is unsecured and interest free.

During the year, King David High School, which has trustees common to the directorships of the Trustee Company, was recharged cleaning and caretaking costs to the value of £22,709 (2023: £19,548) by King David Schools. In addition the charity recharged catering costs amounting to £75,359 (2023: £45,125), other salaries of £176,713 (2023: £204,925) and trip expenses of £4,831 (2023: £10,744). They also paid voluntary and other contributions of £12,066 (2023: £150). During the year, King David Schools loaned the High School £nil (2023: £nil). £nil (2023: £nil) was repaid in the year leaving a balance due to the from charity at the year end of £1,594 (2023: £1,594).

During the year, King David Schools (Manchester) Charitable Trust provided donations to the value of £470,500 (2023: £512,900) to King David High School.

During the year King David Primary School, which has trustees common to the directorships of the Company, was recharged caretaking costs to the value of £10,560 (2023: £9,600) by King David Schools. In addition the charity recharged catering costs amounting to £182,022 (2023: £109,260), staff costs of £220,043 (2023: £196,765) and sundry costs of £-230 (2023: £2,484).

During the year, King David Schools (Manchester) Charitable Trust provided donations to the value of £217,596 (2023: £94,800) to King David Primary School.

KING DAVID SCHOOLS (MANCHESTER)

England & Wales - Charity number 526631

Accounts

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

KING DAVID SCHOOLS (MANCHESTER)

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KING DAVID SCHOOLS (MANCHESTER)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2023

Trustee

KDS Trustees Limited

Directors of Trustee company:

J Rowe (Chair of Trustees)

S E Elias

A Berkeley (Treasurer)

D Lopian (appointed 1 December 2022)

Charity registered number

526631

Principal office

Eaton Road

Crumpsall

Manchester

M8 5DY

Independent auditor

Crowe U.K. LLP

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Bankers

The Co-operative Bank plc

1 Balloon Street

Manchester

M60 4EP

Solicitors

Kuit Steinart Levy

3 St Mary's Parsonage

Manchester

M3 2RD

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The Trustee present their annual report together with the audited financial statements of the King David Schools (Manchester) for the year 1 September 2022 to 31 August 2023.

Objectives and activities

a. Charity Information

The Trustee presents its annual report and the financial statements for the year ended 31 August 2023. These accounts are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Statement of Recommended Practice (SORP) 2019 and Charities Act 2011.

b. Reference and Administrative Details

King David Schools (Manchester) is a registered charity (No. 526631), its principal address is shown on the charity information page. The charity is a public benefit entity.

c. Structure, Governance and Management

King David Schools (Manchester) was established under a Trust Deed dated 20 February 1873 and Articles of Government sealed 27 January 1959 as amended by Constitution dated 13 January 2003.

On 7 February 2012 the Charity Commission for England and Wales approved the replacement of the former individual trustees by a corporate trustee, KDS Trustees Limited. The former individual trustees became directors of the new trustee.

The Trustee is responsible for the overall governance of the Schools as a charity. The Trustee's role is to have an overview of the effectiveness of the schools and to ensure the maintenance of the faith and of the high standards of education generally. The Trustee appoints the Governors. The delivery of the education and curriculum and the management of the schools is controlled through the various Boards of Governors of each of the schools, namely

- The King David High School (including Sixth Form and Yavneh)
- The King David Primary School
- Crèche/Nursery (incorporated within the Charity)

Effective partnership between the Trustee, Governors and staff has contributed significantly to a successful year of activity. The trustees meet, formally, once per year to discuss the accounts and are in touch with each other throughout the year. These meetings include a review of strategy and operational performance and set operating plans and budgets as and when necessary.

New officers of the Trustee company receive an induction pack containing everything they need to know about the Schools and its work for effective and informed decision-making. The officers of the Trustee company are regularly kept up to date about their responsibilities. Remuneration of key management personnel is determined by the trustee.

d. Bursar and Trustee

The Bursar and certain delegated officers of the Trustee company are responsible for the day to day management of King David Schools (Manchester) and for implementing policies.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

e. Corporate Governance

Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the Treasurer of the Trustee company and its Board of Directors.

The systems of internal control are designed to provide reasonable assurance but not absolute assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustee company.
- Regular consideration by the trustee of financial results and variances from budgets.
- Delegation of day to day management authority and segregation of duties.
- Identification and management of risks.

f. Risk Management

The Trustee has introduced a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks the School faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of managing the risks. As part of this process the Trustee has reviewed the adequacy of the School's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to the Board of Directors of the Trustee that include regular bank reconciliations as well as the production of management accounts at the end of each term which are reviewed by the officers of the Trustee.

The key risk facing the charity is the level of voluntary contributions and donations that it receives from parents and donors. Declining receipts translate into less funds available to improve the education being offered to our pupils. The Trustee endeavours to educate parents along with the wider community of the importance of their financial support especially in the light of the reducing government funding being made to our schools on the KD campus.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Achievements and performance

a. Objectives, Activities, Achievements and Performance

King David Schools (Manchester) exists to provide children with a meaningful orthodox Jewish religious education coupled with an excellent secular education.

The main objectives of all units on Campus during the period ended 31 August 2023 are:

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

The Trustee has given due consideration to the Charity Commission's guidance on public benefit requirement under the Charities Act 2011, when reviewing the Charity's aims and objectives and in planning future activities. As a leading quality school to the Jewish community the Trustee notes that its success acknowledged nationally both in the secular and religious fields continues. Our pupils are well prepared to move on to leading universities, religious and secular colleges with many of our former students achieving success in the wider community.

b. Core Objectives and Strategy

The strategy is achieved by encouraging all units on the King David Campus to employ highest grade teachers who are able to instil in the pupils not only excellence in knowledge but also to experience a warm, friendly Jewish environment with a commitment to giving to the community as a whole. The Trustee continues to ensure that the facilities are up to date and suitable for the delivery of the educational and religious objectives.

The Schools are dependent on voluntary contributions from parents, donations and educational grants in order to fulfil its objectives. Failure of parents to meet their voluntary contribution commitments will threaten the school's ability to achieve its objectives.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

a. Financial Review, Management Policies and Results for the Year

The Consolidated Statement of Financial Activities (SoFA), set out on page 13, shows that the group received total income of £9,416,540 (2022: £10,249,728). £10,600,023 (2022: £10,485,580) was incurred as expenditure leaving a loss of £1,003,750 (2022: gain of £2,352,870) after a depreciation charge of £693,052 (2022: £665,304) and gains arising from changes in actuarial assumptions of £179,000 (2022: gains of £2,589,000).

This group position however, takes into account the surpluses in actuarial gains/(losses) in the pension schemes positions, which are long term non-cash items, of £151,000 (2022: £1,372,000) in The King David High School (KDHS) and £28,000 (2022: £1,217,000) in the King David Primary School (KDPS). Had these accounting entries not been included in this year's results, we would be facing a deficit of around £1,182,750 (2022: gain of £236,130). The reason for the deficit in the period is due to the timing of when donations are received from fundraising campaigns over a 2 year period.

The principal funding sources are donations, voluntary contributions from parents, income from the nursery and statutory government funding for the two academies, King David High School and King David Primary School.

The charity itself generated a deficit of £912,414 (2022: £216,411), which included £567,634 (2022: £564,695) of depreciation expenditure in the year.

The charity made an unrealised gain on its investments of £733 (2022: loss of £278) leaving a total net movement in funds to be added to the reserves. The trustee remains conscious that more funds will have to be raised to maintain the ongoing excellence to which they are committed. Without parental assistance the current achievement of acclaimed success could be threatened.

The Charity continues to monitor its results against performance as its measurement of success. The Charity does not employ a professional fundraiser and relies on assistance from the Trustee, Governors and parents. Whilst it was noted that the Voluntary Contributions from parents continued below expectation, the Charity held a Fundraising campaign in January 2024 with funds of £1m expected to be received over the next 2 years. The Charity must continue its fundraising activities in order for it to be able to continue providing for its primary objectives and to maintain the high levels of educational standards. The Charity has not received any complaints about its fundraising activities and has policies in place to ensure that there is no unreasonable intrusion into a person's privacy.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

b. Reserves

The policy of the Trustee has been and continues to be to utilise all reserves to fund the activities of the charity which has resulted from the development and growth of the campus, particularly the High School and to improve the religious and cultural educational experience across all the schools. Ideally the trustees would like the trust to hold two years' net expenditure of approx £1,000,000 as free reserves, but with constant erosion of the Academies funding from central government resulting in the Trustee having to support the two academies on the KD campus at a greater level than was envisaged that has not been possible.

The total reserves at the year end are £24,512,047 (2022: £25,515,797). This includes unrestricted reserves of £840,537 (2022: £1,184,771) and restricted reserves of £23,671,510 (2022: £24,331,026).

The Trustee is seeking sources of additional funding for capital expenditure in order that total reserve levels are improved. The Trustee does not consider that this has inhibited activities in any way.

Free Reserves

Free reserves for the group as at 31 August 2023 stood at a deficit of £373,138 (2022: surplus of £264,819). The charity has carried out a fundraising campaign in 2024 to meet the shortfall in reserves.

c. Investment Policy and Performance

The Charity has a small investment in a quoted company and a subsidiary but in the main all funds are held in cash since they are currently being directed to the major campus enhancement capital building programme. The policy is to sell these shares as and when the trustee consider the time to be propitious.

d. Staff Training and Career Development

The schools are committed to the training, career development and welfare of its employees. An individual's career development is assessed through appraisal and supervision. Training programmes are provided to meet ongoing needs, with the aim of developing employees for both their current and their future roles.

Pay and remuneration of Key Management Personnel are reviewed independently by the Directors of the Trustee Company who themselves are not compensated.

e. Auditors

Crowe U.K. LLP will be proposed for re-appointment at the Trustee meeting.

f. Future Plans

The King David School Campus now provides top class education in both secular and Jewish religious studies, with a wide cross section of extracurricular activities covering sports, art and culture housed in the most modern buildings with enhanced advance technological facilities supported by a most dedicated and capable staff. The Trustee is determined to reach out further in building a school of excellence which will continue to be the pride of the Jewish Community.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

g. Going Concern

The charity and group meets its day-to-day requirements through its bank facilities and the extremely generous donors and parents. The group are considering a number of fundraising opportunities to recover the deficits going forward. Charity projections taking account of reasonable possible changes in performance show that the charity should be able to operate within the level of its current facilities. There is no intention by Mr J Rowe to request full repayment of the concessionary loan in the near future unless the charity can afford to do so.

The charity continues to monitor its results against performance as its measurement of success. The charity does not employ a professional fundraiser and relies on the assistance from the Trustee, governor and parents. Whilst voluntary contributions from parents continue to be below the ideal level, to compensate, the charity held a fundraising campaign in 2022, which raised over £800k (payable over two years) and has undertaken a further campaign in January 2024. At the date of signing of these accounts the Charity had successfully completed this fundraising campaign and has raised over £1m (payable over two years). This ensures that the charity is able to continue with its primary objectives and to maintain the high levels of educational standards.

The Charity has use of an overdraft facility to ensure that any temporary cash flow shortfalls are covered.

The Charity has undertaken to provide financial support to the KDHS Academy, provided that KDHS's financial requirements do not exceed their budget and that there are no significant changes to the Board of Governors of the KDHS Academy.

At present, the KDHS Academy is operating under a termination notice warning from the Department for Education (DfE) whereby the funding agreement could be terminated by the Secretary of State. It is expected that the current 'termination warning notice' will be replaced with a 'notice to improve' early in the new year following a scheduled strategic conversation with the Regional Schools' Director. At the date of the signing of these accounts, a meeting had taken place with the Regional Schools Commissioner and a letter has been received by the KDHS Academy confirming that the Termination Notice will be removed and has been replaced with a Letter of Concern. However, as a result of this, the KDHS Academy disclosed in its own accounts that a material uncertainty existed in relation to the going concern of KDHS Academy.

Having considered the position at length, the Trustee of the Charity has therefore concluded that there is therefore no material uncertainty in relation to the going concern of the Charity irrespective of the uncertainties of the KDHS Academy and the Charity is able to present its accounts on a going concern basis.

As has been the case for many years, the Trustee continues its success in maintaining sufficient income to ensure the requirements of the group are met in full. However, the group must continue its fundraising activities if the Academies are to continue to provide the academic excellence it has in the past.

The group therefore continues to adopt the going concern basis in the financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Statement of Trustee's responsibilities

The Trustee is 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).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditor

Each director of the Trustee at the time when this Trustee's report is approved have confirmed that:

- so far as the directors of the Trustee are aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that the directors of the Trustee have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Approved by order of the members of the board of Trustee on
their behalf by:

14th May 2024

and signed on



Joshua Rowe
Chair of KDS Trustees Ltd

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)

Opinion

We have audited the financial statements of King David Schools (Manchester) (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee'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 Group's or the parent 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 Trustees with respect to going concern are described in the relevant sections of this report.

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER) (CONTINUED)

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER) (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk 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 and reading minutes of meetings of those charged with governance.

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

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

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)
(CONTINUED)

Use of our report

This report is made solely to the charity's trustees, 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 trustees 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP.

Crowe U.K. LLP

Statutory Auditor

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Date: 21 May 2024

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	203,891	742,444	946,335	900,931
Charitable activities	4	7,656,721	725,287	8,382,008	8,647,280
Other trading activities	5	-	87,150	87,150	698,353
Investments	6	-	1,047	1,047	3,164
Total income		7,860,612	1,555,928	9,416,540	10,249,728
Expenditure on:					
Charitable activities	7	8,799,128	1,800,895	10,600,023	10,485,580
Total expenditure		8,799,128	1,800,895	10,600,023	10,485,580
Net expenditure before net gains/(losses) on investments					
		(938,516)	(244,967)	(1,183,483)	(235,852)
Net gains/(losses) on investments		-	733	733	(278)
Net movement in funds before other recognised gains/(losses)					
		(938,516)	(244,234)	(1,182,750)	(236,130)
Actuarial gains on defined benefit pension schemes	24	179,000	-	179,000	2,589,000
Net movement in funds		(759,516)	(244,234)	(1,003,750)	2,352,870
Reconciliation of funds:					
Total funds brought forward		24,331,026	1,184,771	25,515,797	23,162,927
Net movement in funds		(759,516)	(244,234)	(1,003,750)	2,352,870
Total funds carried forward		23,571,510	940,537	24,512,047	25,515,797

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

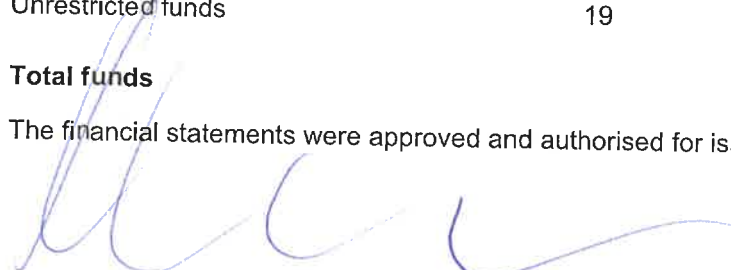
The notes on pages 17 to 45 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	24,646,714	25,051,230
Investments	13	11,459	10,726
		24,658,173	25,061,956
Current assets			
Stocks	14	12,760	9,143
Debtors	15	321,984	462,862
Cash at bank and in hand		758,080	1,402,883
		1,092,824	1,874,888
Creditors: amounts falling due within one year	16	(953,333)	(1,060,128)
Net current assets		139,491	814,760
Total assets less current liabilities		24,797,664	25,876,716
Creditors: amounts falling due after more than one year	17	(285,617)	(360,919)
Net assets excluding pension asset		24,512,047	25,515,797
Total net assets		24,512,047	25,515,797
Charity funds			
Restricted funds	19	23,571,510	24,331,026
Unrestricted funds	19	940,537	1,184,771
Total funds		24,512,047	25,515,797

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:


 Joshua Rowe
 Chair of KDS Trustees Limited
 Date: 14/05/2024

The notes on pages 17 to 45 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**CHARITY BALANCE SHEET
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	20,705,914	21,241,048
Investments	13	11,459	10,726
		20,717,373	21,251,774
Current assets			
Stocks	14	12,760	9,143
Debtors	15	124,849	195,601
Cash at bank and in hand		301,811	650,293
		439,420	855,037
Creditors: amounts falling due within one year	16	(638,642)	(600,944)
Net current liabilities / assets		(199,222)	254,093
Total assets less current liabilities		20,518,151	21,505,867
Creditors: amounts falling due after more than one year	17	(285,617)	(360,919)
Net assets excluding pension asset		20,232,534	21,144,948
Total net assets		20,232,534	21,144,948
Charity funds			
Restricted funds	19	19,391,997	19,960,177
Unrestricted funds	19	840,537	1,184,771
Total funds		20,232,534	21,144,948

The Charity's net movement in funds for the year was £(912,414) (2022 - £(216,411)).

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:

Joshua Rowe
Chair of KDS Trustees Limited
Date:

The notes on pages 17 to 45 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	21	(282,720)	664,092
Cash flows from investing activities			
Purchase of tangible fixed assets		(288,535)	(330,257)
Net cash used in investing activities		(288,535)	(330,257)
Cash flows from financing activities			
Repayments of borrowing		(74,732)	(68,197)
Net cash used in financing activities		(74,732)	(68,197)
Change in cash and cash equivalents in the year		(645,987)	265,638
Cash and cash equivalents at the beginning of the year		1,015,251	749,613
Cash and cash equivalents at the end of the year	22	<u>369,264</u>	<u>1,015,251</u>

The notes on pages 17 to 45 form part of these financial statements

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

King David Schools (Manchester) is a registered charity (No. 526631), its principal address is shown on the charity information page. The charity is a public benefit entity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

King David Schools (Manchester) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. The charity has the right to appoint/ remove members and governors of the consolidated entities and as such has control. The subsidiaries included in the consolidation are The King David Primary School (company number 08424154) and The King David High School (company number 07716057).

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.2 Going concern

The charity and group meets its day-to-day requirements through its bank facilities and the extremely generous donors and parents. The group are considering a number of fundraising opportunities to recover the deficits going forward. Charity projections taking account of reasonable possible changes in performance show that the charity should be able to operate within the level of its current facilities. There is no intention by Mr J Rowe to request full repayment of the concessionary loan in the near future unless the charity can afford to do so.

The charity continues to monitor its results against performance as its measurement of success. The charity does not employ a professional fundraiser and relies on the assistance from the Trustee, governor and parents. Whilst voluntary contributions from parents continue to be below the ideal level, to compensate, the charity held an internet fundraising campaign in 2022 which raised over £800k (payable over a number of years) and undertook a further campaign in January 2024. At the date of signing of these financial statements the Charity has successfully completed this fundraising campaign and raised over £1m (payable over two years). This ensures that the charity is able to continue with its primary objectives and to maintain the high levels of educational standards.

The Charity has undertaken to provide financial support to the KDHS Academy, provided that KDHS's financial requirements do not exceed their budget and that there are no significant changes to the Board of Governors of the KDHS Academy.

At present, the KDHS Academy is operating under a termination notice warning from the Department for Education (DfE) whereby the funding agreement could be terminated by the Secretary of State. It is expected that the current 'termination warning notice' will be replaced with a 'notice to improve' early in the new year following a scheduled strategic conversation with the Regional Schools' Director. At the date of the signing of these accounts, a meeting had taken place with the Regional Schools Commissioner and a letter has been received by the KDHS Academy confirming that the Termination Notice will be lifted and has been replaced with a Letter of Concern. However, as a result of this, the KDHS Academy disclosed in its own accounts that a material uncertainty existed in relation to the going concern of KDHS Academy.

Having considered the position at length, the Trustee of the Charity has therefore concluded that there is therefore no material uncertainty in relation to the going concern of the Charity irrespective of the uncertainties of the KDHS Academy and the Charity is able to present its accounts on a going concern basis.

As has been the case for many years, the Trustee continues its success in maintaining sufficient income to ensure the requirements of the group are met in full. However, the group must continue its fundraising activities if the Academies are to continue to provide the academic excellence it has in the past.

The group therefore continues to adopt the going concern basis in the financial statements.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.4 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property and buildings	- 2% Straight line
Motor vehicles	- 20% Straight line
Fixtures and fittings	- 15% Reducing balance
Computer equipment	- 33% Straight line

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.12 Pensions

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

Contributions for personal pension schemes are accounted for in the year to which they relate.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

3. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Donations & grants	203,891	105,867	309,758
Parental voluntary contributions	-	529,162	529,162
Tax refund	-	107,415	107,415
	203,891	742,444	946,335

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations & grants	83,512	6,195	89,707
Parental voluntary contributions	-	703,328	703,328
Tax refund	-	107,896	107,896
	83,512	817,419	900,931

4. Income from charitable activities

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Operation of the schools	7,656,721	725,287	8,382,008
	7,656,721	725,287	8,382,008

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Operation of the schools	7,488,633	1,158,647	8,647,280
	7,488,633	1,158,647	8,647,280

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Fundraising income

Income from fundraising events

	Unrestricted funds 2023 £	Total funds 2023 £
Other fundraising activities	87,150	87,150

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Other fundraising activities	698,353	698,353

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment income	1,047	1,047

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment income	3,164	3,164

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £
Operation of the school	8,799,128	1,800,895	10,600,023
	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total 2022 £</i>
Operation of the school	6,145,787	4,339,793	10,485,580

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Operation of the school	8,291,659	2,308,364	10,600,023
	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Operation of the school	7,326,081	3,159,499	10,485,580

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Operation of the school 2023 £	Total funds 2023 £
Staff costs	6,743,890	6,743,890
Educational materials	660,208	660,208
Food & meal costs	611,003	611,003
Trips	229,455	229,455
Travel costs	10	10
Bus donations	16,806	16,806
Teacher training	20,263	20,263
Other direct costs	10,024	10,024
	<u>8,291,659</u>	<u>8,291,659</u>
	<i>Operation of the school 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs	5,837,861	5,837,861
Educational materials	559,402	559,402
Food & meal costs	534,207	534,207
Trips	339,331	339,331
Travel costs	274	274
Teacher training	43,958	43,958
Other direct costs	11,048	11,048
	<u>7,326,081</u>	<u>7,326,081</u>

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operation of the school 2023 £	Total funds 2023 £
Staff costs	152,261	152,261
Depreciation	693,052	693,052
Governance	36,183	36,183
Security and transport	261,984	261,984
Repair costs	171,577	171,577
Light & heat	543,656	543,656
Loan interest	8,614	8,614
Cleaning	98,787	98,787
Printing, postage and stationery	7,853	7,853
Bank charges and interest	6,801	6,801
Insurance	88,234	88,234
Sundries	64,820	64,820
Telephone	7,107	7,107
Recharge of expenses	244	244
Legal and professional fees	167,191	167,191
	<u>2,308,364</u>	<u>2,308,364</u>

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Operation of the school 2022 £</i>	<i>Total funds 2022 £</i>
Staff costs	652,650	652,650
Depreciation	665,304	665,304
Governance	35,333	35,333
Security and transport	298,728	298,728
Repair costs	55,045	55,045
Light & heat	197,125	197,125
Loan interest	7,096	7,096
Cleaning	125,098	125,098
Printing, postage and stationery	25,759	25,759
Bank charges and interest	8,957	8,957
Insurance	87,885	87,885
Sundries	71,617	71,617
Telephone	6,142	6,142
Recharge of expenses	741,405	741,405
Legal and professional fees	181,355	181,355
	3,159,499	3,159,499

9. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Group's auditor for the audit of the Group's consolidated financial statements.	22,250	25,000

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. Staff costs

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Wages and salaries	5,250,444	4,887,483	1,068,579	548,066
Social security costs	506,970	463,974	68,926	35,897
Contribution to defined contribution pension schemes	1,138,737	1,139,054	19,775	13,202
	<u>6,896,151</u>	<u>6,490,511</u>	<u>1,157,280</u>	<u>597,165</u>

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

	Group 2023 No.	<i>Group 2022 No.</i>
Teaching	95	96
Educational Support	32	53
Administration	4	5
Premises	2	3
Management	4	5
LA/SLA	-	5
	<u>137</u>	<u>167</u>

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

	Group 2023 No.	<i>Group 2022 No.</i>
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	2

The remuneration (excluding employer pension and NI costs) received by key management personnel of the charity was £79,834 (2022: £71,372). The remuneration received by key management personnel of the academies was £603,697 (2022: £590,941).

Key management of the charity include the bursar and the governors' administrator. Key management of the academies include the trustees and senior management team.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

12. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2022	31,367,179	56,175	754,069	433,660	185,096	32,796,179
Additions	-	-	32,500	-	256,035	288,535
Transfers between classes	261,084	-	151,607	-	(412,691)	-
At 31 August 2023	<u>31,628,263</u>	<u>56,175</u>	<u>938,176</u>	<u>433,660</u>	<u>28,440</u>	<u>33,084,714</u>
Depreciation						
At 1 September 2022	6,642,703	42,245	681,100	378,901	-	7,744,949
Charge for the year	632,565	3,799	30,981	25,706	-	693,051
At 31 August 2023	<u>7,275,268</u>	<u>46,044</u>	<u>712,081</u>	<u>404,607</u>	<u>-</u>	<u>8,438,000</u>
Net book value						
At 31 August 2023	<u>24,352,995</u>	<u>10,131</u>	<u>226,095</u>	<u>29,053</u>	<u>28,440</u>	<u>24,646,714</u>
At 31 August 2022	<u>24,724,476</u>	<u>13,930</u>	<u>72,969</u>	<u>54,759</u>	<u>185,096</u>	<u>25,051,230</u>

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2022	27,590,718	498,337	5,130	28,094,185
Additions	-	32,500	-	32,500
At 31 August 2023	<u>27,590,718</u>	<u>530,837</u>	<u>5,130</u>	<u>28,126,685</u>
Depreciation				
At 1 September 2022	6,422,639	425,368	5,130	6,853,137
Charge for the year	551,814	15,820	-	567,634
At 31 August 2023	<u>6,974,453</u>	<u>441,188</u>	<u>5,130</u>	<u>7,420,771</u>
Net book value				
At 31 August 2023	<u>20,616,265</u>	<u>89,649</u>	<u>-</u>	<u>20,705,914</u>
At 31 August 2022	<u>21,168,079</u>	<u>72,969</u>	<u>-</u>	<u>21,241,048</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. Fixed asset investments

	Listed investments £
Group and Charity	
Cost or valuation	
At 1 September 2022	10,726
Revaluations	733
At 31 August 2023	11,459
 Net book value	
At 31 August 2023	11,459
At 31 August 2022	10,726

14. Stocks

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Finished goods and goods for resale	12,760	9,143	12,760	9,143

15. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Due within one year				
Trade debtors	22,894	23,964	22,894	23,964
Amounts owed by group undertakings	-	-	50	-
Other debtors	143,693	64,484	67,259	30,789
Prepayments and accrued income	155,397	374,414	34,646	140,848
	321,984	462,862	124,849	195,601

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Bank overdrafts	388,816	387,632	388,816	387,632
Bank loans	85,687	76,504	85,687	76,504
Trade creditors	249,503	167,940	103,986	100,750
Amounts owed to group undertakings	-	43	1,299	43
Other taxation and social security	22,082	8,401	22,082	8,401
Other creditors	145,952	126,411	10,838	5,880
Accruals and deferred income	61,293	293,197	25,934	21,734
	953,333	1,060,128	638,642	600,944
	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Deferred income at 1 September 2022	49,511	91,875	7,519	48,445
Resources deferred during the year	26,238	49,511	13,119	7,519
Amounts released from previous periods	(49,511)	(91,875)	(7,519)	(48,445)
	26,238	49,511	13,119	7,519

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Creditors: Amounts falling due after more than one year

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Bank loans	-	75,302	-	75,302
Other loans	285,617	285,617	285,617	285,617
	285,617	360,919	285,617	360,919

Included within the above are amounts falling due as follows:

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Between one and two years				
Bank loans	-	75,302	-	75,302
Other loans	285,617	285,617	285,617	285,617

Included within creditors are balances due to lenders in respect of bank loans. At 31 August 2023 the balance is £85,687 (2022: £151,806). The interest charged on the loan is 3.5% over bank base rate. The loans are secured by a letter of set off over credit balances.

Creditors includes a concessionary loan from J Rowe, a trustee of King David Schools (Manchester), of £285,617 (2022: £285,617). The loan is subject to a 12 month and 1 day notice period and not subject to interest.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Financial instruments

	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Financial assets				
Financial assets measured at amortised cost	924,717	<i>1,491,331</i>	392,014	<i>705,046</i>
	Group 2023 £	<i>Group 2022 £</i>	Charity 2023 £	<i>Charity 2022 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	1,276,879	<i>1,412,646</i>	982,078	<i>953,462</i>

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals.

Financial assets measured at fair value through income and expenditure comprise investments and total £11,459 (2022: £10,726) for both the Group and Charity.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds - Group

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds					
General Funds	1,184,771	1,555,928	(1,800,895)	733	940,537
Restricted funds					
Academy funds	4,370,849	7,015,718	(7,107,054)	-	4,279,513
Donations	-	676,845	(776,845)	-	(100,000)
SEN income	-	109,005	(109,005)	-	-
Nursery grant	-	59,044	(59,044)	-	-
Grant of buildings and fixtures from BSF	19,960,177	-	(568,180)	-	19,391,997
Pension reserve	-	-	(179,000)	179,000	-
	<u>24,331,026</u>	<u>7,860,612</u>	<u>(8,799,128)</u>	<u>179,000</u>	<u>23,571,510</u>
Total of funds	<u><u>25,515,797</u></u>	<u><u>9,416,540</u></u>	<u><u>(10,600,023)</u></u>	<u><u>179,733</u></u>	<u><u>24,512,047</u></u>

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

Statement of funds - Group - prior year

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds					
General Funds - all funds	2,847,259	2,668,024	(4,330,234)	(278)	1,184,771
Restricted funds					
Academy funds	2,031,771	7,298,128	(4,959,050)	-	4,370,849
Donations	-	83,512	(83,512)	-	-
SEN income	-	130,917	(130,917)	-	-
Nursery grant	-	59,588	(59,588)	-	-
Junior school prize fund	669	-	(669)	-	-
High school prize fund	205	-	(205)	-	-
Yavneh prize fund	2,155	-	(2,155)	-	-
Grant of buildings and fixtures from BSF	20,524,868	-	(564,691)	-	19,960,177
Pension reserve	(2,244,000)	-	(345,000)	2,589,000	-
	<u>20,315,668</u>	<u>7,572,145</u>	<u>(6,145,787)</u>	<u>2,589,000</u>	<u>24,331,026</u>
Total of funds	<u><u>23,162,927</u></u>	<u><u>10,240,169</u></u>	<u><u>(10,476,021)</u></u>	<u><u>2,588,722</u></u>	<u><u>25,515,797</u></u>

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	23,332,798	1,313,916	24,646,714
Fixed asset investments	-	11,459	11,459
Current assets	668,851	423,973	1,092,824
Creditors due within one year	(330,139)	(623,194)	(953,333)
Creditors due in more than one year	-	(285,617)	(285,617)
Difference	(100,000)	100,000	-
Total	23,571,510	940,537	24,512,047

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	23,770,359	1,280,871	25,051,230
Fixed asset investments	-	10,726	10,726
Current assets	1,019,851	855,037	1,874,888
Creditors due within one year	(459,184)	(600,944)	(1,060,128)
Creditors due in more than one year	-	(360,919)	(360,919)
Total	24,331,026	1,184,771	25,515,797

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	Group 2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,182,750)	(236,130)
Adjustments for:		
Depreciation charges	693,051	665,308
Gains/(losses) on investments	733	(278)
Increase in stocks	(3,617)	(546)
Decrease/(increase) in debtors	(24,432)	(121,476)
Increase/(decrease) in creditors	(296,705)	12,214
LGPS pension movement	531,000	345,000
Net cash provided by/(used in) operating activities	(282,720)	664,092

22. Analysis of cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash in hand	758,080	1,402,883
Overdraft facility repayable on demand	(388,816)	(387,632)
Total cash and cash equivalents	369,264	1,015,251

23. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	1,402,883	(644,803)	758,080
Bank overdrafts repayable on demand	(387,632)	(1,184)	(388,816)
Loan due within 1 year	(76,504)	(9,183)	(85,687)
Loans due after 1 year	(360,919)	75,302	(285,617)
	577,828	(579,868)	(2,040)

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

24. Pension commitments

The Charity operates a defined contribution pension scheme. Contributions totalling £6,496 (2022: £2,834) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

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

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £6,496 (2022: £2,834).

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.

Valuation of the Teachers' Pension Scheme

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

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

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

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk>).

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

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

24. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2023 was £215,000 (2022 - £206,000), of which employer's contributions totalled £162,000 (2022 - £156,000) and employees' contributions totalled £53,000 (2022 - £50,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 12 per cent for employees.

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

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

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2023	<i>At 31 August 2022</i>
	%	%
Discount rate	5.20	4.25
Rate of increase in salaries	3.80	3.8
Rate of increase for pensions in payment/inflation	3	3.05
	<hr/> <hr/>	<hr/> <hr/>
	At 31 August 2023	<i>At 31 August 2022</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	20.1	20.3
- at 65 for a male aged 45 now	19.8	21.6
- for a female aged 65 now	22.4	23.2
- at 65 for a female aged 45 now	24.7	25.1
	<hr/> <hr/>	<hr/> <hr/>

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

24. Pension commitments (continued)

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	3,166,800	3,038,760
Gilts	633,360	616,560
Property	361,920	396,360
Cash and other liquid assets	361,920	352,320
Total fair value of assets	4,524,000	4,404,000

The actual return on scheme assets was negative £59,000 (2022 - £38,000).

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

	2023 £	2022 £
Current service cost	351,000	236,000
Interest cost	180,000	110,000
Net interest	-	39,000
Total amount recognised in the Consolidated Statement of Financial Activities	531,000	385,000

Movements in the present value of the defined benefit obligation were as follows:

	2023 £
Opening defined benefit obligation	4,404,000
Actuarial (losses)/gains	(395,000)
Benefits paid	(69,000)
Current service costs	351,000
Interest cost	180,000
Employee contributions	53,000
Closing defined benefit obligation	4,524,000

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

24. Pension commitments (continued)

Movements in the fair value of the Group's share of scheme assets were as follows:

	2023 £
Opening fair value of scheme assets	4,404,000
Interest income	190,000
Actuarial gains	179,000
Contributions by scheme participants	(395,000)
Benefits paid	(69,000)
Employer contributions	215,000
Closing fair value of scheme assets	4,524,000

25. Operating lease commitments

At 31 August 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £
Not later than 1 year	7,378	11,187
Later than 1 year and not later than 5 years	25,994	19,939
	33,372	31,126

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

26. Related party transactions

During the year J Rowe, a Director of the Trustee Company advanced £nil (2022: £nil) and was repaid £nil (2022: £nil) of the loan owed to him. The amount due to him at the year end was £285,617 (2022: £285,617). This loan is unsecured and interest free.

During the year, King David High School, which has trustees common to the directorships of the Trustee Company, was recharged cleaning and caretaking costs to the value of £19,548 (2022: £19,548) by King David Schools. In addition the charity recharged catering costs amounting to £45,125 (2022: £34,478), other salaries of £204,925 (2022: £21,922) and trip expenses of £10,744 (2022: £nil). They also paid voluntary and other contributions of £150 (2022: £23,550). During the year, King David Schools loaned the High School £nil (2022: £nil). £nil (2022: £nil) was repaid in the year leaving a balance due to the from charity at the year end of £1,594 (2022: £1,594).

During the year, King David Schools (Manchester) Charitable Trust provided donations to the value of £512,900 (2022: £927,054) to King David High School.

During the year King David Primary School, which has trustees common to the directorships of the Company, was recharged caretaking costs to the value of £9,600 (2022: £9,600) by King David Schools. In addition the charity recharged catering costs amounting to £109,260 (2022: £80,793), staff costs of £196,765 (2022: £nil) and sundry costs of £2,484 (2022: £4,147).

During the year, King David Schools (Manchester) Charitable Trust provided donations to the value of £94,800 (2022: £94,800) to King David Primary School.

During the year, King David Resources Limited, a company in which J Rowe and A Berkeley are Directors, was recharged cleaning costs of £nil (2022: £nil) and loaned £nil (2022: £6,000). During the year King David Resources Limited recharged expenses amounting to £nil (2022: £741,405) to the group. The balance due to the charity at the year end was £nil (2022: £12,704).

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

27. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Registered office or principal place of business	Principal activity	Included in consolidation
The King David High School	07716057	Eaton Road, Crumpsall, Manchester, M8 5DY	Secondary education	Yes
The King David Primary School	08424154	Wilton Polygon, Bury Old Road, Manchester, M8 5DJ	Primary education	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
The King David High School	6,763,048	6,777,330	(14,282)	2,944,759
The King David Primary School	2,789,813	3,045,869	(256,056)	334,753

The charity has the right to appoint/ remove members and governors of the consolidated entities and as such has control.

KING DAVID SCHOOLS (MANCHESTER)

England & Wales - Charity number 526631

Accounts

Charity number: 526631

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

KING DAVID SCHOOLS (MANCHESTER)

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KING DAVID SCHOOLS (MANCHESTER)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustee

KDS Trustees Limited

Directors of Trustee company:

J Rowe (Chair of Trustees)

S E Elias

A Berkeley

D Lopian (appointed 1 December 2022)

Charity registered number

526631

Principal office

Eaton Road

Crumpsall

Manchester

M8 5DY

Independent auditor

Crowe U.K. LLP

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Bankers

The Co-operative Bank plc

1 Balloon Street

Manchester

M60 4EP

Solicitors

Kuit Steinart Levy

3 St Mary's Parsonage

Manchester

M3 2RD

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The Trustee presents its annual report together with the audited financial statements of the Charity for the year from 1 September 2021 to 31 August 2022.

Objectives and activities

a. Charity Information

The Trustee presents its annual report and the financial statements for the year ended 31 August 2022. These accounts are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Statement of Recommended Practice (SORP) 2019 and Charities Act 2011.

b. Reference and Administrative Details

King David Schools (Manchester) is a registered charity (No. 526631), its principal address is shown on the charity information page. The charity is a public benefit entity.

c. Structure, Governance and Management

King David Schools (Manchester) was established under a Trust Deed dated 20 February 1873 and Articles of Government sealed 27 January 1959 as amended by Constitution dated 13 January 2003.

On 7 February 2012 the Charity Commission for England and Wales approved the replacement of the former individual trustees by a corporate trustee, KDS Trustees Limited. The former individual trustees became directors of the new trustee.

The Trustee is responsible for the overall governance of the Schools as a charity. The Trustee's role is to have an overview of the effectiveness of the schools and to ensure the maintenance of the faith and of the high standards of education generally. The Trustee appoints the Governors. The delivery of the education and curriculum and the management of the schools is controlled through the various Boards of Governors of each of the schools, namely

- The King David High School (including Sixth Form and Yavneh)
- The King David Primary School
- Crèche/Nursery (incorporated within the Charity)

Effective partnership between the Trustee, Governors and staff has contributed significantly to a successful year of activity. The trustees meet, formally, once per year to discuss the accounts and are in touch with each other throughout the year. These meetings include a review of strategy and operational performance and set operating plans and budgets as and when necessary.

New officers of the Trustee company receive an induction pack containing everything they need to know about the Schools and its work for effective and informed decision-making. The officers of the Trustee company are regularly kept up to date about their responsibilities. Remuneration of key management personnel is determined by the trustee.

d. Bursar and Trustee

The Bursar and certain delegated officers of the Trustee company are responsible for the day to day management of King David Schools (Manchester) and for implementing policies.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

e. Corporate Governance

Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the Treasurer of the Trustee company and its Board of Directors.

The systems of internal control are designed to provide reasonable assurance but not absolute assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustee company.
- Regular consideration by the trustee of financial results and variances from budgets.
- Delegation of day to day management authority and segregation of duties.
- Identification and management of risks.

f. Risk Management

The Trustee has introduced a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks the School faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of managing the risks. As part of this process the Trustee has reviewed the adequacy of the School's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to the Board of Directors of the Trustee that include regular bank reconciliations as well as the production of management accounts at the end of each term which are reviewed by the officers of the Trustee.

The key risk facing the charity is the level of voluntary contributions and donations that it receives from parents and donors. Declining receipts translate into less funds available to improve the education being offered to our pupils. The Trustee endeavours to educate parents along with the wider community of the importance of their financial support especially in the light of the reducing government funding being made to our schools on the KD campus.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance

a. Objectives, Activities, Achievements and Performance

King David Schools (Manchester) exists to provide children with a meaningful orthodox Jewish religious education coupled with an excellent secular education.

All units on campus continue to achieve exemplary results in both the religious and secular area. The Primary School is rated "Outstanding" by OFSTED. The High School (including Sixth Form and Yavneh) results for both GCSE and 'A' level examinations placed it as the best comprehensive in the North West and the 7th best non-selective school in the country (Sunday Times – Parent Power, 5th December 2021).

The latest Ofsted review and correspondence from the Department for Education are explained on page 7 (g. Going Concern).

The Trustee has given due consideration to the Charity Commission's guidance on public benefit requirement under the Charities Act 2011, when reviewing the Charity's aims and objectives and in planning future activities. As a leading quality school to the Jewish community the Trustee notes that its success acknowledged nationally both in the secular and religious fields continues. Our pupils are well prepared to move on to leading universities, religious and secular colleges with many of our former students achieving success in the wider community.

b. Core Objectives and Strategy

The strategy is achieved by encouraging all units on the King David Campus to employ highest grade teachers who are able to instil in the pupils not only excellence in knowledge but also to experience a warm, friendly Jewish environment with a commitment to giving to the community as a whole. The Trustee continues to ensure that the facilities are up to date and suitable for the delivery of the educational and religious objectives.

The Schools are dependent on voluntary contributions from parents, donations and educational grants in order to fulfil its objectives. Failure of parents to meet their voluntary contribution commitments will threaten the school's ability to achieve its objectives.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

a. Financial Review, Management Policies and Results for the Year

The Consolidated Statement of Financial Activities (SoFA), set out on page 13, shows that the group received total income of £10,240,169 (2021: £9,421,910). £10,476,021 (2021: £9,976,703) was incurred as expenditure leaving a gain of £2,352,870 (2021: deficit of £804,739) after a depreciation charge of £665,308 (2021: £629,972) and gains arising from changes in actuarial assumptions of £2,589,000 (2021: losses of £249,000).

This group position however, takes into account the surpluses in actuarial gains/(losses) in the pension schemes positions, which are long term non-cash items, of £1,372,000 (2021: £87,000) in The King David High School (KDHS) and £1,217,000 (2021: £162,000) in the King David Primary School (KDPS). Had these accounting entries not been included in this year's results, we would be facing a deficit of around £236,130 (2021: £555,739).

The principal funding sources are donations, voluntary contributions from parents, income from the nursery and statutory government funding for the two academies, King David High School and King David Primary School.

The charity itself generated a deficit of £216,411 (2021: £321,270), which included £564,695 (2021: £566,961) of depreciation expenditure in the year.

The charity made an unrealised loss on its investments of £278 (2021: £946) leaving a total net movement in funds to be added to the reserves. The trustee remains conscious that more funds will have to be raised to maintain the ongoing excellence to which they are committed. Without parental assistance the current achievement of acclaimed success could be threatened.

The Charity continues to monitor its results against performance as its measurement of success. The Charity does not employ a professional fundraiser and relies on assistance from the Trustee, Governors and parents. Whilst it was noted that the Voluntary Contributions from parents continued below expectation, the Charity held a Fundraiser in 2022 for funds to be donated over 2 years. The Charity must continue its fundraising activities in order for it to be able to continue providing for its primary objectives and to maintain the high levels of educational standards. The Charity has not received any complaints about its fundraising activities and has policies in place to ensure that there is no unreasonable intrusion into a person's privacy.

b. Reserves

The policy of the Trustee has been and continues to be to utilise all reserves to fund the activities of the charity which has resulted from the development and growth of the campus, particularly the High School and to improve the religious and cultural educational experience across all the schools. Ideally the trustees would like the trust to hold two years' net expenditure of approx £1,000,000 as free reserves, but with constant erosion of the Academies funding from central government resulting in the Trustee having to support the two academies on the KD campus at a greater level than was envisaged that has not been possible.

The total reserves at the year end are £25,515,797 (2021: £23,162,927). This includes unrestricted reserves of £1,184,771 (2021: £2,847,259) and restricted reserves of £24,331,026 (2021: £20,315,668).

The Trustee is seeking sources of additional funding for capital expenditure in order that total reserve levels are improved. The Trustee does not consider that this has inhibited activities in any way.

Free Reserves

Free reserves for the group as at 31 August 2022 stood at £264,819 (2021: £326,099).

KING DAVID SCHOOLS (MANCHESTER)

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

c. Investment Policy and Performance

The Charity has a small investment in a quoted company and a subsidiary but in the main all funds are held in cash since they are currently being directed to the major campus enhancement capital building programme. The policy is to sell these shares as and when the trustee consider the time to be propitious.

d. Staff Training and Career Development

The schools are committed to the training, career development and welfare of its employees. An individual's career development is assessed through appraisal and supervision. Training programmes are provided to meet ongoing needs, with the aim of developing employees for both their current and their future roles.

Pay and remuneration of Key Management Personnel are reviewed independently by the Directors of the Trustee Company who themselves are not compensated.

e. Auditors

Crowe U.K. LLP will be proposed for re-appointment at the Trustee meeting.

f. Future Plans

The King David School Campus now provides top class education in both secular and Jewish religious studies, with a wide cross section of extracurricular activities covering sports, art and culture housed in the most modern buildings with enhanced advance technological facilities supported by a most dedicated and capable staff. The Trustee is determined to reach out further in building a school of excellence which will continue to be the pride of the Jewish Community.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

g. Going Concern

The charity and group meets its day-to-day requirements through its bank facilities and the extremely generous donors and parents. The group are considering a number of fundraising opportunities to recover the deficits going forward. Charity projections taking account of reasonable possible changes in performance show that the charity should be able to operate within the level of its current facilities. There is no intention by Mr J Rowe to request full repayment of the concessionary loan in the near future unless the charity can afford to do so.

The charity continues to monitor its results against performance as its measurement of success. The charity does not employ a professional fundraiser and relies on the assistance from the Trustee, governor and parents. Whilst voluntary contributions from parents continue to be below the ideal level, to compensate, the charity held a fundraising campaign in the prior year which raised over £1.2m (payable over two years). This ensures that the charity is able to continue with its primary objectives and to maintain the high levels of educational standards.

The Charity has use of an overdraft facility to ensure that any temporary cash flow shortfalls are covered.

The Charity has undertaken to provide financial support to the KDHS Academy, provided that KDHS's financial requirements do not exceed their budget and that there are no significant changes to the Board of Governors of the KDHS Academy.

At present, the KDHS Academy is operating under a termination notice warning from the Department for Education (DfE) whereby the funding agreement could be terminated by the Secretary of State as a result of it being classed as inadequate and requiring 'special measures'. If the Regional Schools Commissioner is not satisfied that the KDHS Academy will be able to deliver rapid and sustainable improvement they will consider terminating the (DfE) funding and transferring KDHS to an alternative academy trust. As a result of this, the KDHS Academy disclosed in its own accounts that a material uncertainty existed in relation to the going concern of KDHS Academy.

Whilst the latest correspondence from the Ofsted in December 2022 notes that progress has been made towards the removal of special measures as a result of improvements being made, at the date of signing the accounts of the Charity, the KDHS Academy is still operating under the warning notice. Should any transfer be required in the future, it is likely that this would mean a significant change to the Board of Governors and hence the support by the Charity would cease. Having considered the position at length, the Trustee of the Charity has therefore concluded that there is therefore no material uncertainty in relation to the going concern of the Charity irrespective of the uncertainties of the KDHS Academy and the Charity is able to present its accounts on a going concern basis.

As has been the case for many years, the Trustee continues its success in maintaining sufficient income to ensure the requirements of the group are met in full. However, the group must continue its fundraising activities if the Academies are to continue to provide the academic excellence it has in the past.

The group therefore continues to adopt the going concern basis in the financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Statement of Trustee's responsibilities

The Trustee is 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).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditor

Each director of the Trustee at the time when this Trustee's report is approved have confirmed that:

- so far as the directors of the Trustee are aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that the directors of the Trustee have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Approved by order of the members of the board of Trustee on
their behalf by:

09 MAY 2023

and signed on



Joshua Rowe
Chair of KDS Trustees Ltd

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)

Opinion

We have audited the financial statements of King David Schools (Manchester) (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements :

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent 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 Trustee with respect to going concern are described in the relevant sections of this report.

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER) (CONTINUED)

Other information

The trustee is 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 we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustee's responsibilities statement, the Trustees are responsible for the preparation of the which give a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of that are free from material misstatement, whether due to fraud or error.

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

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER) (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk 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 and reading minutes of meetings of those charged with governance.

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

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

KING DAVID SCHOOLS (MANCHESTER)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)
(CONTINUED)**

Use of our report

This report is made solely to the charity's trustees, 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 trustees those matters 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Date: 09 May 2023

Crowe U.K. LLP are eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	83,512	817,419	900,931	1,035,102
Charitable activities	4	7,488,633	1,158,647	8,647,280	8,117,173
Other trading activities	5	-	698,353	698,353	269,152
Investments	6	-	3,164	3,164	483
Total income		7,572,145	2,677,583	10,249,728	9,421,910
Expenditure on:					
Charitable activities	7	6,145,787	4,339,793	10,485,580	9,976,703
Total expenditure		6,145,787	4,339,793	10,485,580	9,976,703
Net income/(expenditure) before net losses on investments		1,426,358	(1,662,210)	(235,852)	(554,793)
Net losses on investments		-	(278)	(278)	(946)
Net movement in funds before other recognised gains/(losses)		1,426,358	(1,662,488)	(236,130)	(555,739)
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	24	2,589,000	-	2,589,000	(249,000)
Net movement in funds		4,015,358	(1,662,488)	2,352,870	(804,739)
Reconciliation of funds:					
Total funds brought forward		20,315,668	2,847,259	23,162,927	23,967,666
Net movement in funds		4,015,358	(1,662,488)	2,352,870	(804,739)
Total funds carried forward		24,331,026	1,184,771	25,515,797	23,162,927

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

The notes on pages 19 to 47 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

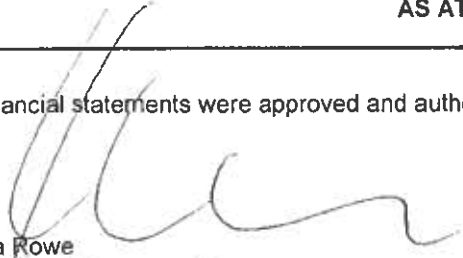
**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	25,051,230	25,386,281
Investments	13	10,726	11,004
		<u>25,061,956</u>	<u>25,397,285</u>
Current assets			
Stocks	14	9,143	8,597
Debtors	15	462,862	341,390
Cash at bank and in hand		1,402,883	1,055,791
		<u>1,874,888</u>	<u>1,405,778</u>
Creditors: amounts falling due within one year	16	(1,060,128)	(966,386)
Net current assets		<u>814,760</u>	<u>439,392</u>
Total assets less current liabilities		<u>25,876,716</u>	<u>25,836,677</u>
Creditors: amounts falling due after more than one year	17	(360,919)	(429,750)
Net assets excluding pension asset / liability		<u>25,515,797</u>	<u>25,406,927</u>
Defined benefit pension scheme asset / liability	24	-	(2,244,000)
Total net assets		<u><u>25,515,797</u></u>	<u><u>23,162,927</u></u>
Charity funds			
Restricted funds:			
Restricted funds excluding pension asset	19	24,331,026	22,559,668
Pension reserve	19	-	(2,244,000)
Total restricted funds	19	<u>24,331,026</u>	<u>20,315,668</u>
Unrestricted funds	19	1,184,771	2,847,259
Total funds		<u><u>25,515,797</u></u>	<u><u>23,162,927</u></u>

KING DAVID SCHOOLS (MANCHESTER)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



Joshua Rowe
Chair of KDS Trustees Limited

Date **09 MAY 2023**

The notes on pages 19 to 47 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

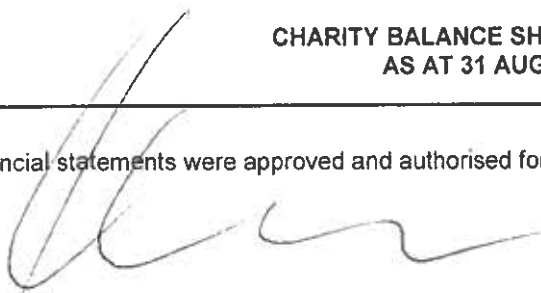
**CHARITY BALANCE SHEET
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	21,241,048	21,805,743
Investments	13	10,726	11,004
		<u>21,251,774</u>	<u>21,816,747</u>
Current assets			
Stocks	14	9,143	8,597
Debtors	15	195,601	128,466
Cash at bank and in hand		650,293	326,099
		<u>855,037</u>	<u>463,162</u>
Creditors: amounts falling due within one year	16	(600,944)	(488,800)
Net current assets / liabilities		<u>254,093</u>	<u>(25,638)</u>
Total assets less current liabilities		<u>21,505,867</u>	<u>21,791,109</u>
Creditors: amounts falling due after more than one year	17	(360,919)	(429,750)
Net assets excluding pension asset		<u>21,144,948</u>	<u>21,361,359</u>
Total net assets		<u><u>21,144,948</u></u>	<u><u>21,361,359</u></u>
Charity funds			
Restricted funds	19	19,960,177	20,524,868
Unrestricted funds	19	1,184,771	836,491
Total funds		<u><u>21,144,948</u></u>	<u><u>21,361,359</u></u>

KING DAVID SCHOOLS (MANCHESTER)

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



Joshua Rowe
Chair of KDS Trustees Limited
Date: 09 MAY 2023

The notes on pages 19 to 47 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	21	664,092	272,160
Cash flows from investing activities			
Purchase of tangible fixed assets		(330,257)	(2,180,194)
Net cash used in investing activities		(330,257)	(2,180,194)
Cash flows from financing activities			
Repayments of borrowing		(68,197)	(140,505)
Net cash used in financing activities		(68,197)	(140,505)
Change in cash and cash equivalents in the year		265,638	(2,048,539)
Cash and cash equivalents at the beginning of the year		749,613	2,798,152
Cash and cash equivalents at the end of the year	22	1,015,251	749,613

The notes on pages 19 to 47 form part of these financial statements

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

King David Schools (Manchester) is a registered charity (No. 526631), its principal address is shown on the charity information page. The charity is a public benefit entity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

King David Schools (Manchester) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. The charity has the right to appoint/ remove members and governors of the consolidated entities and as such has control. The subsidiaries included in the consolidation are The King David Primary School (company number 08424154) and The King David High School (company number 07716057).

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.2 Going concern

The charity and group meets its day-to-day requirements through its bank facilities and the extremely generous donors and parents. The group are considering a number of fundraising opportunities to recover the deficits going forward. Charity projections taking account of reasonable possible changes in performance show that the charity should be able to operate within the level of its current facilities. There is no intention by Mr J Rowe to request full repayment of the concessionary loan in the near future unless the charity can afford to do so.

The charity continues to monitor its results against performance as its measurement of success. The charity does not employ a professional fundraiser and relies on the assistance from the Trustee, governor and parents. Whilst voluntary contributions from parents continue to be below the ideal level, to compensate, the charity held an internet fundraising campaign in the year which raised over £1.2m (payable over a number of years). This ensures that the charity is able to continue with its primary objectives and to maintain the high levels of educational standards.

The Charity has undertaken to provide financial support to the KDHS Academy, provided that KDHS's financial requirements do not exceed their budget and that there are no significant changes to the Board of Governors of the KDHS Academy.

At present, the KDHS Academy is operating under a termination notice warning from the Department for Education (DfE) whereby the funding agreement could be terminated by the Secretary of State as a result of it being classed as inadequate and requiring 'special measures'. If the Regional Schools Commissioner is not satisfied that the KDHS Academy will be able to deliver rapid and sustainable improvement they will consider terminating the (DfE) funding and transferring KDHS to an alternative academy trust. As a result of this, the KDHS Academy disclosed in its own accounts that a material uncertainty existed in relation to the going concern of KDHS Academy.

Whilst the latest correspondence from the Ofsted in December 2023 notes that progress has been made towards the removal of special measures as a result of improvements being made, at the date of signing the accounts of the Charity, the KDHS Academy is still operating under the warning notice. Should any transfer be required in the future, it is likely that this would mean a significant change to the Board of Governors and hence the support by the Charity would cease. Having considered the position at length, the Trustee of the Charity has therefore concluded that there is therefore no material uncertainty in relation to the going concern of the Charity irrespective of the uncertainties of the KDHS Academy and the Charity is able to present its accounts on a going concern basis.

As has been the case for many years, the Trustee continues its success in maintaining sufficient income to ensure the requirements of the group are met in full. However, the group must continue its fundraising activities if the Academies are to continue to provide the academic excellence it has in the past.

The group therefore continues to adopt the going concern basis in the financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.4 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property and buildings	- 2% Straight line
Motor vehicles	- 20% Straight line
Fixtures and fittings	- 15% Reducing balance
Computer equipment	- 33% Straight line

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year. Contributions for personal pension schemes are accounted for in the year to which they relate.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Donations & grants	83,512	6,195	89,707
Parental voluntary contributions	-	703,328	703,328
Gift aid	-	107,896	107,896
	<u>83,512</u>	<u>817,419</u>	<u>900,931</u>
	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations & grants	15,318	62,159	77,477
Parental voluntary contributions	-	831,506	831,506
Tax refund	-	126,119	126,119
	<u>15,318</u>	<u>1,019,784</u>	<u>1,035,102</u>

4. Income from charitable activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Operation of the schools	7,488,633	1,158,647	8,647,280
	<u>7,488,633</u>	<u>1,158,647</u>	<u>8,647,280</u>
	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Operation of the schools	7,239,467	877,706	8,117,173
	<u>7,239,467</u>	<u>877,706</u>	<u>8,117,173</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Fundraising income

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £
Other fundraising activities	698,353	698,353
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Income from gala dinner	4,162	4,162
Other fundraising activities	264,990	264,990
	269,152	269,152

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Investment income	3,164	3,164
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Investment income	483	483
	483	483

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Operation of the school	<u>6,145,787</u>	<u>4,339,793</u>	<u>10,485,580</u>
	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Operation of the school	<u>7,336,598</u>	<u>2,640,105</u>	<u>9,976,703</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Operation of the school	<u>7,326,081</u>	<u>3,159,499</u>	<u>10,485,580</u>
	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Operation of the school	<u>6,902,502</u>	<u>3,074,201</u>	<u>9,976,703</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Operation of the school 2022 £	Total funds 2022 £
Staff costs	5,837,861	5,837,861
Educational materials	559,402	559,402
Food & meal costs	534,207	534,207
Trips	339,331	339,331
Travel costs	274	274
Teacher training	43,958	43,958
Other direct costs	11,048	11,048
	7,326,081	7,326,081
	<i>Operation of the school 2021 £</i>	<i>Total funds 2021 £</i>
Staff costs	5,743,241	5,743,241
Educational materials	602,294	602,294
Food & meal costs	476,653	476,653
Trips	32,597	32,597
Travel costs	719	719
Bus donations	27,785	27,785
Teacher training	9,416	9,416
Other direct costs	9,797	9,797
	6,902,502	6,902,502

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operation of the school 2022 £	Total funds 2022 £
Staff costs	652,650	652,650
Depreciation	665,304	665,304
Governance	35,333	35,333
Security and transport	298,728	298,728
Repair costs	55,045	55,045
Light & heat	197,125	197,125
Loan interest	7,096	7,096
Cleaning	125,098	125,098
Printing, postage and stationery	25,759	25,759
Bank charges and interest	8,957	8,957
Insurance	87,885	87,885
Sundries	71,617	71,617
Telephone	6,142	6,142
Recharge of expenses	741,405	741,405
Legal and professional fees	181,355	181,355
	<u>3,159,499</u>	<u>3,159,499</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Operation of the school 2021 £</i>	<i>Total funds 2021 £</i>
Staff costs	492,122	492,122
Depreciation	629,972	629,972
Governance	45,958	45,958
Security and transport	541,870	541,870
Repair costs	93,296	93,296
Light & heat	155,127	155,127
Loan interest	6,560	6,560
Cleaning	253,099	253,099
Printing, postage and stationery	26,257	26,257
Bank charges and interest	(41,193)	(41,193)
Insurance	83,085	83,085
Sundries	70,997	70,997
Telephone	21,606	21,606
Recharge of expenses	572,898	572,898
Legal and professional fees	122,547	122,547
	<u>3,074,201</u>	<u>3,074,201</u>

9. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor for the audit of the Group's consolidated financial statements.	<u>25,000</u>	<u>23,000</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff costs

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Wages and salaries	4,923,380	4,851,143	583,963	494,054
Social security costs	428,077	399,294	-	-
Contribution to defined contribution pension schemes	1,139,054	984,926	13,202	12,259
	<u>6,490,511</u>	<u>6,235,363</u>	<u>597,165</u>	<u>506,313</u>

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

	Group 2022 No.	<i>Group 2021 No.</i>
Teaching	96	96
Educational Support	53	48
Administration	5	6
Premises	3	3
Management	5	3
LA/SLA	5	5
	<u>167</u>	<u>161</u>

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

	Group 2022 No.	<i>Group 2021 No.</i>
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	2	1

The remuneration (excluding employer pension and NI costs) received by key management personnel of the charity was £71,372 (2021: £70,805). The remuneration received by key management personnel of the academies was £590,941 (2021: £518,264).

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the subsidiary academy trusts. The Principal and other staff governors only receive remuneration in respect of services they provide in undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits is disclosed in the individual academy financial statements and are publicly available.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2021	29,044,454	56,175	754,069	433,660	2,177,564	32,465,922
Additions	-	-	-	-	330,257	330,257
Transfers between classes	2,322,725	-	-	-	(2,322,725)	-
At 31 August 2022	<u>31,367,179</u>	<u>56,175</u>	<u>754,069</u>	<u>433,660</u>	<u>185,096</u>	<u>32,796,179</u>
Depreciation						
At 1 September 2021	6,019,781	38,446	668,219	353,195	-	7,079,641
Charge for the year	622,922	3,799	12,881	25,706	-	665,308
At 31 August 2022	<u>6,642,703</u>	<u>42,245</u>	<u>681,100</u>	<u>378,901</u>	<u>-</u>	<u>7,744,949</u>
Net book value						
At 31 August 2022	<u><u>24,724,476</u></u>	<u><u>13,930</u></u>	<u><u>72,969</u></u>	<u><u>54,759</u></u>	<u><u>185,096</u></u>	<u><u>25,051,230</u></u>
At 31 August 2021	<u><u>23,024,673</u></u>	<u><u>17,729</u></u>	<u><u>85,850</u></u>	<u><u>80,465</u></u>	<u><u>2,177,564</u></u>	<u><u>25,386,281</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2021	27,590,718	498,337	5,130	28,094,185
At 31 August 2022	<u>27,590,718</u>	<u>498,337</u>	<u>5,130</u>	<u>28,094,185</u>
Depreciation				
At 1 September 2021	5,870,825	412,487	5,130	6,288,442
Charge for the year	551,814	12,881	-	564,695
At 31 August 2022	<u>6,422,639</u>	<u>425,368</u>	<u>5,130</u>	<u>6,853,137</u>
Net book value				
At 31 August 2022	<u>21,168,079</u>	<u>72,969</u>	<u>-</u>	<u>21,241,048</u>
At 31 August 2021	<u>21,719,893</u>	<u>85,850</u>	<u>-</u>	<u>21,805,743</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

13. Fixed asset investments

Group and Charity	Investments £
Cost or valuation	
At 1 September 2021	10,448
Revaluations	278
	<u>10,726</u>
At 31 August 2022	<u><u>10,726</u></u>
 Net book value	
At 31 August 2022	10,726
At 31 August 2021	<u>10,448</u>

14. Stocks

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Finished goods and goods for resale	<u>9,143</u>	<u>8,597</u>	<u>9,143</u>	<u>8,597</u>

15. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Due within one year				
Trade debtors	23,964	19,804	23,964	19,804
Amounts owed by group undertakings	-	1,594	-	1,594
Amounts owed by King David Resources Limited	-	10,155	-	10,155
Other debtors	64,484	119,617	30,789	63,915
Prepayments and accrued income	374,414	190,220	140,848	32,998
	<u>462,862</u>	<u>341,390</u>	<u>195,601</u>	<u>128,466</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Bank overdrafts	387,632	306,179	387,632	306,179
Bank loans	76,504	68,773	76,504	68,773
Trade creditors	167,940	170,630	100,750	15,725
Amounts owed to group undertakings	43	3,764	43	3,764
Other taxation and social security	8,401	7,978	8,401	7,978
Other creditors	126,411	5,623	5,880	5,615
Accruals and deferred income	293,197	403,439	21,734	80,766
	1,060,128	<i>966,386</i>	600,944	<i>488,800</i>
	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Deferred income at 1 September 2021	91,875	127,281	48,445	88,120
Resources deferred during the year	189,942	91,875	147,950	48,445
Amounts released from previous periods	(91,875)	(131,550)	(48,445)	(88,120)
	189,942	<i>87,606</i>	147,950	<i>48,445</i>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. Creditors: Amounts falling due after more than one year

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Bank loans	75,302	144,133	75,302	144,133
Other loans	285,617	285,617	285,617	285,617
	<u>360,919</u>	<u>429,750</u>	<u>360,919</u>	<u>429,750</u>

Included within the above are amounts falling due as follows:

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Between one and two years				
Bank loans	75,302	70,308	75,302	70,308
Other loans	285,617	285,617	285,617	285,617
Between two and five years				
Bank loans	-	73,825	-	73,825

Included within creditors are balances due to lenders in respect of bank loans. At 31 August 2022 the balance is £151,806 (2021: £144,133). The interest charged on the loan is 2.5% over bank base rate. The loans are secured by a letter of set off over credit balances.

Creditors includes a concessionary loan from J Rowe, a trustee of King David Schools (Manchester), of £285,617 (2021: £285,617). The loan is subject to a 12 month and 1 day notice period and not subject to interest.

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Financial instruments

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Financial assets				
Financial assets measured at amortised cost	<u>1,402,883</u>	<u>1,055,791</u>	<u>650,293</u>	<u>326,099</u>
	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Financial liabilities				
Financial liabilities measured at amortised cost	<u>1,412,646</u>	<u>1,388,158</u>	<u>953,462</u>	<u>918,550</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals.

Financial assets measured at fair value through income and expenditure comprise investments and total £10,726 (2021: £11,004) for both the Group and Charity.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds - Group

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds					
General Funds - all funds	2,847,259	2,668,024	(4,330,234)	(278)	1,184,771
Restricted funds					
Academy funds	2,031,771	7,298,128	(4,959,050)	-	4,370,849
Donations	-	83,512	(83,512)	-	-
SEN income	-	130,917	(130,917)	-	-
Nursery grant	-	59,588	(59,588)	-	-
Junior school prize fund	669	-	(669)	-	-
High school prize fund	205	-	(205)	-	-
Yavneh prize fund	2,155	-	(2,155)	-	-
Grant of buildings and fixtures from BSF	20,524,868	-	(564,691)	-	19,960,177
Pension reserve	(2,244,000)	-	(345,000)	2,589,000	-
	<u>20,315,668</u>	<u>7,572,145</u>	<u>(6,145,787)</u>	<u>2,589,000</u>	<u>24,331,026</u>
Total of funds	<u><u>23,162,927</u></u>	<u><u>10,240,169</u></u>	<u><u>(10,476,021)</u></u>	<u><u>2,588,722</u></u>	<u><u>25,515,797</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Statement of funds (continued)

Statement of funds - Group - prior year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Unrestricted funds					
General Funds - all funds	3,321,185	2,167,125	(2,640,105)	(946)	2,847,259
Restricted funds					
Academy funds	1,319,621	7,092,190	(6,380,040)	-	2,031,771
Donations	-	15,318	(15,318)	-	-
SEN income	-	76,461	(76,461)	-	-
Nursery grant	-	70,816	(70,816)	-	-
Junior school prize fund	669	-	-	-	669
High school prize fund	205	-	-	-	205
Yavneh prize fund	2,155	-	-	-	2,155
Grant of buildings and fixtures from BSF	21,091,831	-	(566,963)	-	20,524,868
Pension reserve	(1,768,000)	-	(227,000)	(249,000)	(2,244,000)
	<u>20,646,481</u>	<u>7,254,785</u>	<u>(7,336,598)</u>	<u>(249,000)</u>	<u>20,315,668</u>
Total of funds	<u><u>23,967,666</u></u>	<u><u>9,421,910</u></u>	<u><u>(9,976,703)</u></u>	<u><u>(249,946)</u></u>	<u><u>23,162,927</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	23,770,359	1,280,871	25,051,230
Fixed asset investments	-	10,726	10,726
Current assets	1,019,851	855,037	1,874,888
Creditors due within one year	(459,184)	(600,944)	(1,060,128)
Creditors due in more than one year	-	(360,919)	(360,919)
Total	24,331,026	1,184,771	25,515,797

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	20,315,668	5,070,621	25,386,289
Fixed asset investments	-	11,004	11,004
Current assets	-	1,405,778	1,405,778
Creditors due within one year	-	(966,386)	(966,386)
Creditors due in more than one year	-	(429,750)	(429,750)
Provisions for liabilities and charges	-	(2,244,000)	(2,244,000)
Total	20,315,668	2,847,267	23,162,935

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	<i>Group 2021 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	(236,130)	<i>(555,739)</i>
Adjustments for:		
Depreciation charges	665,308	<i>629,971</i>
Losses on investments	(278)	<i>(946)</i>
Increase in stocks	(546)	<i>(4,531)</i>
Decrease/(increase) in debtors	(121,476)	<i>246,498</i>
Increase/(decrease) in creditors	12,214	<i>(292,093)</i>
LGPS pension movement	345,000	<i>249,000</i>
Net cash provided by operating activities	664,092	<i>272,160</i>

22. Analysis of cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand	1,402,883	<i>1,055,791</i>
Overdraft facility repayable on demand	(387,632)	<i>(306,178)</i>
Total cash and cash equivalents	1,015,251	<i>749,613</i>

23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	1,055,791	347,092	1,402,883
Bank overdrafts repayable on demand	(306,179)	(81,453)	(387,632)
Loan due within 1 year	(68,773)	(7,731)	(76,504)
Loans due after 1 year	(429,750)	68,831	(360,919)
	251,089	326,739	577,828

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments

The Charity operates a defined contribution pension scheme. Contributions totalling £2,834 (2021: £2,369) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

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

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £794,5016 (2021 - £753,391).

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

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

24. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2022 was £206,000 (2021 - £198,000), of which employer's contributions totalled £156,000 (2021 - £151,000) and employees' contributions totalled £50,000 (2021 - £47,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 12 per cent for employees.

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

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

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2022	At 31 August 2021
	%	%
Discount rate	4.25	1.65
Rate of increase in salaries	3.8	3.65
Rate of increase for pensions in payment/inflation	3.05	2.9
	<hr/> <hr/>	<hr/> <hr/>
	At 31 August 2022	At 31 August 2021
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	20.3	20.5
- at 65 for a male aged 45 now	21.6	21.9
- for a female aged 65 now	23.2	23.3
- at 65 for a female aged 45 now	25.1	25.3
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KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

24. Pension commitments (continued)

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

	At 31 August 2022 £	At 31 August 2021 £
Equities	3,038,760	2,981,290
Gilts	616,560	421,450
Property	396,360	293,930
Cash and other liquid assets	352,320	502,330
Total fair value of assets	4,404,000	4,199,000

The actual return on scheme assets was £38,000 (2021 - £235,000).

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

	2022 £	2021 £
Current service cost	236,000	177,000
Interest cost	110,000	91,000
Net interest	39,000	14,000
Total amount recognised in the Consolidated Statement of Financial Activities	385,000	282,000

Movements in the present value of the defined benefit obligation were as follows:

	2022 £
Opening defined benefit obligation	6,443,000
Actuarial (losses)/gains	(2,602,000)
Benefits paid	(58,000)
Current service costs	462,000
Interest cost	110,000
Employee contributions	49,000
Closing defined benefit obligation	4,404,000

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

24. Pension commitments (continued)

Movements in the fair value of the Group's share of scheme assets were as follows:

	2022 £
Opening fair value of scheme assets	4,199,000
Interest income	71,000
Actuarial gains/(losses)	2,589,000
Assets distributed on settlements	-
Contributions by scheme participants	(2,602,000)
Benefits paid	(58,000)
Employer contributions	205,000
Closing fair value of scheme assets	4,404,000

25. Operating lease commitments

At 31 August 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £
Not later than 1 year	11,187	25,699
Later than 1 year and not later than 5 years	19,939	343
	31,126	26,042

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

26. Related party transactions

During the year J Rowe, a Director of the Trustee Company advanced £nil (2021: £nil) and was repaid £nil (2021: £nil) of the loan owed to him. The amount due to him at the year end was £285,617 (2021: £285,617). This loan is unsecured and interest free.

During the year, King David High School, which has trustees common to the directorships of the Trustee Company, was recharged cleaning and caretaking costs to the value of £19,548 (2021: £19,548) by King David Schools. In addition the charity recharged catering costs amounting to £34,478 (2021: £14,478), other salaries of £21,922 (2021: £13,437) and trip expenses of £nil (2021: £nil). They also paid voluntary and other contributions of £23,550 (2021: £23,518). During the year, King David Schools loaned the High School £nil (2021: £nil). £nil (2021: £nil) was repaid in the year leaving a balance due to the charity at the year end of £1,594 (2021: £1,594).

During the year, King David Schools (Manchester) Charitable Trust provided donations to the value of £927,054 (2021: £943,920) to King David High School.

During the year King David Primary School, which has trustees common to the directorships of the Company, was recharged caretaking costs to the value of £9,600 (2021: £9,600) by King David Schools. In addition the charity recharged catering costs amounting to £80,793 (2021: £73,316), and sundry costs of £4,147 (2021: £nil).

During the year, King David Schools (Manchester) Charitable Trust provided donations to the value of £94,800 (2021: £105,095) to King David Primary School.

During the year, King David Resources Limited, a company in which J Rowe and A Berkeley are Directors, was recharged cleaning costs of £nil (2021: £nil) and loaned £6,000 (2021: £nil). During the year King David Resources Limited recharged expenses amounting to £741,405 (2021: £792,289) to the group. The balance due to the charity at the year end was £12,704 (2021: £10,155).

KING DAVID SCHOOLS (MANCHESTER)

England & Wales - Charity number 526631

Accounts

Charity number: 526631

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

KING DAVID SCHOOLS (MANCHESTER)

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KING DAVID SCHOOLS (MANCHESTER)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustee

KDS Trustees Limited

Directors of Trustee company:

J Rowe (Chair of Trustees)

S E Elias

A Berkeley

Charity registered number

526631

Principal office

Eaton Road

Crumpsall

Manchester

M8 5DY

Independent auditor

Crowe U.K. LLP

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Bankers

The Co-operative Bank plc

1 Balloon Street

Manchester

M60 4EP

Solicitors

Kuit Steinart Levy

3 St Mary's Parsonage

Manchester

M3 2RD

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The Trustee presents their annual report together with the audited financial statements of the Charity for the 1 September 2020 to 31 August 2021.

Objectives and activities

a. Charity Information

The Trustee presents its annual report and the financial statements for the year ended 31 August 2021. These accounts are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Statement of Recommended Practice (SORP) 2019 and Charities Act 2011.

b. Reference and Administrative Details

King David Schools (Manchester) is a registered charity (No. 526631), its principal address is shown on the charity information page. The charity is a public benefit entity.

c. Structure, Governance and Management

King David Schools (Manchester) was established under a Trust Deed dated 20 February 1873 and Articles of Government sealed 27 January 1959 as amended by Constitution dated 13 January 2003.

On 7 February 2012 the Charity Commission for England and Wales approved the replacement of the former individual trustees by a corporate trustee, KDS Trustee Limited. The former individual trustees became directors of the new trustee.

The Trustee is responsible for the overall governance of the Schools as a charity. The Trustee's role is to have an overview of the effectiveness of the schools and to ensure the maintenance of the faith and of the high standards of education generally. The Trustee appoints the Governors. The delivery of the education and curriculum and the management of the schools is controlled through the various Boards of Governors of each of the schools, namely

- The King David High School (including Sixth Form and Yavneh)
- The King David Primary School
- Crèche/Nursery (incorporated within the Charity)

Effective partnership between the Trustee, Governors and staff has contributed significantly to a successful year of activity. The trustees meet, formally, once per year to discuss the accounts and are in touch with each other throughout the year. These meetings include a review of strategy and operational performance and set operating plans and budgets as and when necessary.

New officers of the Trustee company receive an induction pack containing everything they need to know about the Schools and its work for effective and informed decision-making. The officers of the Trustee company are regularly kept up to date about their responsibilities. Remuneration of key management personnel is determined by the trustee.

d. Bursar and Trustee

The Bursar and certain delegated officers of the Trustee company are responsible for the day to day management of King David Schools (Manchester) and for implementing policies.

KING DAVID SCHOOLS (MANCHESTER)

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Objectives and activities (continued)

e. Corporate Governance

Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the Treasurer of the Trustee company and its Board of Directors.

The systems of internal control are designed to provide reasonable assurance but not absolute assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustee company.
- Regular consideration by the trustee of financial results and variances from budgets.
- Delegation of day to day management authority and segregation of duties.
- Identification and management of risks.

f. Risk Management

The Trustee has introduced a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks the School faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of managing the risks. As part of this process the Trustee has reviewed the adequacy of the School's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to the Board of Directors of the Trustee that include regular bank reconciliations as well as the production of management accounts at the end of each term which are reviewed by the officers of the Trustee.

The key risk facing the charity is the level of voluntary contributions and donations that it receives from parents and donors. Declining receipts translate into less funds available to improve the education being offered to our pupils. The Trustee endeavours to educate parents along with the wider community of the importance of their financial support especially in the light of the reducing government funding being made to our schools on the KD campus.

KING DAVID SCHOOLS (MANCHESTER)

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

Achievements and performance

a. Objectives, Activities, Achievements and Performance

King David Schools (Manchester) exists to provide Jewish children with a meaningful orthodox Jewish religious education coupled with an excellent secular education.

All units on campus continue to achieve exemplary results in both the religious and secular area. The Primary School is rated "Outstanding" by OFSTED. The High School (including Sixth Form and Yavneh) results for both GCSE and 'A' level examinations place it as the best comprehensive in the North West and the 7th best non-selective school in the country (Sunday Times – Parent Power, 5th December 2021).

The Trustee has given due consideration to the Charity Commission's guidance on public benefit requirement under the Charities Act 2011, when reviewing the Charity's aims and objectives and in planning future activities. As a leading quality school to the Jewish community the Trustee notes that its success acknowledged nationally both in the secular and religious fields continues. Our pupils are well prepared to move on to leading universities, religious and secular colleges with many of our former students achieving success in the wider community.

b. Core Objectives and Strategy

The core objective of the charity continues to be that of providing Jewish children with a meaningful orthodox Jewish religious education coupled with an excellent secular education.

The strategy is achieved by encouraging all units on the King David Campus to employ highest grade teachers who are able to instil in the pupils not only excellence in knowledge but also to experience a warm, friendly Jewish environment with a commitment to giving to the community as a whole. The Trustee continues to ensure that the facilities are up to date and suitable for the delivery of the educational and religious objectives.

The Schools are dependent on voluntary contributions from parents, donations and educational grants in order to fulfil its objectives. Failure of parents to meet their voluntary contribution commitments will threaten the school's ability to achieve its objectives.

KING DAVID SCHOOLS (MANCHESTER)

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

Financial review

a. Financial Review, Management Policies and Results for the Year

The Consolidated Statement of Financial Activities (SoFA), set out on page 10, shows that the group received total income of £9,421,910 (2020: £9,235,077). £9,976,703 (2020: £9,752,564) was incurred as expenditure leaving a deficit of £804,739 (2020: £265,514) after a depreciation charge of £629,969 (2020: £621,884) and losses arising from changes in actuarial assumptions of £249,000 (2020: gains of £252,000).

This group position however, takes into account the surpluses in actuarial gains/(losses) in the pension schemes positions, which are long term non-cash items, of £87,000 (2020: £132,000) in The King David High School (KDHS) and £162,000 (2020: £120,000) in the King David Primary School (KDPS). Had these accounting entries not been included in this year's results, we would be facing a deficit of around £555,739 (2020: £517,514).

The principal funding sources are donations, voluntary contributions from parents, income from the nursery and statutory government funding for the two academies, King David High School and King David Primary School.

The charity itself generated a deficit of £321,270 (2020: £454,189).

The charity made an unrealised loss on its investments of £946 (2020: £27) leaving a total net movement in funds to be added to the reserves. The trustee remains conscious that more funds will have to be raised to maintain the ongoing excellence to which they are committed. Without parental assistance the current achievement of acclaimed success could be threatened.

The Charity continues to monitor its results against performance as its measurement of success. The Charity does not employ a professional fundraiser and relies on assistance from the Trustee, Governors and parents. Whilst it was noted that the Voluntary Contributions from parents continued below expectation, the Charity held a Fundraiser in 2020 which raised approximately £1.2million including gift aid (donated over 2 years). The Charity must continue its fundraising activities in order for it to be able to continue providing for its primary objectives and to maintain the high levels of educational standards. The Charity has not received any complaints about its fundraising activities and has policies in place to ensure that there is no unreasonable intrusion into a person's privacy.

b. Reserves

The policy of the Trustee has been and continues to be to utilise all reserves to fund the activities of the charity which has resulted from the development and growth of the campus, particularly the High School and to improve the religious and cultural educational experience across all the schools. Ideally the trustees would like the trust to hold two years' net expenditure of approx £1,000,000 as free reserves, but with constant erosion of the Academies funding from central government resulting in the Trustee having to support the two academies on the KD campus at a greater level than was envisaged that has not been possible.

The total reserves at the year end are £23,162,927 (2020 £23,967,669). This includes unrestricted reserves of £2,847,259 (2020: £3,321,185) and restricted reserves of £20,315,668 (2020: £20,646,481).

The Trustee is seeking sources of additional funding for capital expenditure in order that total reserve levels are improved. The Trustee does not consider that this has inhibited activities in any way.

Free Reserves

Free reserves for the group as at 31 August 2021 stood at £326,099 (2020: £582,96).

KING DAVID SCHOOLS (MANCHESTER)

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

c. Investment Policy and Performance

The Charity has a small investment in a quoted company and a subsidiary but in the main all funds are held in cash since they are currently being directed to the major campus enhancement capital building programme. The policy is to sell these shares as and when the trustee consider the time to be propitious.

d. Staff Training and Career Development

The schools are committed to the training, career development and welfare of its employees. An individual's career development is assessed through appraisal and supervision. Training programmes are provided to meet ongoing needs, with the aim of developing employees for both their current and their future roles.

Pay and remuneration of Key Management Personnel are reviewed independently by the Directors of the Trustee Company who themselves are not compensated.

e. Auditors

Crowe U.K. LLP will be proposed for re-appointment at the Trustee meeting.

f. Future Plans

The King David School Campus now provides top class education in both secular and Jewish religious studies, with a wide cross section of extracurricular activities covering sports, art and culture housed in the most modern buildings with enhanced advance technological facilities supported by a most dedicated and capable staff. The Trustee is determined to reach out further in building a school of excellence which will continue to be the pride of the Jewish Community.

g. Going Concern

The charity and group meets its day-to-day requirements through its bank facilities and the extremely generous donors and parents. The group are considering a number of fundraising opportunities to recover the deficits going forward. Charity projections taking account of reasonable possible changes in performance show that the charity should be able to operate within the level of its current facilities. There is no intention by Mr J Rowe to request full repayment of the concessionary loan in the near future unless the charity can afford to do so.

The charity continues to monitor its results against performance as its measurement of success. The charity does not employ a professional fundraiser and relies on the assistance from the Trustee, governor and parents. Whilst voluntary contributions from parents continue to be below the ideal level, to compensate, the charity held a fundraising campaign in the prior year which raised over £1.2m (payable over two years). This ensures that the charity is able to continue with its primary objectives and to maintain the high levels of educational standards.

The Charity has use of an overdraft facility to ensure that any temporary cash flow shortfalls are covered.

As has been the case for many years, the Trustee continues its success in maintaining sufficient income to ensure the requirements of the group are met in full. However, the group must continue its fundraising activities if the Academies are to continue to provide the academic excellence it has in the past.

The group therefore continues to adopt the going concern basis in the financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Statement of Trustee's responsibilities

The Trustee is 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).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditor

Each director of the Trustee at the time when this Trustee's report is approved have confirmed that:

- so far as the directors of the Trustee are aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that the directors of the Trustee have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Approved by order of the members of the board of Trustee on 7 June 2022 and signed on their behalf by:



Joshua Rowe
Chair of KDS Trustees Ltd

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)

Opinion

We have audited the financial statements of King David Schools (Manchester) (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements :

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent 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 Trustee with respect to going concern are described in the relevant sections of this report.

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER) (CONTINUED)

Other information

The trustee is 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 we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustee's responsibilities statement, the Trustees are responsible for the preparation of the which give a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of that are free from material misstatement, whether due to fraud or error.

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

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER) (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were Charity Commission regulations.

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk 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 and reading minutes of meetings of those charged with governance.

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

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

KING DAVID SCHOOLS (MANCHESTER)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)
(CONTINUED)**

Use of our report

This report is made solely to the charity's trustees, 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 trustees those matters 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP.

Crowe U.K. LLP

Statutory Auditor

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

7 June 2022

Crowe U.K. LLP are eligible to act, and has been appointed, as auditor under section 144(2) of the Charities Act 2011.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	5	15,318	1,019,784	1,035,102	1,231,471
Charitable activities	6	7,239,467	877,706	8,117,173	7,389,691
Other trading activities	7	-	269,152	269,152	613,162
Investments	8	-	483	483	753
Total income		7,254,785	2,167,125	9,421,910	9,235,077
Expenditure on:					
Charitable activities	9	7,336,598	2,640,105	9,976,703	9,752,564
Total expenditure		7,336,598	2,640,105	9,976,703	9,752,564
Net expenditure before net losses on investments					
		(81,813)	(472,980)	(554,793)	(517,487)
Net losses on investments		-	(946)	(946)	(27)
Net movement in funds before other recognised gains/(losses)		(81,813)	(473,926)	(555,739)	(517,514)
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	26	(249,000)	-	(249,000)	252,000
Net movement in funds		(330,813)	(473,926)	(804,739)	(265,514)
Reconciliation of funds:					
Total funds brought forward		20,646,481	3,321,185	23,967,666	24,233,180
Net movement in funds		(330,813)	(473,926)	(804,739)	(265,514)
Total funds carried forward		20,315,668	2,847,259	23,162,927	23,967,666

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

The notes on pages 18 to 46 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	25,386,281	23,830,056
Investments	15	11,004	11,950
		<u>25,397,285</u>	<u>23,842,006</u>
Current assets			
Stocks	16	8,597	4,066
Debtors	17	341,390	587,888
Cash at bank and in hand		1,055,791	3,018,456
		<u>1,405,778</u>	<u>3,610,410</u>
Creditors: amounts falling due within one year	18	(966,386)	(1,215,861)
Net current assets		<u>439,392</u>	<u>2,394,549</u>
Total assets less current liabilities		<u>25,836,677</u>	<u>26,236,555</u>
Creditors: amounts falling due after more than one year	19	(429,750)	(500,889)
Net assets excluding pension liability		<u>25,406,927</u>	<u>25,735,666</u>
Defined benefit pension scheme liability	26	(2,244,000)	(1,768,000)
Total net assets		<u><u>23,162,927</u></u>	<u><u>23,967,666</u></u>
Charity funds			
Restricted funds:			
Restricted funds excluding pension asset	21	22,559,668	22,414,481
Pension reserve	21	(2,244,000)	(1,768,000)
Total restricted funds	21	<u>20,315,668</u>	<u>20,646,481</u>
Unrestricted funds	21	2,847,259	3,321,185
Total funds		<u><u>23,162,927</u></u>	<u><u>23,967,666</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021**

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



Joshua Rowe
Chair of KDS Trustees Limited
Date: 7 June 2022

The notes on pages 18 to 46 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

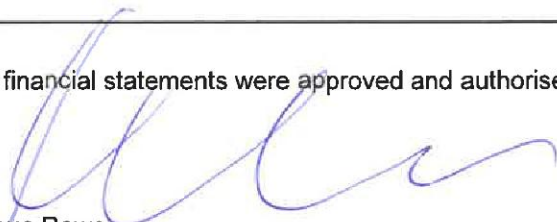
CHARITY BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	21,805,743	22,372,704
Investments	15	11,004	11,950
		<u>21,816,747</u>	<u>22,384,654</u>
Current assets			
Stocks	16	8,597	4,066
Debtors	17	128,466	95,867
Cash at bank and in hand		326,099	506,956
		<u>463,162</u>	<u>606,889</u>
Creditors: amounts falling due within one year	18	(488,800)	(583,766)
Net current liabilities / assets		<u>(25,638)</u>	<u>23,123</u>
Total assets less current liabilities		<u>21,791,109</u>	<u>22,407,777</u>
Creditors: amounts falling due after more than one year	19	(429,750)	(500,889)
Net assets excluding pension asset		<u>21,361,359</u>	<u>21,906,888</u>
Total net assets		<u><u>21,361,359</u></u>	<u><u>21,906,888</u></u>
Charity funds			
Restricted funds	21	20,524,868	17,847,332
Unrestricted funds	21	836,491	4,059,556
Total funds		<u><u>21,361,359</u></u>	<u><u>21,906,888</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021**

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



Joshua Rowe
Chair of KDS Trustees Limited
Date: 7 June 2022

The notes on pages 18 to 46 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	23	272,160	1,296,251
Cash flows from investing activities			
Dividends, interests and rents from investments		-	753
Purchase of tangible fixed assets		(2,180,194)	(131,797)
Net cash used in investing activities		(2,180,194)	(131,044)
Cash flows from financing activities			
Repayments of borrowing		(140,505)	(131,615)
Net cash used in financing activities		(140,505)	(131,615)
Change in cash and cash equivalents in the year		(2,048,539)	1,033,592
Cash and cash equivalents at the beginning of the year		2,798,152	1,764,560
Cash and cash equivalents at the end of the year	24	749,613	2,798,152

The notes on pages 18 to 46 form part of these financial statements

KING DAVID SCHOOLS (MANCHESTER)

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

1. General information

King David Schools (Manchester) is a registered charity (No. 526631), its principal address is shown on the charity information page. The charity is a public benefit entity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

King David Schools (Manchester) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. The charity has the right to appoint/ remove members and governors of the consolidated entities and as such has control. The subsidiaries included in the consolidation are The King David Primary School (company number 08424154) and The King David High School (company number 07716057).

KING DAVID SCHOOLS (MANCHESTER)

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

2. Accounting policies (continued)

2.2 Going concern

The charity and group meets its day-to-day requirements through its bank facilities and the extremely generous donors and parents. The group are considering a number of fundraising opportunities to recover the deficits going forward. Charity projections taking account of reasonable possible changes in performance show that the charity should be able to operate within the level of its current facilities. There is no intention by Mr J Rowe to request full repayment of the concessionary loan in the near future unless the charity can afford to do so.

The charity continues to monitor its results against performance as its measurement of success. The charity does not employ a professional fundraiser and relies on the assistance from the Trustee, governor and parents. Whilst voluntary contributions from parents continue to be below the ideal level, to compensate, the charity held an internet fundraising campaign in the year which raised over £1m (payable over a number of years). This ensures that the charity is able to continue with its primary objectives and to maintain the high levels of educational standards.

The Covid 19 pandemic has had an impact on the level of parental contributions being received but expenses have also reduced somewhat due to the Furlough schemes. The charity has also been able to reduce its donations to the academies. The trustees' aim is to ensure that the savings achieved offset some of the reduction in income. The Charity has use of an overdraft facility to ensure that any temporary cash flow shortfalls are covered.

As has been the case for many years, the Trustee continues its success in maintaining sufficient income to ensure the requirements of the group are met in full. However, the group must continue its fundraising activities if the Academies are to continue to provide the academic excellence it has in the past.

The group therefore continues to adopt the going concern basis in the financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

KING DAVID SCHOOLS (MANCHESTER)

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

2. Accounting policies (continued)

2.4 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

KING DAVID SCHOOLS (MANCHESTER)

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

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property and buildings	- 2% Straight line
Motor vehicles	- 20% Straight line
Fixtures and fittings	- 15% Reducing balance
Computer equipment	- 33% Straight line

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

KING DAVID SCHOOLS (MANCHESTER)

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

2. Accounting policies (continued)

2.12 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

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

Contributions for personal pension schemes are accounted for in the year to which they relate.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

KING DAVID SCHOOLS (MANCHESTER)

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

4. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

KING DAVID SCHOOLS (MANCHESTER)

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

5. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations & grants	15,318	62,159	77,477
Parental voluntary contributions	-	831,506	831,506
Job retention scheme grants	-	-	-
Gift aid	-	126,119	126,119
	<u>15,318</u>	<u>1,019,784</u>	<u>1,035,102</u>

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations & grants	30,461	131,068	161,529
Parental voluntary contributions	-	741,801	741,801
Government grants	-	164,294	164,294
Tax refund	-	163,847	163,847
	<u>30,461</u>	<u>1,201,010</u>	<u>1,231,471</u>

6. Income from charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Operation of the schools	7,239,467	877,706	8,117,173
	<u>7,239,467</u>	<u>877,706</u>	<u>8,117,173</u>

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Operation of the schools	6,637,068	752,623	7,389,691
	<u>6,637,068</u>	<u>752,623</u>	<u>7,389,691</u>

KING DAVID SCHOOLS (MANCHESTER)

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

7. Fundraising income

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £
Income from gala dinner	4,162	4,162
Other fundraising activities	264,990	264,990
	<u>269,152</u>	<u>269,152</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Income from gala dinner	8,210	8,210
Other fundraising activities	604,952	604,952
	<u>613,162</u>	<u>613,162</u>

8. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	483	483
	<u>483</u>	<u>483</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income	753	753
	<u>753</u>	<u>753</u>

KING DAVID SCHOOLS (MANCHESTER)

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

9. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Operation of the school	<u>7,336,598</u>	<u>2,640,105</u>	<u>9,976,703</u>
	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Operation of the school	<u>7,335,528</u>	<u>2,417,036</u>	<u>9,752,564</u>

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Operation of the school	<u>6,902,502</u>	<u>3,074,201</u>	<u>9,976,703</u>
	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Operation of the school	<u>6,976,822</u>	<u>2,775,742</u>	<u>9,752,564</u>

KING DAVID SCHOOLS (MANCHESTER)

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

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Operation of the school 2021 £	Total funds 2021 £
Staff costs	5,743,241	5,743,241
Educational materials	602,294	602,294
Food & meal costs	476,653	476,653
Trips	32,597	32,597
Travel costs	719	719
Bus donations	27,785	27,785
Teacher training	9,416	9,416
Other direct costs	9,797	9,797
	<u>6,902,502</u>	<u>6,902,502</u>
	<i>Operation of the school 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	5,780,532	5,780,532
Educational materials	676,245	676,245
Food & meal costs	356,417	356,417
Trips	101,784	101,784
Travel costs	240	240
Bus donations	12,500	12,500
Teacher training	39,077	39,077
Other direct costs	10,027	10,027
	<u>6,976,822</u>	<u>6,976,822</u>

KING DAVID SCHOOLS (MANCHESTER)

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operation of the school 2021 £	Total funds 2021 £
Staff costs	492,122	492,122
Depreciation	629,972	629,972
Governance	45,958	45,958
Security and transport	541,870	541,870
Repair costs	93,296	93,296
Light & heat	155,127	155,127
Loan interest	6,560	6,560
Cleaning	253,099	253,099
Printing, postage and stationery	26,257	26,257
Bank charges and interest	(41,193)	(41,193)
Insurance	83,085	83,085
Sundries	70,997	70,997
Telephone	21,606	21,606
Recharge of expenses	578,994	578,994
Legal and professional fees	116,451	116,451
	<hr/> 3,074,201 <hr/>	<hr/> 3,074,201 <hr/>

KING DAVID SCHOOLS (MANCHESTER)

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Operation of the school 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	571,363	571,363
Depreciation	621,884	621,884
Governance	37,610	37,610
Security and transport	156,286	156,286
Repair costs	116,556	116,556
Light & heat	228,387	228,387
Loan interest	9,651	9,651
Cleaning	165,609	165,609
Printing, postage and stationery	32,925	32,925
Bank charges and interest	9,514	9,514
Insurance	102,990	102,990
Sundries	98,460	98,460
Telephone	53,434	53,434
Recharge of expenses	430,892	430,892
Legal and professional fees	140,181	140,181
	<u>2,775,742</u>	<u>2,775,742</u>

11. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor for the audit of the Group's consolidated financial statements.	<u>23,000</u>	<u>21,550</u>

KING DAVID SCHOOLS (MANCHESTER)

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

12. Staff costs

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Wages and salaries	4,851,143	4,941,684	494,054	543,516
Social security costs	399,294	400,006	-	29,935
Contribution to defined contribution pension schemes	984,926	1,010,205	12,259	18,020
	6,235,363	<i>6,351,895</i>	506,313	<i>591,471</i>

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

	Group 2021 No.	<i>Group 2020 No.</i>
Teaching	96	97
Educational Support	48	51
Administration	6	8
Premises	3	6
Management	3	3
LA/SLA	5	5
	161	<i>170</i>

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	1

The remuneration (excluding employer pension and NI costs) received by key management personnel of the charity was £70,805 (2020: £67,049). The remuneration received by key management personnel of the academies was £518,264 (2020: £413,715).

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the subsidiary academy trusts. The Principal and other staff governors only receive remuneration in respect of services they provide in undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits is disclosed in the individual academy financial statements and are publicly available.

KING DAVID SCHOOLS (MANCHESTER)

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

13. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

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

KING DAVID SCHOOLS (MANCHESTER)

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

14. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2020	29,044,454	37,180	1,054,069	433,660	10,365	30,579,728
Additions	-	18,995	-	-	2,167,199	2,186,194
At 31 August 2021	29,044,454	56,175	1,054,069	433,660	2,177,564	32,765,922
Depreciation						
At 1 September 2020	5,438,890	29,744	953,074	327,964	-	6,749,672
Charge for the year	580,887	8,702	15,149	25,231	-	629,969
At 31 August 2021	6,019,777	38,446	968,223	353,195	-	7,379,641
Net book value						
At 31 August 2021	23,024,677	17,729	85,846	80,465	2,177,564	25,386,281
At 31 August 2020	23,605,564	7,436	100,995	105,696	10,365	23,830,056

KING DAVID SCHOOLS (MANCHESTER)

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

14. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2020	27,590,718	498,337	5,130	28,094,185
At 31 August 2021	<u>27,590,718</u>	<u>498,337</u>	<u>5,130</u>	<u>28,094,185</u>
Depreciation				
At 1 September 2020	5,319,009	397,342	5,130	5,721,481
Charge for the year	551,812	15,149	-	566,961
At 31 August 2021	<u>5,870,821</u>	<u>412,491</u>	<u>5,130</u>	<u>6,288,442</u>
Net book value				
At 31 August 2021	<u>21,719,897</u>	<u>85,846</u>	<u>-</u>	<u>21,805,743</u>
At 31 August 2020	<u>22,271,709</u>	<u>100,995</u>	<u>-</u>	<u>22,372,704</u>

KING DAVID SCHOOLS (MANCHESTER)

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

15. Fixed asset investments

	Listed investments £
Group and Charity	
Cost or valuation	
At 1 September 2020	11,004
At 31 August 2021	11,004
Net book value	
At 31 August 2021	11,004
At 31 August 2020	11,004

16. Stocks

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Finished goods and goods for resale	8,597	<i>4,066</i>	8,597	<i>4,066</i>

17. Debtors

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Due within one year				
Trade debtors	19,804	<i>6,955</i>	19,804	<i>6,955</i>
Amounts owed by group undertakings	1,594	<i>-</i>	1,594	<i>4,606</i>
Amounts owed by King David Resources Limited	10,155	<i>10,155</i>	10,155	<i>10,155</i>
Other debtors	119,617	<i>59,902</i>	63,915	<i>37,668</i>
Prepayments and accrued income	190,220	<i>510,876</i>	32,998	<i>36,483</i>
	341,390	<i>587,888</i>	128,466	<i>95,867</i>

KING DAVID SCHOOLS (MANCHESTER)

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

18. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Bank overdrafts	306,179	220,304	306,179	220,304
Bank loans	68,773	66,377	68,773	66,377
Other loans	-	65,203	-	-
Trade creditors	170,630	27,941	15,725	26,442
Amounts owed to group undertakings	3,764	-	3,764	-
Other taxation and social security	7,978	7,418	7,978	7,418
Other creditors	5,623	37,640	5,615	4,977
Accruals and deferred income	403,439	790,978	80,766	258,248
	966,386	1,215,861	488,800	583,766
	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Deferred income at 1 September 2020	124,635	-	88,120	-
Resources deferred during the year	108,024	189,577	94,594	143,231
Amounts released from previous periods	(124,635)	(64,942)	(88,120)	(55,111)
	108,024	124,635	94,594	88,120

KING DAVID SCHOOLS (MANCHESTER)

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

19. Creditors: Amounts falling due after more than one year

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Bank loans	144,133	215,272	144,133	215,272
Other loans	285,617	285,617	285,617	285,617
	429,750	500,889	429,750	500,889

Included within the above are amounts falling due as follows:

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Between one and two years				
Bank loans	70,308	68,773	70,308	68,773
Other loans	285,617	285,617	285,617	285,617
Between two and five years				
Bank loans	73,825	146,499	73,825	146,499
Over five years				

Included within creditors are balances due to lenders in respect of bank loans. At 31 August 2021 the balance is £212,906 (2020: £281,632). The interest charged on the loan is 2.5% over bank base rate. The loans are secured by a letter of set off over credit balances.

Creditors includes a concessionary loan from J Rowe, a trustee of King David Schools (Manchester), of £285,617 (2020: £285,617). The loan is subject to a 12 month and 1 day notice period and not subject to interest.

KING DAVID SCHOOLS (MANCHESTER)

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

20. Financial instruments

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Financial assets				
Financial assets measured at amortised cost	1,055,791	3,586,703	326,099	587,382
	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	1,388,158	1,172,917	918,550	648,372

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals.

Financial assets measured at fair value through income and expenditure comprise investments and total £11,004 (2020: £11,950) for both the Group and Charity.

KING DAVID SCHOOLS (MANCHESTER)

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

21. Statement of funds - Group

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds					
General Funds - all funds	3,321,185	2,167,125	(2,640,105)	(946)	2,847,259
Restricted funds					
Restricted Funds - all funds	1,319,621	7,092,190	(6,380,040)	-	2,031,771
Donations	-	15,318	(15,318)	-	-
SEN income	-	76,461	(76,461)	-	-
Nursery grant	-	70,816	(70,816)	-	-
Junior school prize fund	669	-	-	-	669
High school prize fund	205	-	-	-	205
Yavneh prize fund	2,155	-	-	-	2,155
Grant of buildings and fixtures from BSF	21,091,831	-	(566,963)	-	20,524,868
Pension reserve	(1,768,000)	-	(227,000)	(249,000)	(2,244,000)
	<u>20,646,481</u>	<u>7,254,785</u>	<u>(7,336,598)</u>	<u>(249,000)</u>	<u>20,315,668</u>
Total of funds	<u><u>23,967,666</u></u>	<u><u>9,421,910</u></u>	<u><u>(9,976,703)</u></u>	<u><u>(249,946)</u></u>	<u><u>23,162,927</u></u>

KING DAVID SCHOOLS (MANCHESTER)

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

21. Statement of funds (continued)

Statement of funds - Group - prior year

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds					
General Funds	3,170,700	2,403,254	(2,252,742)	(27)	3,321,185
Restricted funds					
Academy funds	994,362	6,517,540	(6,192,281)	-	1,319,621
Donations	44,478	3,248	(47,726)	-	-
SEN income	58,917	95,935	(154,852)	-	-
Nursery grant	67,226	50,806	(118,032)	-	-
Junior school prize fund	669	-	-	-	669
High school prize fund	205	-	-	-	205
Yavneh prize fund	2,155	-	-	-	2,155
Grant of buildings and fixtures from BSF	21,661,468	-	(569,637)	-	21,091,831
Pension reserve	(1,767,000)	-	(253,000)	252,000	(1,768,000)
	<u>21,062,480</u>	<u>6,667,529</u>	<u>(7,335,528)</u>	<u>252,000</u>	<u>20,646,481</u>
Total of funds	<u><u>24,233,180</u></u>	<u><u>9,070,783</u></u>	<u><u>(9,588,270)</u></u>	<u><u>251,973</u></u>	<u><u>23,967,666</u></u>

KING DAVID SCHOOLS (MANCHESTER)

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

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	20,315,668	5,070,621	25,386,289
Fixed asset investments	-	11,004	11,004
Current assets	-	1,405,778	1,405,778
Creditors due within one year	-	(966,386)	(966,386)
Creditors due in more than one year	-	(429,750)	(429,750)
Provisions for liabilities and charges	-	(2,244,000)	(2,244,000)
Total	20,315,668	2,847,267	23,162,935

Analysis of net assets between funds - prior year

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	23,830,056	-	23,830,056
Fixed asset investments	-	11,950	11,950
Current assets	-	3,610,410	3,610,410
Creditors due within one year	(914,686)	(301,175)	(1,215,861)
Creditors due in more than one year	(500,889)	-	(500,889)
Provisions for liabilities and charges	(1,768,000)	-	(1,768,000)
Total	20,646,481	3,321,185	23,967,666

KING DAVID SCHOOLS (MANCHESTER)

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

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	Group 2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(555,739)	(517,514)
Adjustments for:		
Depreciation charges	629,971	621,884
Gains/(losses) on investments	(946)	27
Dividends, interests and rents from investments	-	(753)
Decrease/(increase) in stocks	(4,531)	1,500
Decrease in debtors	246,498	344,027
Increase/(decrease) in creditors	(292,093)	716,818
Decrease in provisions	-	(122,738)
LGPS pension movement	249,000	253,000
Net cash provided by operating activities	272,160	1,296,251

24. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	1,055,791	3,018,456
Overdraft facility repayable on demand	(306,178)	(220,304)
Total cash and cash equivalents	749,613	2,798,152

KING DAVID SCHOOLS (MANCHESTER)

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

25. Analysis of changes in net debt

	At 1 September 2020	Cash flows	Other non- cash changes	At 31 August 2021
	£	£	£	£
Cash at bank and in hand	3,018,456	(1,962,665)	-	1,055,791
Bank overdrafts repayable on demand	(220,304)	(85,875)	-	(306,179)
Loan due within 1 year	(131,580)	65,203	(2,396)	(68,773)
Loans due after 1 year	(500,889)	75,302	(4,163)	(429,750)
	<u>2,165,683</u>	<u>(1,908,035)</u>	<u>(6,559)</u>	<u>251,089</u>

26. Pension commitments

The Charity operates a defined contribution pension scheme. Contributions totalling £2,369 (2020: £1,883) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

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

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

KING DAVID SCHOOLS (MANCHESTER)

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

26. Pension commitments (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £595,356 (2019 - £529,330).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2021 was £198,000 (2020 - £173,000), of which employer's contributions totalled £151,000 (2020 - £150,000) and employees' contributions totalled £47,000 (2020 - £47,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 12 per cent for employees.

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

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

KING DAVID SCHOOLS (MANCHESTER)

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

26. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2021	<i>At 31 August 2020</i>
	%	%
Discount rate	1.65	1.7
Rate of increase in salaries	3.65	3.0
Rate of increase for pensions in payment/inflation	2.9	2.2

	At 31 August 2021	<i>At 31 August 2020</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	20.5	20.5
- at 65 for a male aged 45 now	23.3	22.0
- for a female aged 65 now	21.9	23.1
- at 65 for a female aged 45 now	25.3	25.0

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

	At 31 August 2021	<i>At 31 August 2020</i>
	£	£
Equities	2,981,290	2,291,600
Gilts	421,450	539,200
Property	293,930	235,900
Cash and other liquid assets	502,330	303,300
Total fair value of assets	4,199,000	<i>3,370,000</i>

The actual return on scheme assets was £(233,000) (2020 - £(33,000)).

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

	2021	<i>2020</i>
	£	£
Current service cost	177,000	184,000
Interest cost	91,000	93,000
Net interest	14,000	14,000
Total amount recognised in the Consolidated Statement of Financial Activities	282,000	<i>291,000</i>

KING DAVID SCHOOLS (MANCHESTER)

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

26. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2021 £
Opening defined benefit obligation	5,138,000
Contributions by scheme participants	44,000
Actuarial gains	-
Benefits paid	(44,000)
Current service costs	341,000
Interest cost	91,000
Actuarial gains	873,000
Closing defined benefit obligation	6,443,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2021 £
Opening fair value of scheme assets	3,370,000
Interest income	58,000
Actuarial losses	(249,000)
Assets distributed on settlements	873,000
Contributions by scheme participants	44,000
Benefits paid	(44,000)
Employer contributions	147,000
Closing fair value of scheme assets	4,199,000

27. Operating lease commitments

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

	Group 2021 £	Group 2020 £
Not later than 1 year	4,329	4,329
Later than 1 year and not later than 5 years	343	4,672
	4,672	9,001

KING DAVID SCHOOLS (MANCHESTER)

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

28. Related party transactions

During the year J Rowe, a Director of the Trustee Company advanced £nil (2020: £51,594) and was repaid £nil (2020: £50,000) of the loan owed to him. The amount due to him at the year end was £285,617 (2020: £285,617). This loan is unsecured and interest free.

During the year, King David High School, which has trustees common to the directorships of the Trustee Company, was recharged cleaning and caretaking costs to the value of £19,548 (2020: £19,548) by King David Schools. In addition the charity recharged catering costs amounting to £14,478 (2020: £15,290), lunch time organisers and cover lesson costs of £13,437 (2020: £nil) and trip expenses of £nil (2020: £786). They also paid voluntary and other contributions of £23,518 (2020: £25,607). During the year, King David Schools loaned the High School £nil (2020: £51,594). £nil (2020: £50,000) was repaid in the year leaving a balance due to the charity at the year end of £1,594 (2020: £1,594).

During the year, King David Schools (Manchester) Charitable Trust provided donations to the value of £943,920 (2020: £1,061,136) to King David High School.

During the year King David Primary School, which has trustees common to the directorships of the Company, was recharged caretaking costs to the value of £9,600 (2020: £9,600) by King David Schools. In addition the charity recharged catering costs amounting to £73,316 (2020: £55,229), and sundry costs of £nil (2020: £979).

During the year, King David Schools (Manchester) Charitable Trust provided donations to the value of £105,095 (2020: £184,900) to King David Primary School.

During the year, King David Resources Limited, a company in which J Rowe and A Berkely are Directors, was recharged cleaning costs of £nil (2020: £2,032) and loaned £nil (2020: £5,000). During the year King David Resources Limited recharged expenses amounting to £792,289 (2020: £694,112) to the group. The balance due to the charity at the year end was £10,155 (2020: £10,155).

KING DAVID SCHOOLS (MANCHESTER)

England & Wales - Charity number 526631

Accounts

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

KING DAVID SCHOOLS (MANCHESTER)

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KING DAVID SCHOOLS (MANCHESTER)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees

Directors of Trustee company:

J Rowe (Chair of Trustees)

S E Elias

A Berkeley

Charity registered number

526631

Principal office

Eaton Road

Crumpsall

Manchester

M8 5DY

Independent auditor

Crowe U.K. LLP

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Bankers

The Co-operative Bank plc

1 Balloon Street

Manchester

M60 4EP

Solicitors

Kuit Steinart Levy

3 St Mary's Parsonage

Manchester

M3 2RD

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustee present their annual report together with the audited financial statements of the for the year 1 September 2019 to 31 August 2020.

Objectives and activities

a. Charity Information

The Trustee presents its annual report and the financial statements for the year ended 31 August 2019. These accounts are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Statement of Recommended Practice (SORP) 2015 and Charities Act 2011.

b. Reference and Administrative Details

King David Schools (Manchester) is a registered charity (No. 526631), its principal address is shown on the charity information page. The charity is a public benefit entity.

c. Structure, Governance and Management

King David Schools (Manchester) was established under a Trust Deed dated 20 February 1873 and Articles of Government sealed 27 January 1959 as amended by Constitution dated 13 January 2003.

On 7 February 2012 the Charity Commission for England and Wales approved the replacement of the former individual trustees by a corporate trustee, KDS Trustee Limited. The former individual trustees became directors of the new trustee.

The Trustee is responsible for the overall governance of the Schools as a charity. The Trustee's role is to have an overview of the effectiveness of the schools and to ensure the maintenance of the faith and of the high standards of education generally. The Trustee appoints the Foundation Governors. The delivery of the education and curriculum and the management of the schools is controlled through the various Boards of Governors of each of the schools, namely

- High School (including Sixth Form and Yavneh)
- Primary School
- Crèche/Nursery

Effective partnership between the Trustee, Governors and staff has contributed significantly to a successful year of activity. The trustees meet, formally, once per year to discuss the accounts and are in touch with each other throughout the year. These meetings include a review of strategy and operational performance and set operating plans and budgets as and when necessary.

New officers of the Trustee company receive an induction pack containing everything they need to know about the Schools and its work for effective and informed decision-making. The officers of the Trustee company are regularly kept up to date about their responsibilities. Remuneration of key management personnel is determined by the trustee.

d. Bursar and Trustee

The Bursar and certain delegated officers of the Trustee company are responsible for the day to day management of King David Schools (Manchester) and for implementing policies.

TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

e. Corporate Governance

Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the Treasurer officer of the Trustee company and its Board of Directors.

The systems of internal control are designed to provide reasonable assurance but not absolute assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustee company.
- Regular consideration by the trustee of financial results and variances from budgets.
- Delegation of day to day management authority and segregation of duties.
- Identification and management of risks.

f. Risk Management

The Trustee has introduced a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks the School faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of managing the risks. As part of this process the Trustee has reviewed the adequacy of the School's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to the Board of Directors of the Trustee that include regular bank reconciliations as well as the production of management accounts at the end of each term which are reviewed by the officers of the Trustee.

The key risk facing the charity is the level of voluntary contributions and donations that it receives from parents and donors. Declining receipts translate into less funds available to improve the education being offered to our KD pupils. The Trustee endeavour to educate parents along with the wider community of the importance of their financial support especially in the light of the reducing government funding being made to our schools on the KD campus.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance

a. Objectives, Activities, Achievements and Performance

King David Schools (Manchester) exists to provide Jewish children with a meaningful orthodox Jewish religious education coupled with an excellent secular education.

All units on campus continue to achieve exemplary results in both the religious and secular area. The Primary School is ranked as one of the best performing in the country and the High School (including Sixth Form and Yavneh) results for both GCSE and 'A' level examinations puts it among the top tier of secondary schools in the country, both in relation to the State and Independent sectors. The High School has also achieved 'Outstanding' status with OFSTED recognising the significant contribution that the school makes to the education of pupils. Substantial grants have been awarded by the Government to the schools to enable them to continue with the expansion and upgrading of their facilities.

The Trustee have given due consideration to the Charity Commission's guidance on public benefit requirement under the Charities Act 2011. when reviewing the Charity's aims and objectives and in planning future activities. As a leading quality school to the Jewish community the Trustee notes that its success acknowledged nationally both in the secular and religious fields continues. Our pupils are well prepared to move on to leading universities, religious and secular colleges with many of our former students achieving success in the wider community.

The Trustee took possession of the new building financed primarily by the government under Building Schools for the Future (BSF) in November 2010 so that our pupils and staff enjoy a state of the art Education Facility second to none.

b. Core Objectives and Strategy

The core objective of the charity continues to be that of providing Jewish children with a meaningful orthodox Jewish religious education coupled with an excellent secular education.

The strategy is achieved by encouraging all units on the King David Campus to employ highest grade teachers who are able to instil in the pupils not only excellence in knowledge but also to experience a warm, friendly Jewish environment with a commitment to giving to the community as a whole. The Trustee continues to ensure that the facilities are up to date and suitable for the delivery of the educational and religious objectives.

The School is dependent on voluntary contributions from parents, donations and educational grants in order to fulfil its objectives. Failure of parents to meet their voluntary contribution commitments will threaten the school's ability to achieve its objectives.

KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

a. Financial Review, Management Policies and Results for the Year

The Consolidated Statement of Financial Activities (SoFA), set out on page 10, shows that the group received total income of £9,235,077 (2019: £9,015,929). £9,752,564 (2019: £9,653,219) was incurred as expenditure leaving a deficit of £265,514 (2019: £1,324,781) after a depreciation charge of £621,884 (2019: £611,683) and gains arising from changes in actuarial assumptions of £252,000 (2019: losses of £686,000).

This group position however, takes into account the surpluses in actuarial gains/(losses) in the pension schemes positions, which are long term non-cash items, of £132,000 (2019: (£401,000)) in The King David High School (KDHS) and £120,000 (2019: (£285,000)) in the King David Primary School (KDPS). Had these accounting entries not been included in this year's results, we would be facing a deficit of around £517,514 (2019: £638,781).

The principal funding sources are donations, voluntary contributions from parents, income from the nursery and statutory government funding for the two academies, King David High School and King David Primary School.

The charity itself generated a deficit of £454,189 (2019: £584,968).

The charity made an unrealised loss on its investments of £27 (2019: £1,491) leaving a total net movement in funds to be added to the reserves. The trustee remains conscious that more funds will have to be raised to maintain the ongoing excellence to which they are committed. Without parental assistance the current achievement of acclaimed success could be threatened.

The Charity continues to monitor its results against performance as its measurement of success. The Charity does not employ a professional fundraiser and relies on assistance from the Trustee, Governors and parents. Whilst it was noted that the Voluntary Contributions from parents continued below expectation, the Charity held a Fundraiser in 2020 which raised some £1,200,000 (due over 2 years). The Charity must continue its fundraising activities in order for it to be able to continue providing for its primary objectives and to maintain the high levels of educational standards. The Charity has not received any complaints about its fundraising activities and has policies in place to ensure that there is no unreasonable intrusion into a person's privacy.

b. Reserves

The policy of the Trustee has been and continues to be to utilise all reserves to fund the activities of the charity which has resulted from the development and growth of the campus, particularly the High School and to improve the religious and cultural educational experience across all the schools. Ideally the trustee would like the trust to hold two years' net expenditure of approx £1,000,000 in the unrestricted reserve fund but with constant erosion of the Academies funding from central government resulting in the Trustee having to support the 2 academies on the KD campus at a greater level than was envisaged that has not been possible.

The total reserves at the year end are £23,967,669 (2019: £24,233,180). This includes unrestricted reserves of £3,321,185 (2019: £3,170,700) and restricted reserves of £20,646,481 (2019: £21,062,480).

The Trustee is seeking sources of additional funding for capital expenditure in order that total reserve levels are improved. The Trustee does not consider that this has inhibited activities in any way.

Free Reserves

Free reserves for the group as at 31 August 2020 stood at £582,960 (2019: £500,048).

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

c. Investment Policy and Performance

The Charity has a small investment in a quoted company and a subsidiary but in the main all funds are held in cash since they are currently being directed to the major campus enhancement capital building programme. The policy is to sell these shares as and when the trustee consider the time to be propitious.

The Charity has an investment in Tesco plc with a market value of £11,948 (2019: £11,975). This constitutes more than 5% of the charity's investments.

The Charity has an investment in a dormant subsidiary, K D Advertising Limited, of £2 (2019: £2).

d. Staff Training and Career Development

The schools are committed to the training, career development and welfare of its employees. An individual's career development is assessed through appraisal and supervision. Training programmes are provided to meet ongoing needs, with the aim of developing employees for both their current and their future roles.

Pay and remuneration of Key Management Personnel are reviewed independently by the Directors of the Trustee Company who themselves are not compensated.

e. Auditors

Crowe U.K. LLP will be proposed for re-appointment at the Trustee meeting.

f. Future Plans

The King David School Campus now provides top class education in both secular and Jewish religious studies, with a wide cross section of extracurricular activities covering sports, art and culture housed in the most modern buildings with enhanced advance technological facilities supported by a most dedicated and capable staff. The Trustee is determined to reach out further in building a school of excellence which will continue to be the pride of the Jewish Community.

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

g. Going Concern

The charity and group meets its day-to-day requirements through its bank facilities and the extremely generous donors and parents. The group are considering a number of fundraising opportunities to recover the deficits going forward. Charity projections taking account of reasonable possible changes in performance show that the charity should be able to operate within the level of its current facilities. There is no intention by Mr J Rowe to request full repayment of the concessionary loan in the near future unless the charity can afford to do so.

The charity continues to monitor its results against performance as its measurement of success. The charity does not employ a professional fundraiser and relies on the assistance from the Trustee, governor and parents. Whilst voluntary contributions from parents continue to be below the ideal level, to compensate, the charity held an internet fundraising campaign in the year which raised over £1m (payable over a number of years). This ensures that the charity is able to continue with its primary objectives and to maintain the high levels of educational standards.

The Covid 19 pandemic has had an impact on the level of parental contributions being received but expenses have also reduced somewhat due to the Furlough schemes. The charity has also been able to reduce its donations to the academies. The trustees' aim is to ensure that the savings achieved offset some of the reduction in income. The Charity has use of an overdraft facility to ensure that any temporary cash flow shortfalls are covered. This is due for renewal in July 2021.

As has been the case for many years, the Trustee continues its success in maintaining sufficient income to ensure the requirements of the group are met in full. However, the group must continue its fundraising activities if the Academies are to continue to provide the academic excellence it has in the past.

The group therefore continues to adopt the going concern basis in the financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**TRUSTEE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Statement of Trustee's responsibilities

The Trustee 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).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditor

Each of the persons who are Trustee at the time when this Trustee's report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Approved by order of the members of the board of Trustee on 8 March 2021

and signed on their behalf by:



Joshua Rowe
Chair of KDS Trustees Ltd

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)

Opinion

We have audited the financial statements of King David Schools (Manchester) (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 August 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

KING DAVID SCHOOLS (MANCHESTER)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER) (CONTINUED)

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustee's responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

KING DAVID SCHOOLS (MANCHESTER)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING DAVID SCHOOLS (MANCHESTER)
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

This report is made solely to the charity's trustees, 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 trustees 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP.

Crowe U.K. LLP

Statutory Auditor

3rd floor

The Lexicon

Mount Street

Manchester

M2 5NT

Date: 8 March 2021

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	30,461	1,201,010	1,231,471	1,359,501
Charitable activities	5	6,637,068	752,623	7,389,691	7,632,369
Other trading activities	6	-	613,162	613,162	23,676
Investments	7	-	753	753	383
Total income		6,667,529	2,567,548	9,235,077	9,015,929
Expenditure on:					
Charitable activities	8	7,335,528	2,417,036	9,752,564	9,653,219
Total expenditure		7,335,528	2,417,036	9,752,564	9,653,219
Net losses on investments		-	(27)	(27)	(1,491)
Net movement in funds before other recognised gains/(losses)		(667,999)	150,485	(517,514)	(638,781)
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	25	252,000	-	252,000	(686,000)
Net movement in funds		(415,999)	150,485	(265,514)	(1,324,781)
Reconciliation of funds:					
Total funds brought forward		21,062,480	3,170,700	24,233,180	25,557,961
Net movement in funds		(415,999)	150,485	(265,514)	(1,324,781)
Total funds carried forward		20,646,481	3,321,185	23,967,666	24,233,180

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

The notes on pages 17 to 46 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	23,830,056	24,320,143
Investments	14	11,950	11,977
		<u>23,842,006</u>	<u>24,332,120</u>
Current assets			
Stocks	15	4,066	5,566
Debtors	16	587,888	931,519
Cash at bank and in hand		3,018,456	2,080,337
		<u>3,610,410</u>	<u>3,017,422</u>
Creditors: amounts falling due within one year	17	(1,215,861)	(725,735)
Net current assets		<u>2,394,549</u>	<u>2,291,687</u>
Total assets less current liabilities		<u>26,236,555</u>	<u>26,623,807</u>
Creditors: amounts falling due after more than one year	18	(500,889)	(623,627)
Net assets excluding pension liability		<u>25,735,666</u>	<u>26,000,180</u>
Defined benefit pension scheme liability	25	(1,768,000)	(1,767,000)
Total net assets		<u><u>23,967,666</u></u>	<u><u>24,233,180</u></u>
Charity funds			
Restricted funds:			
Restricted funds excluding pension asset	20	22,414,481	22,829,480
Pension reserve	20	(1,768,000)	(1,767,000)
Total restricted funds	20	<u>20,646,481</u>	<u>21,062,480</u>
Unrestricted funds	20	3,321,185	3,170,700
Total funds		<u><u>23,967,666</u></u>	<u><u>24,233,180</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020**

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:



Joshua Rowe
Chair of KDS Trustees Limited
Date: 8 March 2021


The notes on pages 17 to 46 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**CHARITY BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	22,372,704	22,942,341
Investments	14	11,950	11,977
		<u>22,384,654</u>	<u>22,954,318</u>
Current assets			
Stocks	15	4,066	5,566
Debtors	16	95,867	65,875
Cash at bank and in hand		506,956	340,524
		<u>606,889</u>	<u>411,965</u>
Creditors: amounts falling due within one year	17	(583,766)	(437,892)
		<u>23,123</u>	<u>(25,927)</u>
Net current assets / liabilities			
		<u>22,407,777</u>	<u>22,928,391</u>
Creditors: amounts falling due after more than one year	18	(500,889)	(567,315)
Net assets excluding pension asset		<u>21,906,888</u>	<u>22,361,076</u>
Total net assets		<u><u>21,906,888</u></u>	<u><u>22,361,076</u></u>
Charity funds			
Restricted funds excluding pension asset	20	17,847,332	18,167,283
Restricted funds	20	17,847,332	18,167,283
Unrestricted funds	20	4,059,556	4,193,793
Total funds		<u><u>21,906,888</u></u>	<u><u>22,361,076</u></u>

The financial statements were approved and authorised for issue by the Trustee and signed on their behalf by:


 Joshua Rowe
 Chair of KDS Trustees Limited
 Date: 8 March 2021

The notes on pages 17 to 46 form part of these financial statements.

KING DAVID SCHOOLS (MANCHESTER)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	22	1,296,251	841,757
Cash flows from investing activities			
Dividends, interests and rents from investments		753	383
Purchase of tangible fixed assets		(131,797)	-
Net cash (used in)/provided by investing activities		(131,044)	383
Cash flows from financing activities			
Repayments of borrowing		(131,615)	(75,302)
Net cash used in financing activities		(131,615)	(75,302)
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		1,764,560	997,722
Cash and cash equivalents at the end of the year	23	2,798,152	1,764,560

The notes on pages 17 to 46 form part of these financial statements

KING DAVID SCHOOLS (MANCHESTER)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

King David Schools (Manchester) is a registered charity (No. 526631), its principal address is shown on the charity information page. The charity is a public benefit entity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

King David Schools (Manchester) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. The charity has the right to appoint/ remove members and governors of the consolidated entities and as such has control.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.2 Going concern

The charity and group meets its day-to-day requirements through its bank facilities and the extremely generous donors and parents. The group are considering a number of fundraising opportunities to recover the deficits going forward. Charity projections taking account of reasonable possible changes in performance show that the charity should be able to operate within the level of its current facilities. There is no intention by Mr J Rowe to request full repayment of the concessionary loan in the near future unless the charity can afford to do so.

The charity continues to monitor its results against performance as its measurement of success. The charity does not employ a professional fundraiser and relies on the assistance from the Trustee, governor and parents. Whilst voluntary contributions from parents continue to be below the ideal level, to compensate, the charity held an internet fundraising campaign in the year which raised over £1m (payable over a number of years). This ensures that the charity is able to continue with its primary objectives and to maintain the high levels of educational standards.

The Covid 19 pandemic has had an impact on the level of parental contributions being received but expenses have also reduced somewhat due to the Furlough schemes. The charity has also been able to reduce its donations to the academies. The trustees' aim is to ensure that the savings achieved offset some of the reduction in income. The Charity has use of an overdraft facility to ensure that any temporary cash flow shortfalls are covered. This is due for renewal in July 2021.

As has been the case for many years, the Trustee continues its success in maintaining sufficient income to ensure the requirements of the group are met in full. However, the group must continue its fundraising activities if the Academies are to continue to provide the academic excellence it has in the past.

The group therefore continues to adopt the going concern basis in the financial statements.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.4 Expenditure

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property and buildings	- 2% Straight line
Motor vehicles	- 20% Straight line
Fixtures and fittings	- 15% Reducing balance
Computer equipment	- 33% Straight line
Other fixed assets	-

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

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

2.10 Cash at bank and in hand

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.12 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year. Contributions for personal pension schemes are accounted for in the year to which they relate.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2018 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations & grants	30,461	131,068	161,529
Parental voluntary contributions	-	741,801	741,801
Job retention scheme grants	-	164,294	164,294
Tax refund	-	163,847	163,847
	<u>30,461</u>	<u>1,201,010</u>	<u>1,231,471</u>

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations & grants	133,503	243,493	376,996
Parental voluntary contributions	-	848,834	848,834
Tax refund	-	133,671	133,671
	<u>133,503</u>	<u>1,225,998</u>	<u>1,359,501</u>

5. Income from charitable activities

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Operation of the school	6,637,068	752,623	7,389,691
	<u>6,637,068</u>	<u>752,623</u>	<u>7,389,691</u>

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Operation of the school	6,430,013	1,202,356	7,632,369
	<u>6,430,013</u>	<u>1,202,356</u>	<u>7,632,369</u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Fundraising income

	Unrestricted funds 2020 £	Total funds 2020 £
Income from gala dinner	8,210	8,210
Other fundraising activities	604,952	604,952
	613,162	613,162
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Income from gala dinner	23,676	23,676
	23,676	23,676

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	753	753
	753	753
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Investment income	383	383
	383	383

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Operation of the school	7,335,528	2,417,036	9,752,564
	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Operation of the school	6,863,004	2,790,215	9,653,219

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Operation of the school	6,976,822	2,775,742	9,752,564
	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Operation of the school	6,665,674	2,987,545	9,653,219

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Operation of the school 2020 £	Total funds 2020 £
Staff costs	5,780,532	5,780,532
Educational materials	676,245	676,245
Food & meal costs	356,417	356,417
Trips	101,784	101,784
Travel costs	240	240
Bus donations	12,500	12,500
Teacher training	39,077	39,077
Other direct costs	10,027	10,027
	6,976,822	6,976,822
	6,976,822	6,976,822
	<i>Operation of the school 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	5,217,042	5,217,042
Educational materials	703,931	703,931
Food & meal costs	486,091	486,091
Trips	213,067	213,067
Travel costs	718	718
Bus donations	19,172	19,172
Teacher training	11,587	11,587
Other direct costs	7,607	7,607
Bad debt provision	6,459	6,459
	6,665,674	6,665,674
	6,665,674	6,665,674

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Operation of the school 2020 £	Total funds 2020 £
Staff costs	571,363	571,363
Depreciation	621,884	621,884
Governance	37,610	37,610
Security and transport	156,286	156,286
Repair costs	116,556	116,556
Light & heat	228,387	228,387
Loan interest	9,651	9,651
Cleaning	165,609	165,609
Printing, postage and stationery	32,925	32,925
Bank charges and interest	9,514	9,514
Insurance	102,990	102,990
Sundries	98,460	98,460
Telephone	53,434	53,434
Recharge of expenses	430,892	430,892
Legal and professional fees	140,181	140,181
	<hr/> 2,775,742 <hr/>	<hr/> 2,775,742 <hr/>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Operation of the school 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	528,760	528,760
Depreciation	611,683	611,683
Governance	41,799	41,799
Security and transport	187,541	187,541
Repair costs	177,056	177,056
Light & heat	193,995	193,995
Loan interest	16,557	16,557
Cleaning	199,658	199,658
Printing, postage and stationery	29,925	29,925
Bank charges and interest	14,096	14,096
Insurance	107,900	107,900
Sundries	75,100	75,100
Telephone	27,240	27,240
Travel	88,647	88,647
Recharge of expenses	493,212	493,212
Legal and professional fees	194,376	194,376
	2,987,545	2,987,545
	2,987,545	2,987,545

10. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	21,550	20,924
	21,550	20,924

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff costs

	Group 2020 £	<i>Group 2019 £</i>
Wages and salaries	4,941,684	4,607,937
Social security costs	400,006	377,451
Contribution to defined contribution pension schemes	1,010,205	760,414
	<u>6,351,895</u>	<u>5,745,802</u>

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

	Group 2020 No.	<i>Group 2019 No.</i>
Teaching	97	94
Educational Support	94	77
Administration	8	8
Premises	6	5
Management	3	3
LA/SLA	5	6
	<u>213</u>	<u>193</u>

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

	Group 2020 No.	<i>Group 2019 No.</i>
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	1
	<u>3</u>	<u>3</u>

The remuneration (excluding employer pension and NI costs) received by key management personnel of the charity was £70,805 (2019: £67,049). The remuneration received by key management personnel of the academies was £413,715 (2019: £359,736).

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the subsidiary academy trusts. The Principal and other staff governors only receive remuneration in respect of services they provide in undertaking the roles of Principal and other staff members under their contracts of employment. and not in respect of their role as Governors. The value of Governors' remuneration and other benefits is disclosed in the individual academy financial statements and are publicly available.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. Trustee's remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	AUC £	Total £
Cost or valuation						
At 1 September 2019	29,044,454	37,180	1,054,069	312,228	-	30,447,931
Additions	-	-	-	121,432	10,365	131,797
At 31 August 2020	<u>29,044,454</u>	<u>37,180</u>	<u>1,054,069</u>	<u>433,660</u>	<u>10,365</u>	<u>30,579,728</u>
Depreciation						
At 1 September 2019	4,858,001	22,308	935,251	312,228	-	6,127,788
Charge for the year	580,889	7,436	17,823	15,736	-	621,884
At 31 August 2020	<u>5,438,890</u>	<u>29,744</u>	<u>953,074</u>	<u>327,964</u>	<u>-</u>	<u>6,749,672</u>
Net book value						
At 31 August 2020	<u><u>23,605,564</u></u>	<u><u>7,436</u></u>	<u><u>100,995</u></u>	<u><u>105,696</u></u>	<u><u>10,365</u></u>	<u><u>23,830,056</u></u>
At 31 August 2019	<u><u>24,186,453</u></u>	<u><u>14,872</u></u>	<u><u>118,818</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>24,320,143</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Tangible fixed assets (continued)

Charity

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	27,590,718	498,337	5,130	28,094,185
At 31 August 2020	<u>27,590,718</u>	<u>498,337</u>	<u>5,130</u>	<u>28,094,185</u>
Depreciation				
At 1 September 2019	4,767,195	379,519	5,130	5,151,844
Charge for the year	551,814	17,823	-	569,637
At 31 August 2020	<u>5,319,009</u>	<u>397,342</u>	<u>5,130</u>	<u>5,721,481</u>
Net book value				
At 31 August 2020	<u><u>22,271,709</u></u>	<u><u>100,995</u></u>	<u><u>-</u></u>	<u><u>22,372,704</u></u>
At 31 August 2019	<u><u>22,823,523</u></u>	<u><u>118,818</u></u>	<u><u>-</u></u>	<u><u>22,942,341</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Fixed asset investments

	Listed investments £
Group and Charity	
Cost or valuation	
At 1 September 2019	11,977
Revaluations	(27)
At 31 August 2020	11,950
Net book value	
At 31 August 2020	11,950
<i>At 31 August 2019</i>	<i>11,977</i>

15. Stocks

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Finished goods and goods for resale	4,066	<i>5,566</i>	4,066	<i>5,566</i>

16. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Due within one year				
Trade debtors	6,955	<i>4,954</i>	6,955	<i>4,954</i>
Amounts owed by group undertakings	-	-	4,606	<i>2,429</i>
Amounts owed by participating interests	10,155	<i>5,390</i>	10,155	<i>5,390</i>
Other debtors	59,902	<i>66,732</i>	37,668	<i>3,160</i>
Prepayments and accrued income	510,876	<i>854,443</i>	36,483	<i>49,942</i>
	587,888	<i>931,519</i>	95,867	<i>65,875</i>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Bank overdrafts	220,304	317,406	220,304	251,403
Bank loans	66,377	64,008	66,377	64,008
Other loans	65,203	61,721	-	-
Trade creditors	27,941	46,121	26,442	40,837
Other taxation and social security	7,418	10,092	7,418	10,092
Other creditors	37,640	32,813	4,977	5,041
Accruals and deferred income	790,978	193,574	258,248	66,511
	1,215,861	725,735	583,766	437,892
	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Deferred income at 1 September 2019	64,942	25,121	55,111	6,213
Resources deferred during the year	189,577	64,942	143,231	55,111
Amounts released from previous periods	(64,942)	(25,121)	(55,111)	(6,213)
	189,577	64,942	143,231	55,111

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Creditors: Amounts falling due after more than one year

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Bank loans	215,272	283,292	215,272	283,292
Other loans	285,617	340,335	285,617	284,023
	500,889	623,627	500,889	567,315

Included within the above are amounts falling due as follows:

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Between one and two years				
Bank loans	68,773	60,701	68,773	60,701
Other loans	285,617	340,335	285,617	284,023
Between two and five years				
Bank loans	146,499	222,591	146,499	222,591
Over five years				

Included within creditors are balances due to lenders in respect of bank loans. At 31 August 2020 the balance is £281,632 (2019: £347,300). The interest charged on the loan is 2.5% over bank base rate. The loans are secured by a letter of set off over credit balances.

Creditors includes a concessionary loan from J Rowe, a trustee of King David Schools (Manchester), of £285,617 (2019: £284,023). The loan is subject to a 12 month and 1 day notice period and not subject to interest.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Financial assets				
Financial assets measured at amortised cost	3,586,703	<i>2,940,713</i>	587,382	<i>375,694</i>
	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	1,172,917	<i>883,672</i>	648,372	<i>655,981</i>

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals.

Financial assets measured at fair value through income and expenditure comprise investments and total £11,950 (2019: £11,977) for both the Group and Charity.

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General Funds	3,170,700	2,403,254	(2,252,742)	(27)	3,321,185
Restricted funds					
Academy funds	994,362	6,517,540	(6,192,281)	-	1,319,621
Donations	44,478	3,248	(47,726)	-	-
SEN grant	58,917	95,935	(154,852)	-	-
Nursery grant	67,226	50,806	(118,032)	-	-
Junior school prize fund	669	-	-	-	669
High school prize fund	205	-	-	-	205
Yavneh prize fund	2,155	-	-	-	2,155
Grant of buildings and fixtures from BSF	21,661,468	-	(569,637)	-	21,091,831
Pension reserve	(1,767,000)	-	(253,000)	252,000	(1,768,000)
	<u>21,062,480</u>	<u>6,667,529</u>	<u>(7,335,528)</u>	<u>252,000</u>	<u>20,646,481</u>
Total of funds	<u><u>24,233,180</u></u>	<u><u>9,070,783</u></u>	<u><u>(9,588,270)</u></u>	<u><u>251,973</u></u>	<u><u>23,967,666</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds					
General Funds	2,634,864	2,452,413	(1,915,086)	(1,491)	3,170,700
Restricted funds					
Academy funds	1,552,818	6,392,895	(6,951,351)	-	994,362
Donations	-	44,478	-	-	44,478
SEN grant	-	58,917	-	-	58,917
Nursery grant	-	67,226	-	-	67,226
Junior school prize fund	669	-	-	-	669
High school prize fund	205	-	-	-	205
Yavneh prize fund	2,155	-	-	-	2,155
Grant of buildings and fixtures from BSF	22,234,250	-	(572,782)	-	21,661,468
Pension reserve	(867,000)	-	(214,000)	(686,000)	(1,767,000)
	<u>22,923,097</u>	<u>6,563,516</u>	<u>(7,738,133)</u>	<u>(686,000)</u>	<u>21,062,480</u>
Total of funds	<u><u>25,557,961</u></u>	<u><u>9,015,929</u></u>	<u><u>(9,653,219)</u></u>	<u><u>(687,491)</u></u>	<u><u>24,233,180</u></u>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	23,830,056	-	23,830,056
Fixed asset investments	-	11,950	11,950
Current assets	-	3,610,410	3,610,410
Creditors due within one year	(914,686)	(301,175)	(1,215,861)
Creditors due in more than one year	(500,889)	-	(500,889)
Provisions for liabilities and charges	(1,768,000)	-	(1,768,000)
Total	20,646,481	3,321,185	23,967,666

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	21,661,468	2,658,675	24,320,143
Fixed asset investments	-	11,977	11,977
Current assets	1,168,012	1,849,410	3,017,422
Creditors due within one year	-	(725,735)	(725,735)
Creditors due in more than one year	-	(623,627)	(623,627)
Provisions for liabilities and charges	(1,767,000)	-	(1,767,000)
Total	21,062,480	3,170,700	24,233,180

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	<i>Group 2019 £</i>
Net expenditure for the period (as per Statement of Financial Activities)	(517,514)	<i>(638,781)</i>
Adjustments for:		
Depreciation charges	621,884	<i>611,683</i>
Gains on investments	27	<i>1,491</i>
Dividends, interests and rents from investments	(753)	<i>(383)</i>
Decrease in stocks	1,500	<i>5,111</i>
Decrease in debtors	344,027	<i>607,799</i>
Increase in creditors	716,818	<i>159,178</i>
Decrease in provisions	(122,738)	<i>(118,341)</i>
LGPS pension movement	253,000	<i>214,000</i>
Net cash provided by operating activities	1,296,251	<i>841,757</i>

23. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash in hand	3,018,456	<i>2,081,966</i>
Overdraft facility repayable on demand	(220,304)	<i>(317,406)</i>
Total cash and cash equivalents	2,798,152	<i>1,764,560</i>

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	2,080,337	938,119	-	3,018,456
Bank overdrafts repayable on demand	(317,406)	97,102	-	(220,304)
Loan due within 1 year	(125,729)	131,880	(137,731)	(131,580)
Loans due after 1 year	(623,627)	1,594	121,144	(500,889)
	<u>1,013,575</u>	<u>1,168,695</u>	<u>(16,587)</u>	<u>2,165,683</u>

25. Pension commitments

The Charity operates a defined contribution pension scheme. Contributions totalling £1,883 (2019: £1,982) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2018.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Pension commitments (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £595,356 (2019 - £529,330).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2020 was £173,000 (2019 - £174,000), of which employer's contributions totalled £77,000 (2019 - £78,000) and employees' contributions totalled £47,000 (2019 - £46,000). The agreed contribution rates for future years are 19.1 per cent for employers and 5.5 - 12 per cent for employees.

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

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

KING DAVID SCHOOLS (MANCHESTER)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

25. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2020	<i>At 31 August 2019</i>
	%	%
Discount rate	1.7	1.8
Rate of increase in salaries	3.0	3.1
Rate of increase for pensions in payment/inflation	2.2	2.3

	At 31 August 2020	<i>At 31 August 2019</i>
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	20.5	20.6
- at 65 for a male aged 45 now	22.0	22.0
- for a female aged 65 now	23.1	23.1
- at 65 for a female aged 45 now	25.0	24.8

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

	At 31 August 2020	<i>At 31 August 2019</i>
	£	£
Equities	2,291,600	2,169,200
Gilts	539,200	340,810
Property	235,900	274,870
Cash and other liquid assets	303,300	405,120
Total fair value of assets	3,370,000	<i>3,190,000</i>

The actual return on scheme assets was £(33,000) (2019 - £59,000).

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

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25. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2020 £
Opening defined benefit obligation	4,957,000
Contributions by scheme participants	47,000
Actuarial gains	(285,000)
Benefits paid	(45,000)
Current service costs	371,000
Interest cost	93,000
Closing defined benefit obligation	5,138,000

Movements in the fair value of the Group's share of scheme assets were as follows:

	2020 £
Opening fair value of scheme assets	3,190,000
Interest income	59,000
Actuarial losses	(33,000)
Contributions by scheme participants	47,000
Benefits paid	(45,000)
Employer contributions	152,000
Closing fair value of scheme assets	3,370,000

26. Operating lease commitments

At 31 August 2020 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	<i>Group 2019 £</i>
Not later than 1 year	4,329	5,256
Later than 1 year and not later than 5 years	4,672	5,256
	9,001	<i>10,512</i>

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27. Related party transactions

During the year J Rowe, a Director of the Trustee Company advanced £51,594 (2019: £nil) and was repaid £50,000 (2019: £nil) of the loan owed to him. The amount due to him at the year end was £285,617 (2018: £284,023). This loan is unsecured and interest free.

During the year J Rowe donated £96,000 (2019:96,000) to the charity.

During the year, King David High School, which has trustees common to the directorships of the Trustee Company, was recharged cleaning and caretaking costs to the value of £19,548 (2019: £3,258) by King David Schools. In addition the charity recharged catering costs amounting to £15,290 (2019: £33,492), decorating and repair costs of £nil (2019: £5,000) and trip expenses of £786 (2019: £nil). They also recharged sundry costs of £nil (2019: £577) and paid voluntary contributions of £25,607 (2019: £nil). The High School recharged the charity £nil (2019: £3,339) in the year. During the year, King David Schools loaned the High School £51,594. £50,000 was repaid in the year leaving a balance due to the charity at the year end of £1,629 (2019: £nil).

During the year, general donations of £553,000 (2019: £141,740) and restricted donations of £508,136 (2019: £483,450) to fund religious education and SEN teaching were made to King David High School to fund religious education and SEN teaching. Of the general donations, £100,000 (2019: £NIL) was in creditors at the balance sheet date.

During the year King David Primary School, which has trustees common to the directorships of the Company, was recharged caretaking costs to the value of £9,600 (2019: £1,600) by King David Schools. In addition the charity recharged catering costs amounting to £55,229 (2019: £83,270), and sundry costs of £979 (2019: £871). The charity also recharged decorating and repair costs of £nil (2019: £1,200) to the school. The Primary School recharged £nil (2019: £1,918) in the period. The balance due to the charity at the year end was £505 (2019: £800).

During the year, King David Schools (Manchester) Charitable Trust provided donations to the value of £184,900 (2019: £187,900) to King David Primary School.

During the year, King David Resources Limited, a company in which J Rowe and A Berkely are Directors, was recharged cleaning costs of £2,032 (2019: 21,094) and loaned £5,000. The balance due to the charity at the year end was £10,155 (2019: £5,390).

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14. Fixed asset investments (continued)**28. Principal subsidiaries**

The following were subsidiary undertakings of the Charity:

Names	Company number	Registered office or principal place of business	Principal activity	Included in consolidation
The King David High School	07716057	Eaton Road, Crumpsall, Manchester, M8 5DY	Secondary education	Yes
The King David Primary School	08424154	Wilton Polygon, Bury Old Road, Manchester, M8 5DJ	Primary education	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
The King David High School	6,483,304	6,588,872	26,432	2,424,841
The King David Primary School	2,573,549	2,528,295	165,254	(353,796)

The charity has the right to appoint/ remove members and governors of the consolidated entities and as such has control.