

Company Registration Number: 07706900 (England & Wales)

THE KING'S SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE KING'S SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	L Allen D Armes S Cousins Prof K Durrands CBE P Ross J Farrington
Trustees	P Ross, Chair L Allen, Vice Chair J Farrington, Vice Chair D Armes S Cousins Prof K Durrands CBE G Mills (appointed 27 January 2021) Cllr J Smith S Jones, Staff Trustee J Parker, Staff Trustee E Drury (appointed 27 January 2021) S Marsh (appointed 27 January 2021) S Pickett, Head Master and Accounting Officer
Company registered number	07706900
Company name	The King's School
Principal and registered office	Brook Street Grantham Lincs NG31 6RP
Chief executive officer	S Pickett
Senior leadership team	S Pickett, Head Master S Brook, Deputy Head Master J Dixon, Deputy Head Master S Gordon, Director of Finance & Estates (CFO) H Murray, Assistant Head Teacher N Whales, Assistant Head Teacher

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Independent auditors	Streets Audit LLP Windsor House A1 Business Park at Long Bennington Newark Notts NG23 5JR
Bankers	HSBC 41 Westgate Grantham Lincs NG31 6LF
Solicitors	Veale Wasborough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a wide catchment area centred on the town of Grantham in Lincolnshire. It has a pupil capacity of 1,215 and had 1,214 on the school roll on 1 September 2020.

Structure, governance and management

Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Trustees of The King's School are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Method of recruitment and appointment or election of Trustees

The Articles of Association detail the different types of Trustee, each category has slightly differing election or appointment processes, as outlined below:

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Head Master or any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected. The term of office of a parent trustee should end when they cease to be the parent of a registered pupil.

There is no maximum number of Members and the Articles do allow for an infinite number of appointments.

The Members appoint the Foundation Trustee.

The Governing Body may appoint a Community Trustee.

The Head Master shall be treated for all purposes as being an ex officio Trustee.

A minimum of 2 Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when he or she is elected. The term of office of a parent trustee should end when they cease to be the parent of a registered pupil.

The Members shall appoint 2 Staff Trustees (which shall include 1 teaching staff member and 1 support staff member) through such process as they may determine. If a Staff Trustee ceases to work at the Academy, then they shall be deemed to have resigned and shall cease to be a Trustee automatically on termination of their work at the Academy.

The Trustee may appoint up to 3 Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustee who have not themselves been so appointed.

Trustees are subject to retirement or re-election at the end of their four-year term of office unless the eligibility conditions listed above prevail. Whilst closely following the requirements of the Academy Trust Articles of Association, Trustees have decided to pursue a skills-based approach to the nomination and selection processes for new Trustees in order to ensure the board comprises personnel with a wide range of relevant experience and professional knowledge.

Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees are given a tour of the Academy and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees each year, induction tends to be done informally and is tailored specifically to the individual.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Organisational structure

The structure of the Academy consists of two senior levels: Board of Trustees which includes the Head Master (as Accounting Officer). The Head Master also leads the Senior Leadership Team which includes the Director of Finance and Estates, two (2) Deputy Headmasters and two (2) Assistant Headteachers. An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of all staff to support continual improvement and excellence.

The Board of Trustees is responsible for setting the Academy's general policies, adopting the annual development plan and budget, monitoring performance against these plans and making major decisions about the direction of the academy and staffing.

The Head Master and Senior Leadership Team control the School at an executive level, implementing the policies set by the Board of Trustees and reporting back to them.

During the Financial Year 2020/21 the Board of Trustees continued to operate as a single board and met over 10 times during the year; all of these meetings were held remotely via Zoom and Microsoft Teams to facilitate decision making during the Covid19 pandemic. This operating structure ensured that all Trustees were aware of all operational matters. An Audit and Risk Committee also meets as required under separate chairmanship during Trustee meetings to fulfil the requirements of the Academy Trust Handbook.

The academy has an approved Financial Regulations Handbook which details the School's delegated authorities and authorised spending limits.

A new ESFA Funding Agreement was submitted and subsequently accepted by Minister for Education.

Groups of trustees may be formally organised outside of the committee structure to support the Academy as required, to consider inter alia:

- Head Master and Senior Leadership Team recruitment.
- Personnel & Salaries (subcommittee of main board)
- Pupil Discipline
- Staff Discipline
- Complaints
- Significant areas of change management, i.e. Admissions Policy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Arrangements for setting pay and remuneration of key management personnel

The academy has an approved Pay Policy which is reviewed annually by the Personnel & Salaries Committee, a sub committee of the Governing Body. This policy sets out the framework for making decisions on teachers and support staff pay. It has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD) and has been consulted on with staff and professional associations.

The Board of Trustees is committed to taking decisions using fair, transparent, and objective criteria in order to secure a consistent approach in school pay decisions. The Board of Trustees recognises the requirement that all pay progression decisions for all leadership staff will be linked to annual appraisal of performance.

The Pay Policy is designed to:

- Ensure that decisions on pay progression are managed in a fair, just and transparent way.
- Enable the Academy to recognise and reward senior staff appropriately for their contribution to the school.
- Maintain and improve the quality of teaching and learning at the school.
- Support the school strategic plan.
- Support the recruitment and retention of a high-quality workforce.
- Ensure there is a strong link between Performance Management and pay progression.

Leadership Pay

The Head Master's pay is determined by the Board of Trustees, who will assign a seven point Individual School Range (ISR) based on the school group size, as determined by the School Teachers Pay and Conditions Document (STPCD). Progression on the ISR for the Head Master will be subject to a review of the Head Master's performance set against an annual appraisal review.

Other Senior Leaders pay is determined by the Board of Trustees. The Board of Trustees determines a 4 point scale on the National Joint Council Scale (NJC) for the Director of Finance and Estates. The Deputy Head Masters' and the Assistant Head Teachers' scales are determined by the Board of Trustees they will determine a five point pay range from within the Senior Leadership Range, the range for individual posts will be determined according to the duties and responsibilities of the post. Progression on the pay range for a member of staff paid on the Senior Leadership Range will be subject to a review of their performance set against the annual appraisal review.

The Board of Trustees will ensure that salaries are reviewed annually, with effect from 1 September and no later than 30 November (31 December for the Head Master) each year, and that all staff are given a written statement setting out the salary to which they are entitled. Reviews may take place at other times of the year to reflect any changes in circumstances or job description that led to a change in the basis for calculating an individual's pay. A written statement will be given after any review and, where applicable, will give information about the basis on which it was made.

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Structure, governance and management (continued)

. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	3
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	858	
Total pay bill	4,620,452	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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Objectives and activities

Objects and aims

The principal object and aim of the charitable company is the operation of The King's School as set out in the Company's Articles of Association. The curriculum provided by the Academy to pupils between the ages of 11 and 19 is designed to be broad and balanced.

The King's School is a selective academy for boys, selecting from the top 25% of the ability range through the 11+ process. The Academies purpose is to provide the best possible education for its students.

The charitable company complies with the requirements of both the Articles of Association and Funding Agreement. The charitable company ensures the procedures for admitting students to the academy are applied and that the curriculum complies with the substance of the national curriculum.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2021 are summarised below:

Leadership & Management

- Analyse the academy's budget projections 2021-25 and to monitor efficiency and revenue raising measures.
- Review performance management and pay policy arrangements for implementation from September 2021.
- Establish a student alumni organisation and programme.
- Establish a clear Vision and Value statement for the Academy.
- Introduce an improved Behaviour Tracking System.

Teaching, Learning & Assessment

- The policies for teaching and learning, assessment, reporting, recording, and marking were integrated to create a new feedback policy. This has been implemented.
- The Year 7 curriculum has been extended to include Art and Drama as response to the potential mental health and wellbeing issues.
- The recording and review of the systems for disadvantaged students has been updated to make a clearer offer to parents that can be met and addressed.
- Underperforming departments have had appropriate intervention.
- The curriculum was reviewed, and changes implemented.
- All staff were trained in remote learning and this was implemented considering the SARSCOV2 Pandemic.

Personal Development, Behaviour and Well Being

- Develop a sixth form mentoring programme.
- Attendance arrangements were reviewed, updated and improved.
- A new system for reporting safeguarding concerns was introduced.
- A new behaviour tracking strategy was successfully introduced and refined.
- The VESPA A level Mindset course. Was improved and implemented.
- Monitor attendance arrangements.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Outcomes for Learners

The academic targets for 2020/21 were met and often exceeded:

TARGET	MIN	ASP	Outcome
Attainment 8	5.97	6.41	67.7
Progress 8	0.17	0.59	0.78
% of grades 9-7	37	43	50
% 5+ (EM) standard pass	93	97	98
% 5+ (EM) strong pass	81	97	89
% EBacc Strong	31	62	54
Y13 ALPS Teaching & Learning	5	3	NA
% of grades A*-B	72	82	76.6
% of grades A*-E	95	100	99.5
Attendance			NA

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Academy Environment for Learning

- The Castlegate Boiler and pipework was replaced following a successful CIF bid. The Old Church Hall was demolished in preparation for a new modular building which will provide 2 new classrooms. CCTV was replaced across the main school site. A delayed roof replacement project awarded in the 2020 CIF round finally commenced. The Academy's IT infrastructure has been improved significantly.

Extra – Curricular

In addition to the taught curriculum The King's School believes in the development of self-confidence, resilience, self-control, and emotional intelligence. It is in the development of such traits that our extracurricular programme plays a fundamentally important role. The staff and governors believe in the importance of providing a broad and balanced curriculum, offering a wide range of challenge and opportunities for all students both within and outside the classroom.

1. The Academy curriculum encourages boys to foster their own spiritual belief and respect the faith of their peers. An established range of services are held in St. Wulfram's Church. The Christian Union supported by Harrowby Lane Methodist Church, meets on Fridays. A room is available for Islamic prayer.
2. Y12/13 work placement and /voluntary work provides the boys with the opportunity to develop their social skills in an adult environment.
3. The House System provides boys with the opportunity to form new relationships, develop their social and team skills through representing their house in sporting and musical activities.
4. The Sixth Form Honours Award allows Sixth Form students to be credited for their charity work, their support of younger students and their support of the wider school community.
5. The Academy's extra curricular programme is extensive and well established. A significant number of boys play sport at both school and county and regional level. Rugby, football, cricket and water polo are strengths. Approximately one third of boys are learning a musical instrument. A significant number of boys represent the school in county music ensembles and the National Youth Choir. There is an extensive programme of school music concerts and drama productions. There is an extensive programme of overseas educational visits.
6. The Combined Cadet Force (CCF), together with the Duke of Edinburgh Award Scheme, is an integral part of the school's history, culture and ethos. Their activities engender a sense of discipline, resilience and contribute significantly to the boys' social, moral and cultural development.

Public benefit

The Governors confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The academy's public benefit is enshrined in its charitable objects, which state:

- To advance for the public benefit education in the town of Grantham and the surrounding area, in particular but without prejudice to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum.
- To cooperate with other charities, other independent and maintained schools, voluntary bodies and statutory authorities operating in furtherance of the Object and to exchange information and advice with them.
- To provide facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Key performance indicators

The Board of Trustees has established the Key Performance Indicators (KPI) listed below:

Financial Year (FY)	Published Admission Number (PAN)	Number on Roll (NOR) in Y7 September
12/13	145	147
13/14	145	148
14/15	174	178
15/16	174	186
16/17	174	186
17/18	174	184
18/19	174	194
19/20	174	187
20/21	174	180
21/22	174	175

FY	Total GAG Income	Census NOR	£ per pupil	KS3 & 4 Pre-16 element of GAG	KS3 & 4 NOR	£ per KS3 & 4 student	6th form element post 16 of GAG	6th form NOR	£ per 6th form student
12/13	£4,902,453	1025	£4,783	£3,559,940	738	£4,823	£1,342,513	287	£4,677
13/14	£4,851,024	1023	£4,742	£3,589,771	746	£4,812	£1,261,253	277	£4,553
14/15	£4,714,901	1015	£4,645	£3,521,400	743	£4,739	£1,193,501	272	£4,387
15/16	£4,714,437	1044	£4,516	£3,590,944	778	£4,615	£1,123,493	266	£4,223
16/17	£4,729,545	1079	£4,383	£3,622,943	809	£4,478	£1,106,602	270	£4,098
17/18	£4,795,439	1120	£4,282	£3,682,217	847	£4,347	£1,113,222	273	£4,077
18/19	£5,165,337	1147	£4,503	£4,091,319	885	£4,622	£1,074,018	262	£4,099
19/20	£5,434,204	1170	£4,644	£4,406,400	918	£4,800	£1,027,804	252	£4,078
20/21	£5,921,519	1205	£5,000	£4,620,000	924	£5,000	£1,301,519	281	£4,188
21/22	£6,320,717	1214	£5,206	£4,981,800	920	£5,415	£1,338,917	294	£4,554

Financial Year	Teaching Staff incl Supply % of GAG (%)	Support Staff incl Lettings income & Staffing costs % GAG (%)	All Staff % GAG+ lettings income (%)	LGPS Deficit (£)
12/13	55	18	63	466,000
13/14	57	18	65	752,000
14/15	62	18	69	822,000
15/16	65	16	71	1,412,000
16/17	68	16	73	1,052,000
17/18	67	17	73	1,052,000
18/19	66	19	84	1,598,000
19/20	68	22	89	1,516,000
20/21	63	20	83	1,876,000

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Going concern

After making appropriate enquires, the board of Trustees have a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial effect of Significant events

Covid19 Pandemic – The Sars-Cov-2 virus had a continued detrimental impact across the UK since the pandemic was declared in March 2020. The subsequent second lockdown in January 2021 enforced school closures to all except key worker's children and the most vulnerable. Despite a remote learning provision which was mandated by the Department for Education and enshrined in law, students were disadvantaged due to the lack of face-to-face teaching. Cancellation of exams and other educational milestones had a devastating effect on the students and their expected outcome, and the prolonged uncertainty caused several mental health issues. The Teacher Assessed Grades process was complex and placed additional burden on staff and students. The effect on exam results will be explained later in the report. Financially, the pandemic continued to negatively impact the school in several areas. The loss of lettings income specifically affected the forecasted other income figures. In addition, expenditure on cleaning items and supplies along with equipment to ensure the school was Covid-19 safe was exponentially higher. Additional funding for the introduction of Covid-19 testing in March 2021 and the Catch-up Premium increased the level of funding. Expenditure savings were made in areas such as staff overtime, curriculum materials, utilities, agency staff. Covid-19 along with Brexit affected supply chains and contractor availability resulting in delays to infrastructure projects and some essential maintenance. Overall, The King's School staff and students again rose to this unique challenge and strove to minimise the effects of the pandemic on finances and both student and staff mental health by providing support wherever needed.

Financial review

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities. The academy has benefited from the introduction of the Fairer Funding formula. The Trust also receives a significant amount of funding from Lincolnshire County Council, its local authority.

To hedge against the aforementioned budget reductions the Board of Trustees in September 2014, increased the number of students admitted into Year 7 by one form of entry. This has now completed its cycle for Academic Years 7 to 11 which all Years have a PAN of 174.

During the year, the total income being recurrent and other grant funding from the ESFA and other incoming resources were in excess of total expenditure. The excess of income over expenditure for the period was £511,093. Excluding the costs relating to the restatement of the LGPS deficit, the excess of income over expenditure was £747,093.

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently, in common with other Trusts, the Trust balance sheet shows a net liability of £1,876,000.

The Trust held fund balances at 31 August 2021 of £4,278,304, comprising £411,535 of restricted funds, a fixed asset reserve of £5,711,755, a pension reserve deficit of £1,876,000 and £31,014 of unrestricted general funds.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

Restricted general funds (excluding pension reserves) at the year-end were £411,535 and unrestricted funds are £31,014 in surplus. This gives net free reserves of £442,549.

This sum has been impacted by a deficit of £433,197 inherited on conversion and being repaid by half yearly loan repayments to the Local Authority. The Academy has confirmed with the LA that this loan cannot be called in or paid back early and therefore the Academy will continue to allocate the loan repayments annually through the revenue budget to ensure it provides for the ongoing liability. This approach ensures the Academy can access any 'free reserves' to improve outcomes for students as these will not be called on to settle the outstanding loan balance.

The fixed asset reserve balance is £5,711,755. This balance can only be realised by the disposal of fixed assets.

The Academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be spent at the Governors' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams. During the year ended August 2021, the Trustees determined the appropriate level of free reserves as no less than £100,000 or 2% of GAG whichever is the greater. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of revenue (spendable) reserves of £442,549 is in excess of the desired level, representing 4.4% of GAG. The academy has ongoing capital projects which will require financial input. The reserves this year includes figures for future commitments and projects. It is the Trustee's longer term aim to build on the site of the former Church Hall and this project would require a significant capital outlay. It is hoped that such a project could be planned to coincide with the 500 year anniversary of the re-founding of The King's School in 2028.

Investment policy

The Academy's Articles give Trustees the power "to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects." The Board of Trustees has responsibility for the Trust's finances and "to approve the Investments Policy to manage, control and track financial exposure, and ensure value for money; to review the trust's investments and investment policy on a regular basis."

Objectives

The investment objectives are:

- To achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation;
- Only invest funds surplus to operational need based on all financial commitments being met without the Academy bank account becoming overdrawn;
- By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Academy, commanding broad public support.

The King's School does not currently operate any investment accounts.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

Based on the strategic plan, the Board of Trustees undertakes a comprehensive review of the risks to which the academy is exposed. The committee identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Board of Trustees will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the academy.

A risk register, covering low, medium and high-level risks, is maintained at academy level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the academy. However, not all factors are within the academy's control and other factors besides those listed below may also adversely affect the academy. The Academy Risk Register focuses on seven (7) main risk categories. Outlined below is a brief descriptor of the principal risk factors that may affect the Academy. However, not all factors are within the Academy's control and other factors besides those listed below may also adversely affect the Academy.

1. Strategic/reputational
2. Physical
3. Infrastructure
4. Governance
5. Staffing
6. Students
7. Financial

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The principal identified risks are:

1. Government funding. The Academy has considerable reliance on continued government funding through the ESFA (ESFA) and the Local Authority. This risk has and will be mitigated in several ways:
 - a. Funding is derived through a number of direct and indirect contractual arrangements;
 - b. Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
 - c. Ensuring the Academy is focused on those priority sectors which will continue to benefit from public funding;
 - d. Contingency planning embedded into the Academy budget process, including forward planning and maintenance of a forward medium-term budget.
2. Maintain Adequate Funding of Pension Liabilities. The financial statements report the share of the local government pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS102. The Academy takes professional advice on this position and makes appropriate contributions based on that advice to ensure the deficit does not become unmanageable.
3. Pupil Strategy The Academy seeks to maintain its popularity with current and prospective pupils by:
 - a. Ensuring the Academy delivers high quality education and training;
 - b. Maintaining outstanding success rates and good inspection outcomes;
 - c. Investing in teaching and support staff and resources;
 - d. Improving the teaching environment.
4. Financial Stability – The Trustees approved a NOR expansion plan which will be complete in 20/21. Additional classroom accommodation is required to accommodate the increase in NOR to support the continuation of delivering outstanding education. Governors agreed a plan to demolish and replace the Church Hall to provide suitable teaching space. This alongside a new Entrance proposal should free up some classroom space within the current main site footprint. Suitable classroom space is essential to maintain the increased NOR so as not to negatively impact the strong financial position.
5. The King's School buildings are a mixture of Grade 1, Grade 2, 1960s and 21st century. English Heritage and the local community take great interest in the school's architecture and impressive history, with Sir Isaac Newton one of a number of high-profile former students. Newton's original school building is maintained and used daily by the current students for assemblies, lessons, exams and as a dining hall. This notable history carries with it responsibility and financial burden. General repairs and maintenance together with any build project are all subject to intense scrutiny by English Heritage and insistence that all works must be carried out sympathetically to the listed buildings, renovating and reinstating back to their original state regardless of the financial consequence for the academy's budget.

Fundraising

We do not carry out any fundraising activities for the academy's own benefit, other than voluntary non-uniform days for the students where £1 is charged, and any funds raised are paid into our pupil welfare fund, which forms part of our school fund accounts.

We do not work with any professional fundraisers.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The school continues to exploit the opportunities afforded by conversion to Academy status and has achieved considerable success with applications to the CIF fund. The second CIF bid submitted in December 2020 was successful and the school were advised of this in July 2021. The replacement boiler project was worth £170,000 and should be complete by October 2021. The delayed CIF funded roof project (2020 award) is unlikely to be complete before April 2022. These delays have caused significant damage to the interior of the Grade II listed Church Street site and has increased the funding required to repair and renovate this area to an acceptable standard putting additional pressure on the budget.

- Priority 1: To install a modular building on the Church Hall site to provide suitable classroom accommodation.
- Priority 2: To renovate the Church Street classrooms to address the interior damage to ceilings and walls caused by prolonged water ingress, ensuring sufficient teaching and learning space for the students.
- Priority 3: To construct a new entrance on Brook Street to provide a bespoke entrance for visitors and late arrivals/early leavers and alleviate any safeguarding risk associated with the current access arrangements.

Funds held as custodian on behalf of others

The Academy has no such funds held.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on
21st Dec 2021 and signed on its behalf by:



P Ross
Chair of Trustees

THE KING'S SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The King's School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Head Master, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The King's School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

THE KING'S SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 10 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Ross, Chair	10	10
L Allen, Vice Chair	9	10
J Farrington, Vice Chair	9	10
D Armes	9	10
S Cousins	8	10
Prof K Durrands CBE	9	10
G Mills	6	6
Cllr J Smith	3	10
S Jones, Staff Trustee	9	10
J Parker, Staff Trustee	10	10
E Drury	4	5
S Marsh	5	5
S Pickett, Head Master and Accounting Officer	10	10

Trustees continue to develop governance as one of the objectives within the Strategic Plan, aware of the importance of monitoring the impact and effectiveness of the FGB. All trustees understand their legal duties and responsibilities as laid out in the Academies Financial Handbook. The Board of Trustees is equipped with the skills to understand and influence the academy business model.

The Board of Trustees provided an appropriate level of challenge and support to the Head Master. Continual Professional Development (CPD) opportunities were identified and conveyed to Trustees through the National Governors' Association (NGA) and updates were provided for Trustees. The development needs of governors are kept under review given the increasing complexity and accountability that goes with this role. A skills audit was completed in the previous financial year.

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to:

- review the external auditor's plan each year,
- review the annual report and accounts,
- review the auditor's findings and actions taken by the trust's managers in response to those findings,
- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering.

Considerations may include:

- the auditor's sector expertise,
- their understanding of the trust and its activities,
- whether the audit process allows issues to be raised on a timely basis at the appropriate level,
- the quality of auditor comments and recommendations in relation to key areas,
- the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers,
- the auditor's use of technology,
- produce an annual report of the committee's conclusions to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

THE KING'S SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Ross	2	2
L Allen	2	2
J Farrington	2	2
S Pickett (guest)	2	2
J Parker (guest)	2	2
S Jones (guest)	2	2
G Mills	2	2
Prof K Durrands CBE	2	2
S Cousins	2	2
Cllr J Smith	0	2
D Armes	2	2
S Marsh	2	2
E Drury	2	2

THE KING'S SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Head Master has responsibility for ensuring that the Academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy can provide evidence of improved value for money during the year including new contracts for external IT support, Catering, Audit and Reprographics equipment.

Challenge

- The long-term financial planning process supported the school in achieving strategic outcomes. The presentation of financial data to the leadership team and governors was reviewed and reporting processes developed and improved. The FGB minutes throughout the year confirm that governors are assured about financial leadership of the school and reinforce the fact that clarity and detail has informed their decision making through presentation of high-level budget monitoring, cash flow and budget planning reports.
- Decisions are supported by accurate option analysis and business case to ensure value for money.
- A culture founded in the principles of value for money was promoted and embedded to ensure that the school continued to challenge how it secured economy, efficiency and effectiveness.
- A three-year balanced budget was submitted to the ESFA.
- The impact of fairer funding for future sustainability of the school and opportunities for budget planning to support creativity to enrich the curriculum, school offer and outcomes for students was evaluated and reported to the FGB.

Compare

- Data Review and Analysis of School performance (ASP) Data for GCSE was presented to the FGB. Governors' attention was drawn to specific areas of the data, including Progress 8. Results showed that King's School boys improved exceptionally well in comparison to other schools.
- Throughout the year, contracts were reviewed to ensure effective and economical ways of obtaining services and retendered to ensure Best Value not only in terms of price, but also delivery of service.

Consult

- Consultation took place with stakeholders through student and parent surveys which provide clear evidence that value for money has been achieved in terms of satisfaction and outcomes summed up by over 99% of parents confirming that they would recommend the school to another parent. 95% of students said "yes" and 5% "maybe" that they would recommend this school to a friend moving to the area.

THE KING'S SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Compete

- Audit confirms that sound controls are in place to ensure probity. Audit also confirms that quotations and tenders are obtained for the purchase of goods and services in accordance with the Scheme for Financing schools. A review of services has taken place and contracts awarded not only on the basis of value for money regarding price, but also on strengthening best practice and procedures within the school e.g. H&S, IT purchases and award of building contracts.
- Student outcomes are outstanding (ALIS 2018/9, Progress 8 measure 2018/19 and L3VA 2018/19) which gives a powerful indication of the quality and impact of teaching over time – consistently good teaching achieves outstanding results.
- Extra curricular activities are a strength of the school and promote the ethos that education continues beyond school and the classroom. Excellence has been achieved through sport and competition, in house and at county and national level.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The King's School for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE KING'S SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ Duncan & Toplis as internal auditor.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy's financial systems. In particular, the checks carried out in the current period included testing of payroll systems, testing of purchase systems and testing of control account/bank reconciliations.

On a semi-annual basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares a short annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

During the year ending 31 August 2021, the two interim audits, together with the final external audit scrutinised the operation of the systems of control and the discharge of the Board of Trustees financial responsibilities. The reviewers delivered their schedule of work as planned; no significant matters were identified which required internal controls or procedures to be amended.

Review of effectiveness

As accounting officer, the Head Master has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

THE KING'S SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees and signed on their behalf by:



.....
P Ross
Chair of Trustees



.....
S Pickett
Accounting Officer

Date: *14th December 2021*

THE KING'S SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The King's School I have considered my responsibility to notify the Academy Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



S Pickett
Accounting Officer

Date: 14th December 2021

THE KING'S SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

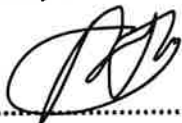
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



.....
P Ross
Chair of Trustees

Date: 21st Dec 2021

THE KING'S SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
KING'S SCHOOL**

Opinion

We have audited the financial statements of The King's School (the 'academy') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 and of its 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 Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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 Trustees' 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 Academy'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.

THE KING'S SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
KING'S SCHOOL (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

THE KING'S SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE KING'S SCHOOL (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the trust through discussions with Trustees and other management, and from our commercial knowledge and experience of the Trust and education sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the Companies Act 2006, the Academies Financial Handbook 2020, the Academies Accounts Direction, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety and safeguarding legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the trust's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed a sample of grants in the year to allocation and accurate recognition;
- agreed a sample of employees on the Trust payroll to existence and agreed the accuracy of their pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

THE KING'S SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
KING'S SCHOOL (CONTINUED)**

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing internal audit reports for any indication of breaches of laws and regulations;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the Trust's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' report.

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members 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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Bradshaw (Senior statutory auditor)

for and on behalf of
Streets Audit LLP
Windsor House
A1 Business Park at
Long Bennington
Newark
Notts
NG23 5JR

Date: 22 December 2021

THE KING'S SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KING'S SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9 March 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The King's School during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The King's School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The King's School and ESFA those matters we are required to state in a 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 King's School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The King's School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The King's School's funding agreement with the Secretary of State for Education dated 15 July 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

Our audit work involved:

- a review of the Trust's systems and controls and confirmation of the operation and effectiveness during the year;
- a review of expenditure to confirm the appropriateness and value for money; and
- a review of connected party arrangements, transactions and balances.

THE KING'S SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KING'S
SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mark Bradshaw (Senior statutory auditor)
Streets Audit LLP

Windsor House
A1 Business Park at
Long Bennington
Newark
Notts
NG23 5JR

Date: 22 December 2021

THE KING'S SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	26,695	108,520	241,713	376,928	982,330
Other trading activities		31,878	-	-	31,878	126,962
Investments	6	99	-	-	99	2,361
Charitable activities		158,430	6,530,218	-	6,688,648	6,141,821
Total income		217,102	6,638,738	241,713	7,097,553	7,253,474
Expenditure on:						
Raising funds		-	96,044	-	96,044	361,293
Charitable activities	8	211,088	6,030,801	248,527	6,490,416	6,387,300
Total expenditure		211,088	6,126,845	248,527	6,586,460	6,748,593
Net income/ (expenditure)		6,014	511,893	(6,814)	511,093	504,881
Transfers between funds	19	-	(323,475)	323,475	-	-
Net movement in funds before other recognised gains/(losses)		6,014	188,418	316,661	511,093	504,881
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(124,000)	-	(124,000)	302,000
Net movement in funds		6,014	64,418	316,661	387,093	806,881

THE KING'S SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Reconciliation of funds:					
Total funds brought forward	25,000	(1,528,883)	5,395,094	3,891,211	3,084,330
Net movement in funds	6,014	64,418	316,661	387,093	806,881
Total funds carried forward	<u>31,014</u>	<u>(1,464,465)</u>	<u>5,711,755</u>	<u>4,278,304</u>	<u>3,891,211</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 37 to 68 form part of these financial statements.

THE KING'S SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07706900

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	5,125,843	4,791,714
		<u>5,125,843</u>	<u>4,791,714</u>
Current assets			
Stocks	15	1,114	779
Debtors	16	748,528	815,411
Cash at bank and in hand		1,108,248	510,314
		<u>1,857,890</u>	<u>1,326,504</u>
Creditors: amounts falling due within one year	17	(411,293)	(231,142)
Net current assets		<u>1,446,597</u>	<u>1,095,362</u>
Total assets less current liabilities		<u>6,572,440</u>	<u>5,887,076</u>
Creditors: amounts falling due after more than one year	18	(418,136)	(479,865)
Net assets excluding pension liability		<u>6,154,304</u>	<u>5,407,211</u>
Defined benefit pension scheme liability	26	(1,876,000)	(1,516,000)
Total net assets		<u><u>4,278,304</u></u>	<u><u>3,891,211</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	5,711,755	5,395,094
Restricted income funds	19	411,535	(12,883)
Restricted funds excluding pension asset	19	6,123,290	5,382,211
Pension reserve	19	(1,876,000)	(1,516,000)
Total restricted funds	19	<u>4,247,290</u>	<u>3,866,211</u>
Unrestricted income funds	19	<u>31,014</u>	<u>25,000</u>
Total funds		<u><u>4,278,304</u></u>	<u><u>3,891,211</u></u>

The financial statements on pages 32 to 68 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

THE KING'S SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07706900

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021



.....
P Ross
Chair of Trustees

Date: 21st Dec 2021

The notes on pages 37 to 68 form part of these financial statements.

THE KING'S SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	21	1,001,219	451,852
Cash flows from investing activities	23	(340,844)	(550,341)
Cash flows from financing activities	22	(62,441)	(33,570)
Change in cash and cash equivalents in the year		597,934	(132,059)
Cash and cash equivalents at the beginning of the year		510,314	642,373
Cash and cash equivalents at the end of the year	24, 25	1,108,248	510,314

The notes on pages 37 to 68 form part of these financial statements

THE KING'S SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The King's School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The academy has had confirmation from the Local Authority that the outstanding loan cannot be called in or paid back early and therefore the academy will continue to allocate the loan repayments annually through the revenue budget to ensure it provides for the ongoing liability. This approach ensures the academy can access the 'free reserves' to improve outcomes for students as these will not be called on to repay the loan.

THE KING'S SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

• **Grants**

Grants are included in the 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

THE KING'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 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 raising funds**

This includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

THE KING'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Long-term leasehold property	-	2% straight line
Furniture and equipment	-	20% straight line
Plant and machinery	-	15% straight line
Computer equipment	-	20% straight line
Motor vehicles	-	20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

1.7 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.

1.8 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.

1.9 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.

1.10 Liabilities

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 Academy 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.

THE KING'S SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.13 Pensions

Retirement benefits to employees of the Academy 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.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

THE KING'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the accounts.

1.15 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

2. Critical accounting estimates and areas of judgement

Estimates and judgements 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 Academy 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 2021. 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.

THE KING'S SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	26,695	-	-	26,695
Capital Grants	-	-	241,713	241,713
School Fund Income	-	108,520	-	108,520
	<u>26,695</u>	<u>108,520</u>	<u>241,713</u>	<u>376,928</u>
	<u><u>26,695</u></u>	<u><u>108,520</u></u>	<u><u>241,713</u></u>	<u><u>376,928</u></u>
			<i>Restricted</i>	
	<i>Unrestricted</i>	<i>Restricted</i>	<i>fixed asset</i>	<i>Total</i>
	<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>
	<i>2020</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Donations	25,735	-	-	25,735
Capital Grants	-	-	583,501	583,501
School Fund Income	-	373,094	-	373,094
	<u>25,735</u>	<u>373,094</u>	<u>583,501</u>	<u>982,330</u>
	<u><u>25,735</u></u>	<u><u>373,094</u></u>	<u><u>583,501</u></u>	<u><u>982,330</u></u>

THE KING'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,917,612	5,917,612
Other DfE/ESFA grants			
Teachers pay and pension grants	-	321,682	321,682
Pupil premium	-	82,345	82,345
Others	-	38,451	38,451
	-	6,360,090	6,360,090
Other Government grants			
SEN funding	-	28,535	28,535
Local Authority energy grant	-	19,300	19,300
	-	47,835	47,835
Other income from the Academy's educational operations	158,430	1,750	160,180
COVID-19 additional funding (DfE/ESFA)			
Catch up funding	-	73,766	73,766
	-	73,766	73,766
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus exceptional support	-	46,777	46,777
	-	46,777	46,777
	158,430	6,530,218	6,688,648

THE KING'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy's educational operations (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,462,330	5,462,330
Other DfE/ESFA grants			
Teachers pay and pension grants	-	310,455	310,455
Pupil premium	-	67,833	67,833
Others	-	13,846	13,846
	-	5,854,464	5,854,464
Other Government grants			
SEN funding	-	47,116	47,116
Local Authority energy grant	-	19,300	19,300
	-	66,416	66,416
Other income from the Academy's educational operations	198,865	-	198,865
COVID-19 additional funding (non-DfE/ESFA)			
Coronavirus exceptional support	-	22,076	22,076
	-	22,076	22,076
	<u>198,865</u>	<u>5,942,956</u>	<u>6,141,821</u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, individually material income streams are no longer reported under the Other DfE group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Trust received £73,766 of funding for catch-up premium and costs incurred in respect of this funding totalled £34,045 with the remaining £39,751 to be spent in future years.

The Trust also received £34,452 for mass-testing and £12,325 for FSM vouchers, both of which have been fully spent during the year and costs incurred in respect of this funding are included in notes 7 and 8 below.

THE KING'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Lettings income	10,594	10,594
Other income	21,284	21,284
	31,878	31,878
	31,878	31,878

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Lettings income	24,252	24,252
Other income	102,710	102,710
	126,962	126,962
	126,962	126,962

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	99	99
	99	99
	99	99

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest	2,361	2,361
	2,361	2,361
	2,361	2,361

THE KING'S SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	-	-	96,044	96,044
Educational operations:				
Direct costs	4,223,151	103,150	473,201	4,799,502
Allocated support costs	906,990	292,355	491,569	1,690,914
	<u>5,130,141</u>	<u>395,505</u>	<u>1,060,814</u>	<u>6,586,460</u>
	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Expenditure on fundraising trading activities:				
Direct costs	-	-	361,293	361,293
Educational operations:				
Direct costs	3,897,277	99,072	488,480	4,484,829
Allocated support costs	976,571	330,045	595,855	1,902,471
	<u>4,873,848</u>	<u>429,117</u>	<u>1,445,628</u>	<u>6,748,593</u>

THE KING'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Educational operations	211,088	6,279,328	6,490,416
	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Educational operations	30,000	6,357,300	6,387,300

THE KING'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational operations	4,799,502	1,690,914	6,490,416

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Educational operations	4,484,829	1,902,471	6,387,300

Analysis of direct costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Pension finance costs	24,000	30,000
Staff costs	4,223,151	3,897,277
Depreciation	248,527	234,357
Educational supplies	139,151	58,595
Examination fees	129,644	141,102
Staff development	8,007	14,127
Other costs	27,022	109,371
	4,799,502	4,484,829

THE KING'S SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	906,990	976,571
Technology costs	167,350	144,773
Maintenance of premises	81,975	112,772
Cleaning	25,465	25,322
Rent and rates	53,025	61,557
Energy costs	94,849	100,247
Insurance	32,911	28,647
Security	4,130	2,938
Transport	2,946	5,320
Telephone, postage and stationery	35,384	34,622
Catering	183,945	274,416
Bank interest and charges	25,288	29,767
Operating lease costs	11,473	12,192
Governance costs	15,503	15,348
Personnel fees	11,520	24,902
Legal fees	11,612	7,788
Other costs	26,548	45,289
	1,690,914	1,902,471

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	<i>2020 £</i>
Operating lease rentals	11,473	12,192
Depreciation of tangible fixed assets	248,527	234,357
Fees paid to auditors for:		
- audit	6,750	6,500
- other services	750	8,848

THE KING'S SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	3,672,969	3,536,902
Social security costs	350,564	337,060
Pension costs	1,028,475	925,575
	<u>5,052,008</u>	<u>4,799,537</u>
Agency staff costs	70,633	73,636
Staff restructuring costs	7,500	675
	<u>5,130,141</u>	<u>4,873,848</u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	7,500	675
	<u>7,500</u>	<u>675</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £7,500 (2020 - £419) which comprises of 1 payment.

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	68	73
Management	1	1
Admin and support	58	54
	<u>127</u>	<u>128</u>

THE KING'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021	2020
	No.	No.
Teachers	63	67
Management	1	1
Admin and support	37	36
	101	104

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	2	2
In the band £90,001 - £100,000	1	1

e. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £660,838 (2020 - £652,021).

THE KING'S SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

	2021	2020
	£	£
S Pickett, Head Master and Accounting Officer		
Remuneration	95,000 -	<i>90,000 -</i>
	100,000	<i>95,000</i>
Pension contributions paid	20,000 -	<i>20,000 -</i>
	25,000	<i>25,000</i>
S Jones, Staff Trustee		
Remuneration	45,000 -	<i>45,000 -</i>
	50,000	<i>50,000</i>
Pension contributions paid	10,000 -	<i>10,000 -</i>
	15,000	<i>15,000</i>
J Parker, Staff Trustee		
Remuneration	15,000 -	<i>15,000 -</i>
	20,000	<i>20,000</i>
Pension contributions paid	0 - 5,000	<i>0 - 5,000</i>

During the year ended 31 August 2021, no Trustee expenses have been incurred (*2020 - £847*).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £291 (*2020 - £253*). The cost of this insurance is included in the total insurance cost.

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FOR THE YEAR ENDED 31 AUGUST 2021**

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 September 2020	3,000,000	2,115,056	527,052	318,733	397,207	22,220	6,380,268
Additions	-	390,897	30,654	99,582	61,523	-	582,656
At 31 August 2021	<u>3,000,000</u>	<u>2,505,953</u>	<u>557,706</u>	<u>418,315</u>	<u>458,730</u>	<u>22,220</u>	<u>6,962,924</u>
Depreciation							
At 1 September 2020	545,000	231,291	338,830	235,748	215,465	22,220	1,588,554
Charge for the year	60,000	43,150	68,368	20,973	56,036	-	248,527
At 31 August 2021	<u>605,000</u>	<u>274,441</u>	<u>407,198</u>	<u>256,721</u>	<u>271,501</u>	<u>22,220</u>	<u>1,837,081</u>
Net book value							
At 31 August 2021	<u><u>2,395,000</u></u>	<u><u>2,231,512</u></u>	<u><u>150,508</u></u>	<u><u>161,594</u></u>	<u><u>187,229</u></u>	<u><u>-</u></u>	<u><u>5,125,843</u></u>
At 31 August 2020	<u><u>2,455,000</u></u>	<u><u>1,883,765</u></u>	<u><u>188,222</u></u>	<u><u>82,985</u></u>	<u><u>181,742</u></u>	<u><u>-</u></u>	<u><u>4,791,714</u></u>

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FOR THE YEAR ENDED 31 AUGUST 2021

14. Tangible fixed assets (continued)

The King's School Trust owns all of the land and buildings occupied by the academy, which is leased for zero rent, with the exception of the Newton Building which is owned directly by the academy and included in freehold property above.

The Academy's transactions relating to land and buildings included:

1. Roofing repairs - £103,148;
2. Works towards demolition of Church Hall and replacement modular building - £76,289;
3. Heater and fan convactor replacements - £59,612;
4. Boiler repairs and replacement - £49,513;
5. Air conditioning works - £35,672;
6. Window works - £30,959;
7. Flooring works - £15,357;
8. Minor repairs under £5,000 - £20,347.

15. Stocks

	2021 £	2020 £
Cleaning and stationery stocks	<u>1,114</u>	<u>779</u>

16. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	283	44,720
Other debtors	72,467	121,872
Prepayments and accrued income	675,778	648,819
	<u>748,528</u>	<u>815,411</u>

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17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	38,817	39,529
Trade creditors	47,086	7,812
Other taxation and social security	89,290	85,727
Other creditors	14,324	20,840
Accruals and deferred income	221,776	77,234
	411,293	231,142
	411,293	231,142
	2021 £	2020 £
Deferred income at 1 September 2020	14,820	74,287
Resources deferred during the year	11,195	14,820
Amounts released from previous periods	(14,820)	(74,287)
	11,195	14,820
	11,195	14,820

Deferred income relates to day release income received in advance for the 2021/22 academic year.

Other loans comprises of a 25-year loan from Lincolnshire County Council, repayable in half-yearly instalments of capital and interest. The loan is unsecured but carried an interest rate of 4.9% per annum.

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

	2021 £	2020 £
Other loans	418,136	479,865
	418,136	479,865

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021 £	2020 £
Payable or repayable by instalments	242,637	289,742
	242,637	289,742
	242,637	289,742

Other loans comprises of a 25-year loan from Lincolnshire County Council, repayable in half-yearly instalments of capital and interest. The loan is unsecured but carried an interest rate of 4.9% per annum.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Other income	758,553	217,102	(211,088)	(325,356)	-	439,211
Transfer on conversion	(758,553)	-	-	325,356	-	(433,197)
Lord Knight's Legacy	25,000	-	-	-	-	25,000
	<u>25,000</u>	<u>217,102</u>	<u>(211,088)</u>	<u>-</u>	<u>-</u>	<u>31,014</u>
Restricted general funds						
General Annual Grant (GAG)	(33,297)	5,917,612	(5,199,841)	(421,372)	-	263,102
Other DfE/ESFA grants	-	552,446	(512,725)	-	-	39,721
Other government grants	22,075	60,160	(82,235)	-	-	-
Invest to Save	(1,661)	-	-	-	-	(1,661)
School fund	-	108,520	(96,044)	97,897	-	110,373
Pension reserve	(1,516,000)	-	(236,000)	-	(124,000)	(1,876,000)
	<u>(1,528,883)</u>	<u>6,638,738</u>	<u>(6,126,845)</u>	<u>(323,475)</u>	<u>(124,000)</u>	<u>(1,464,465)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	2,406,707	241,713	(84,584)	-	-	2,563,836
Funded from GAG	514,293	-	(101,838)	323,475	-	735,930
Funded from other income	2,474,094	-	(62,105)	-	-	2,411,989

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
	5,395,094	241,713	(248,527)	323,475	-	5,711,755
Total Restricted funds	3,866,211	6,880,451	(6,375,372)	-	(124,000)	4,247,290
Total funds	3,891,211	7,097,553	(6,586,460)	-	(124,000)	4,278,304

The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Trustees. These are not currently designated for particular purposes.

Unrestricted funds also includes a transfer on conversion which represents a local authority loan on conversion inherited from the predecessor school which is repayable over a 25-year period.

Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Other DfE/ESFA Grants, other government grants and other restricted funds represent monies received for specific purposes. The School Fund comprises trip income and expenses.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Restricted Fixed Asset funds

Transfer from Local Authority on conversion represents the assets transferred to the Academy from the Local Authority upon conversion.

Capital expenditure from GAG and other income represents fixed asset expenditure transferred from other restricted income.

Transfers between funds represent the use of recurrent income being used to fund capital expenditure.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. Statement of funds (continued)

Summary

The balance on restricted general funds plus unrestricted general funds at 31 August 2021 results in a net surplus of £442,549.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
Other income	735,765	353,923	(198,932)	(132,203)	-	758,553
Transfer on conversion	(758,553)	-	-	-	-	(758,553)
Lord Knight's Legacy	25,000	-	-	-	-	25,000
	<u>2,212</u>	<u>353,923</u>	<u>(198,932)</u>	<u>(132,203)</u>	<u>-</u>	<u>25,000</u>
Restricted general funds						
General Annual Grant (GAG)	(379,110)	5,462,331	(5,652,273)	535,755	-	(33,297)
Other DfE/ESFA grants	426,395	392,134	(78,158)	(740,371)	-	-
Other government grants	21,167	88,492	-	(87,584)	-	22,075
Invest to Save	(1,661)	-	-	-	-	(1,661)
School fund	99,112	373,093	(364,873)	(107,332)	-	-
Pension reserve	(1,598,000)	-	(220,000)	-	302,000	(1,516,000)
	<u>(1,432,097)</u>	<u>6,316,050</u>	<u>(6,315,304)</u>	<u>(399,532)</u>	<u>302,000</u>	<u>(1,528,883)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	1,557,992	583,501	(56,304)	321,518	-	2,406,707
Funded from GAG	390,578	-	(82,165)	205,880	-	514,293
Funded from other income	2,565,645	-	(95,888)	4,337	-	2,474,094

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19. Statement of funds (continued)

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
	4,514,215	583,501	(234,357)	531,735	-	5,395,094
Total Restricted funds	3,082,118	6,899,551	(6,549,661)	132,203	302,000	3,866,211
Total funds	3,084,330	7,253,474	(6,748,593)	-	302,000	3,891,211

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021	Restricted funds 2021	Restricted fixed asset funds 2021	Total funds 2021
	£	£	£	£
Tangible fixed assets	-	-	5,125,843	5,125,843
Current assets	487,966	605,986	763,938	1,857,890
Creditors due within one year	(38,816)	(194,451)	(178,026)	(411,293)
Creditors due in more than one year	(418,136)	-	-	(418,136)
Provisions for liabilities and charges	-	(1,876,000)	-	(1,876,000)
Total	31,014	(1,464,465)	5,711,755	4,278,304

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Restricted fixed asset funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	-	-	4,791,714	4,791,714
Current assets	544,394	178,730	603,380	1,326,504
Creditors due within one year	(39,529)	(191,613)	-	(231,142)
Creditors due in more than one year	(479,865)	-	-	(479,865)
Provisions for liabilities and charges	-	(1,516,000)	-	(1,516,000)
Total	25,000	(1,528,883)	5,395,094	3,891,211

21. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	511,093	504,881
Adjustments for:		
Depreciation	248,527	234,357
Capital grants from DfE and other capital income	(241,713)	(25,144)
Interest receivable	(99)	(2,361)
Defined benefit pension scheme cost less contributions payable	210,000	190,000
Defined benefit pension scheme finance cost	24,000	30,000
(Increase)/decrease in stocks	(335)	256
Decrease/(increase) in debtors	66,883	(398,630)
Increase/(decrease) in creditors	180,863	(81,507)
Administration cost of defined benefit pension scheme	2,000	-
Net cash provided by operating activities	1,001,219	451,852

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22. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(62,441)	(33,570)
Net cash used in financing activities	(62,441)	(33,570)

23. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	99	2,361
Purchase of tangible fixed assets	(582,656)	(577,846)
Capital grants from DfE Group	241,713	25,144
Net cash used in investing activities	(340,844)	(550,341)

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,108,248	510,314
Total cash and cash equivalents	1,108,248	510,314

25. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	510,314	597,934	1,108,248
Debt due within 1 year	(39,529)	712	(38,817)
Debt due after 1 year	(479,865)	61,729	(418,136)
	(9,080)	660,375	651,295

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2019 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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

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:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- 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
- 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £655,429 (2020 - £546,382).

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 £214,000 (2020 - £191,000), of which employer's contributions totalled £164,000 (2020 - £148,000) and employees' contributions totalled £ 50,000 (2020 - £43,000). The agreed contribution rates for future years are 21.6 per cent for employers and 5.5 to 12.5 per cent for employees.

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

	2021	2020
	%	%
Rate of increase in salaries	3.20	2.50
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme liabilities	1.65	1.70

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	21.2	21.4
Females	23.6	23.7
<i>Retiring in 20 years</i>		
Males	22.0	22.4
Females	25.1	25.2

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26. Pension commitments (continued)

Sensitivity analysis

	2021	<i>2020</i>
	£000	<i>£000</i>
Discount rate +0.1%	80	<i>100</i>
CPI rate +0.1%	106	<i>89</i>
Salary increase + 0.1%	15	<i>9</i>
	=====	<i>=====</i>

Share of scheme assets

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

	2021	<i>2020</i>
	£	<i>£</i>
Equities	2,339,000	<i>1,777,000</i>
Corporate bonds	464,000	<i>515,000</i>
Property	337,000	<i>258,000</i>
Cash and other liquid assets	124,000	<i>26,000</i>
	=====	<i>=====</i>
Total market value of assets	3,264,000	<i>2,576,000</i>
	=====	<i>=====</i>

The actual return on scheme assets was £45,000 (2020 - £44,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021	<i>2020</i>
	£	<i>£</i>
Current service cost	374,000	<i>338,000</i>
Interest income	45,000	<i>44,000</i>
Interest cost	(69,000)	<i>(74,000)</i>
	=====	<i>=====</i>
Total amount recognised in the Statement of financial activities	350,000	<i>308,000</i>
	=====	<i>=====</i>

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

Changes in the present value of the defined benefit obligations were as follows:

	2021 £	2020 £
At 1 September	4,091,000	3,927,000
Current service cost	374,000	338,000
Interest cost	69,000	74,000
Employee contributions	50,000	43,000
Actuarial losses/(gains)	631,000	(271,000)
Benefits paid	(75,000)	(20,000)
At 31 August	5,140,000	4,091,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2021 £	2020 £
At 1 September	2,575,000	2,329,000
Interest income	45,000	44,000
Actuarial gains	507,000	31,000
Employer contributions	164,000	148,000
Employee contributions	50,000	43,000
Benefits paid	(75,000)	(20,000)
Administration expense	(2,000)	-
At 31 August	3,264,000	2,575,000

27. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	11,390	11,424
Later than 1 year and not later than 5 years	17,085	28,000
	28,475	39,424

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NOTES TO THE FINANCIAL STATEMENTS
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28. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

29. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the academy purchased £2,098 (2020 - £1,202) of services from C Brewer and Sons Ltd, a company in which J Parker's (trustee) husband is a branch manager. At the year end an amount of £311 (2020 - £nil) was outstanding.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

30. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £12,907 (2020 - £10,326) and disbursed £7,425 (2020 - £12,926) from the fund. An amount of £14,333 (2020 - £8,851) is included in other creditors relating to undistributed funds that is repayable to ESFA.