
KING DAVID SCHOOLS (MANCHESTER)

TRUSTEE'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

KING DAVID SCHOOLS (MANCHESTER)

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustee and advisers	1
Trustee's report	2 - 7
Independent auditor's report on the financial statements	8 - 11
Consolidated statement of financial activities	12
Consolidated balance sheet	13 - 14
Charity balance sheet	15 - 16
Consolidated statement of cash flows	17
Notes to the financial statements	18 - 46

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 thorough 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 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 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)

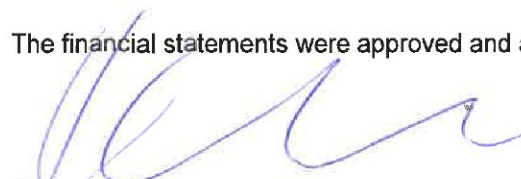
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021

	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	<u>2,847,259</u>	<u>3,321,185</u>
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)

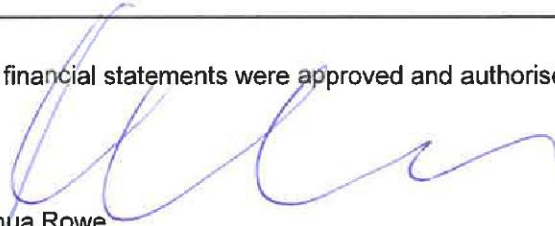
CHARITY BALANCE SHEET
AS AT 31 AUGUST 2021

	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>21,361,359</u>	<u>21,906,888</u>
Charity funds			
Restricted funds	21	20,524,868	17,847,332
Unrestricted funds	21	836,491	4,059,556
Total funds		<u>21,361,359</u>	<u>21,906,888</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>

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
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	<u>7,239,467</u>	<u>877,706</u>	<u>8,117,173</u>

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Operation of the schools	<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

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment income	753	753

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	7,336,598	2,640,105	9,976,703

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Operation of the school	7,335,528	2,417,036	9,752,564

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Operation of the school	6,902,502	3,074,201	9,976,703

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Operation of the school	6,976,822	2,775,742	9,752,564

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
	3,074,201	3,074,201

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	6,351,895	506,313	591,471

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	170

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	27,590,718	498,337	5,130	28,094,185
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	5,870,821	412,491	5,130	6,288,442
Net book value				
At 31 August 2021	21,719,897	85,846	-	21,805,743
At 31 August 2020	22,271,709	100,995	-	22,372,704

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 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Finished goods and goods for resale	8,597	4,066	8,597	4,066

17. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Due within one year				
Trade debtors	19,804	6,955	19,804	6,955
Amounts owed by group undertakings	1,594	-	1,594	4,606
Amounts owed by King David Resources Limited	10,155	10,155	10,155	10,155
Other debtors	119,617	59,902	63,915	37,668
Prepayments and accrued income	190,220	510,876	32,998	36,483
	341,390	587,888	128,466	95,867

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 £	Group 2020 £	Charity 2021 £	Charity 2020 £
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 £	Group 2020 £	Charity 2021 £	Charity 2020 £
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 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loans	144,133	215,272	144,133	215,272
Other loans	285,617	285,617	285,617	285,617
	<u>429,750</u>	<u>500,889</u>	<u>429,750</u>	<u>500,889</u>

Included within the above are amounts falling due as follows:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Between one and two years				
Bank loans	70,308	68,773	70,308	68,773
Other loans	<u>285,617</u>	<u>285,617</u>	<u>285,617</u>	<u>285,617</u>
Between two and five years				
Bank loans	<u>73,825</u>	<u>146,499</u>	<u>73,825</u>	<u>146,499</u>
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	<i>3,586,703</i>	326,099	<i>587,382</i>
	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	1,388,158	<i>1,172,917</i>	918,550	<i>648,372</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 £11,004 (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)
	20,646,481	7,254,785	(7,336,598)	(249,000)	20,315,668
Total of funds	23,967,666	9,421,910	(9,976,703)	(249,946)	23,162,927

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

	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 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>24,233,180</u>	<u>9,070,783</u>	<u>(9,588,270)</u>	<u>251,973</u>	<u>23,967,666</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

	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

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 %	At 31 August 2020 %
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 Years	At 31 August 2020 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 £	At 31 August 2020 £
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	3,370,000

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 £	2020 £
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	291,000

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).