

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 2022**

---

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

---

**CONTENTS**

---

	Page
<b>Reference and administrative details</b>	1 - 2
<b>Trustees' report</b>	3 - 17
<b>Governance statement</b>	18 - 22
<b>Statement on regularity, propriety and compliance</b>	23
<b>Statement of trustees' responsibilities</b>	24
<b>Independent auditors' report on the financial statements</b>	25 - 28
<b>Independent reporting accountant's report on regularity</b>	29 - 30
<b>Statement of financial activities incorporating income and expenditure account</b>	31 - 32
<b>Balance sheet</b>	33 - 34
<b>Statement of cash flows</b>	35
<b>Notes to the financial statements</b>	36 - 67

---

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

---

**REFERENCE AND ADMINISTRATIVE DETAILS**

---

<b>Members</b>	Mr Les Allen Mr David Armes Mr Stephen Cousins (resigned 31 August 2022) Professor Ken Durrands CBE Mr Paul Ross Mr Jonathan Farrington
<b>Trustees</b>	Mr Paul Ross, Chair Mr Les Allen, Vice Chair, Foundation Governor Mr Jonathan Farrington, Foundation Governor, Vice Chair (resigned 21 June 2022) Mr David Armes, Foundation Governor Professor Ken Durrands CBE, Foundation Governor Mr Stephen Cousins, Foundation Governor (resigned 31 August 2022) Mr Gary Mills, Co-opted Governor Councillor Jacky Smith, Community Governor (resigned 25 January 2022) Ms Sara Jones, Teacher Staff Governor Mrs Julie Parker, Support Staff Governor Mrs Emma Drury, Parent Governor Mrs Samantha Marsh, Parent Governor Mr Simon Pickett, Head Master and Accounting Officer
<b>Company registered number</b>	07706900
<b>Company name</b>	The King's School
<b>Principal and registered office</b>	Brook Street Grantham Lincolnshire NG31 6RP
<b>Senior leadership team</b>	Mr Simon Pickett, Head Master Mr Stephen Brook, Deputy Head Master Mr Justin Dixon, Deputy Head Master Mrs Sue Gordon, Director of Finance & Estates (CFO) Mrs Helen Murray, Assistant Head Teacher Mr Nathan Whales, Assistant Head Teacher

---

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

---

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**Independent auditors**      Streets Chartered Accountants  
Windsor House  
A1 Business Park  
Long Bennington  
Nottingham  
NG23 5JR

**Bankers**                      HSBC  
41 Westgate  
Grantham  
NG31 6LF

**Solicitors**                    Veale Wasborough Vizards  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

---

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

---

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2021 to 31 August 2022. 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 a roll of 1,187 on the school roll on 1 September 2021.

### **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 trust.

The Trustees who served during the year, and to date, are also the directors of the charitable company for the purposes of company law. The charitable company is known as The King's School.

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.

---

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

---

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

---

**Structure, governance and management (continued)**

**Method of recruitment and appointment or election of Trustees**

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

The term of office for any Governor 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 Governor, any Governor may be reappointed or re-elected. The term of office of a parent governor 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 Governors.

The Governing Body may appoint a Community Governor.

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

A minimum of 2 Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor 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 governor should end when they cease to be the parent of a registered pupil.

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

The Governors may appoint up to 3 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. Governors 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, Governors have decided to pursue a skills-based approach to the nomination and selection processes for new Governors 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 Governors will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Governors are given a tour of the Academy and the chance to meet with staff and students.

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

---

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

---

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

---

**Structure, governance and management (continued)**

**Organisational structure**

The structure of the Academy consists of two senior levels: Board of Directors (known at The King's School as the Governing Body) 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 (as Chief Financial Officer), 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 Governing Body 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 Governing Body and reporting back to them.

During the Financial Year 2021-22 the Governing Body continued to operate as a single board and met over 10 times during the year; the September and October meetings were held via Microsoft Teams and subsequent meetings were held in person (although some Trustees joined via Teams when necessary). This operating structure ensured that all Governors were aware of all operational matters. An Audit and Risk Committee also meets as required under separate chairmanship during Governors' 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 governors 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.

---

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

---

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

---

**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 Governing Body is committed to taking decisions using fair, transparent, and objective criteria to secure a consistent approach in school pay decisions. The Governing Body 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 Governing Body, 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 Governing Body. The Governing Body determines a four-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 Governing Body 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 Governing Body 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.



---

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

---

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

---

**Structure, governance and management (continued)**

**. Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	-
1%-50%	<b>3</b>
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time**

	<b>£</b>	
Total cost of facility time	<b>281</b>	
Total pay bill	<b>4,876,539</b>	
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	-	%
---	---	---

**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.

---

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

---

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

---

**Objectives and activities (continued)**

The main objectives of the Academy during the year ended 31 August 2022 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.
- Implement a new Data tracking package and report regularly to SLT the progress of all groups.

Teaching, Learning & Assessment

- Introduce an intervention coordinator following COVID-19 to 'close gaps' in learning.
- Introduce a new AI software package – Century- to all Year 7 students as part of their extended learning.
- Embed the school assessment strategy so a consistent approach is evident across departments and the school.
- Organise and provide training for all teachers on how to:
  - o Enable students to retain knowledge
  - o Knowledge retrieval.
  - o Explore approaches for building and consolidating subject schema
- Embed the new system for applying for CPD for all staff. The new system must allow for check that the CPD is relevant to the individual member of staff and to the school.
- Review the school's curriculum offer in Key Stages 3, 4 and 5 to ensure that there is a broad, well sequenced and structured curriculum on offer.
- Introduce a new Quality Assurance model for curriculum management.

Personal Development, Behaviour and Well being

- Introduce a new Quality Assurance model for Pastoral management.
- Improve the communication with parents through the reporting structures.
- Review and improve the use of external speakers as an enhancement to the SRE programme.
- Review the Sixth Form curriculum offer
- Review the programme for high entrance universities and courses for example Oxbridge and medicine.
- Introduce a "Careers in my subject" week.
- Use Unifrog as a mechanism for referencing the possible careers.

Outcomes for Learners

The academic targets for 2021 22 were met and often exceeded:

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

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

**Objectives and activities (continued)**

TARGET	MIN	ASP	Outcome	Comment
Progress 8	0.25	0.60	0.83	Significantly above target
Attainment 8	61	65	72	Significantly above target
% of grades 9-7	37	45	62	Significantly above target
% 5+ (EM) standard pass	93	97	98	Significantly above target
% 5+ (EM) strong pass	80	90	96	Significantly above target
EBacc APS	5.5	6.25	6.69	Significantly above target
% Entered for the EBacc	50	60	60	At the higher end of the target range
Y13 Progress Score	0.00	0.10	TBC	
Average A level Result	C-	B+	A-	Significantly above target
% of grades A*-B	72	82	81	At the higher end of the target range
% of grades A*-E	95	99	98	At the higher end of the target range

Academy Environment for Learning

- The Castlegate Boiler and pipework was replaced following a successful CIF bid. The Old Church Hall was demolished and a new modular building installed which has provided 2 new classrooms. CCTV was replaced across the main school site. A delayed roof replacement project awarded in the 2020 CIF round was mostly completed. The first-floor rooms below this roof renovation are planned for refurbishment due to significant water ingress damage and additional ceiling works required of the roof project. This will ensure a suite of rooms suitable for teaching, meeting and a renovated library area. The Academy's IT infrastructure has continued to be improved. A successful CIF Award in June 2022 will result in the roof restoration of the Music and RE Block on Castlegate.

---

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

---

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

---

**Objectives and activities (continued)**

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 extracurricular 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.
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, 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.

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

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

**Strategic report**

**Key performance indicators**

The Governing Body 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	either PAN - 30 or places = 175	147
13/14	either PAN - 30 or places = 175	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
22/23	174	178

**Key Financial Performance Indicators**

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
22/23	6,441,089	1187	£5,426	£4,922,775	891	£5,525	£1,518,314	296	£5,129

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

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

**Strategic report (continued)**

<b>Financial Year</b>	<b>Teaching Staff incl Supply % of GAG (%)</b>	<b>Support Staff incl Lettings income &amp; Staffing costs % GAG (%)</b>	<b>All Staff % GAG+ lettings income (%)</b>	<b>LGPS Deficit (£)</b>
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
21/22	62	17	80	nil

**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**

The previous FY was affected by an inability to spend capital funding on planned projects. Accordingly, the reserves increased significantly at the end of 2020/21 and the budget for 2021/22 did not include funding for the necessary expenditure not achieved in the year prior. The Governing Body, therefore, approved an overspend on the in-year budget to address this anomaly so that essential building repair and maintenance and capital projects could be completed. This approval process is outlined within the Governor Minutes and advice was sought from the school's external auditors before implementation.

---

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

---

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

---

**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 expenditure over income for the period was £91,268. Excluding the costs relating to the restatement of the LGPS deficit, the excess of income over expenditure was £486,732.

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 more than its liabilities in the Scheme, and consequently the Trust balance sheet shows a net asset of £269,000. This has not been recognised in the financial statements.

The Trust held fund balances at 31 August 2022 of £6,557,575, comprising £495,211 of restricted funds, a fixed asset reserve of £5,970,341 and £92,023 of unrestricted general funds.

---

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

---

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

---

**Reserves policy**

Most of the Academy'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 year ended 31 August 2022 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.

During the year, the Academy received unrestricted and restricted income (excluding capital funding within the restricted fixed asset fund) of £7,182,958. This compares with expenditure (excluding depreciation within the restricted fixed asset fund and pension reserve expenditure) of £6,457,445 and transfers out to the restricted fixed asset fund of £580,828, to give an excess of income over expenditure on revenue funding totalling £144,685. This equates to the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds.

Restricted general funds (excluding pension reserves) at the year-end were £495,211 and unrestricted funds are £92,023 in surplus. To give net free reserves of surplus £587,234.

This sum has been impacted by a deficit of £562,731 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 £5,970,341. 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 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 Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams. During the year ended August 2022, the Governors 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 £587,234 is significantly above the desired level, however, this resulted adjustments made during the previous Covid year where expenditure was delayed. Furthermore, the deficit inherited on conversion, deducted in arriving at this figure, is funded by way of a long-term loan from the Local Authority, and this sum reduces annually.

The reserves this year includes figures for future commitments and projects.



---

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

---

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

---

### **Investment policy**

The Academy's Articles give Governors 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 Governing Body 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.

### **Principal risks and uncertainties**

Based on the strategic plan, the Governing Body 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 Governing Body will also consider any risks which arise during the year, for example, because 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.

Strategic/reputational, Physical, Infrastructure, Governance, Staffing, Students and Financial.

---

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

---

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

---

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:
  - o Funding is derived through several direct and indirect contractual arrangements;
  - o Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
  - o Ensuring the Academy is focused on those priority sectors which will continue to benefit from public funding;
  - o 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:

- o Ensuring the Academy delivers high quality education and training;
  - o Maintaining outstanding success rates and good inspection outcomes;
  - o Investing in teaching and support staff and resources;
  - o Improving the teaching environment.
4. Financial Stability – The Governors 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. The new modular building has provided 2 classrooms, increasing numbers by one. In addition, the first-floor rooms in Foxe Block and the New Entrance have provided opportunities for additional office spaces to be created within the main site.
  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 several 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.

---

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

---

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

---

**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. A CIF application for the Music and RE Block roof renovation was successful and will provide circa £780,000 funding for that project for completion in 2023. The delayed CIF funded roof project (2020 award) is unlikely to be complete before the end of 2022. These ongoing delays have caused significant additional damage to the first-floor interior of the Grade II listed Church Street site and the funding required to repair and renovate this area to an acceptable standard has put additional pressure on the budget, having been unable to complete the work whilst the roof project was ongoing.

- Priority 1: 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 .
- 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 renovate the roof areas of the Music and RE teaching Block on Castlegate and repair internal damage associated with water ingress.

**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  
14 December 2022 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 Governors have 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 Governors any material weaknesses or breakdowns in internal control.

**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 9 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
Mr Paul Ross, Chair	6	9
Mr Les Allen, Vice Chair	9	9
Professor Ken Durrands CBE	8	9
Mr David Armes	9	9
Mrs Julie Parker	9	9
Mr Stephen Cousins	8	9
Mr Jonathan Farrington, Vice Chair	7	9
Ms Sara Jones	8	9
Mr Simon Pickett, Head Master and Accounting Officer	8	9
Councillor Jacky Smith(Resigned 25 January 2022)	0	4
Mr Gary Mills, Parent Governor	9	9
Mrs Emma Drury, Parent Governor	7	9
Mrs Samantha Marsh	7	9

Governors 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 governors understand their legal duties and responsibilities as laid out in the Academies Financial Handbook. The Governing Body is equipped with the skills to understand and influence the academy business model.

The Governing Body provided an appropriate level of challenge and support to the Head Master. Continual Professional Development (CPD) opportunities were identified and conveyed to Governors through the National Governors' Association (NGA) and updates were provided for Governors. 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 KING'S SCHOOL**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**Governance (continued)**

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, 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.

Attendance at Audit and Risk Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P Ross	3	3
L Allen	3	3
Professor Ken Durrands CBE	2	3
Mr David Armes	3	3
Mrs Julie Parker	3	3
Mr Stephen Cousins	2	3
Mr Jonathan Farrington (resigned July 2022)	2	3
Ms Sara Jones	3	3
Mr Simon Pickett, Headmaster & Accounting officer	3	3
Councillor Jacky Smith (resigned 25 January 2022)	0	2
Mr Gary Mills, Parent Governor	3	3
Mrs Emma Drury, Parent Governor	2	3
Mrs Samantha Marsh	1	3

---

**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 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. 96% of students said "yes" and 4% "maybe" that they would recommend this school to a friend moving to the area.

**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.
- Extracurricular 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 KING'S SCHOOL**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**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 ongoing 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Governing Body 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 Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 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 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
- delegation of authority and segregation of duties;
- identification and management of risks

The Governing Body considered the need for a specific internal audit function and continued to appoint Duncan & Toplis to perform the Internal Audit function for the 2021 2022 financial year

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

The reviewers gave advice on financial matters and performed a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current Year included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly 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.

---

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

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**The risk and control framework (continued)**

During the Year ending August 2022, the two interim audits, together with the final external audit scrutinised the operation of the systems of control and the discharge of the Governing Body 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.

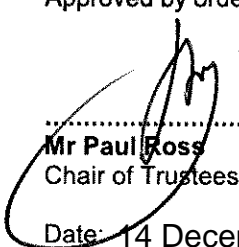
**Review of effectiveness**

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:

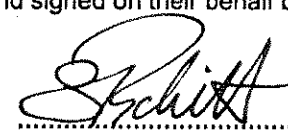
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work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

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.

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

  
.....  
**Mr Paul Foss**  
Chair of Trustees

Date: 14 December 2022

  
.....  
**Mr Simon Pickett**  
Accounting Officer



---

**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 2021.

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 2021.

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: 14 December 2022

---

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

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

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:

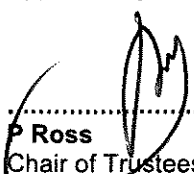
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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: 14 December 2022

---

**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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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 Statement of trustees' responsibilities, 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 that we identified the material 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. These were the Companies Act 2006, the Academy Trust Handbook 2021, the Academies Accounts Direction, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety and safeguarding legislation. We then assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We then 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 tested journal entries to identify unusual transactions, we reviewed a sample of grants in the year to allocation and accurate recognition, we agreed a sample of employees on the Trust payroll to existence and agreed the accuracy of their pay, we assessed and reviewed the appropriateness and effectiveness of the key systems and controls. We also 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.

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.

---

**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)**

---

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](http://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 Chartered Accountants**

Windsor House

A1 Business Park

Long Bennington

Nottingham

NG23 5JR

Date: 16 December 2022

---

**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 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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.

The work undertaken to draw to our conclusion includes:

- 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 2021 to 31 August 2022 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 Chartered Accountants**

Windsor House  
A1 Business Park  
Long Bennington  
Nottingham  
NG23 5JR

Date: 16 December 2022



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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>						
Donations and capital grants	3	27,700	116,146	26,050	169,896	376,928
Other trading activities		56,755	-	-	56,755	31,878
Investments	6	352	-	-	352	99
Charitable activities		340,514	6,641,491	-	6,982,005	6,688,648
<b>Total income</b>		<b>425,321</b>	<b>6,757,637</b>	<b>26,050</b>	<b>7,209,008</b>	<b>7,097,553</b>
<b>Expenditure on:</b>						
Raising funds		-	20,654	-	20,654	96,044
Charitable activities	8	364,312	6,381,479	264,831	7,010,622	6,490,416
Other expenditure	9	-	269,000	-	269,000	-
<b>Total expenditure</b>		<b>364,312</b>	<b>6,671,133</b>	<b>264,831</b>	<b>7,300,276</b>	<b>6,586,460</b>
<b>Net income/ (expenditure)</b>		<b>61,009</b>	<b>86,504</b>	<b>(238,781)</b>	<b>(91,268)</b>	<b>511,093</b>
Transfers between funds	21	-	(580,828)	580,828	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>61,009</b>	<b>(494,324)</b>	<b>342,047</b>	<b>(91,268)</b>	<b>511,093</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	2,454,000	-	2,454,000	(124,000)
<b>Net movement in funds</b>		<b>61,009</b>	<b>1,959,676</b>	<b>342,047</b>	<b>2,362,732</b>	<b>387,093</b>

**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 2022

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
<b>Reconciliation of funds:</b>					
Total funds brought forward	31,014	(1,464,465)	5,628,294	4,194,843	3,807,750
Net movement in funds	61,009	1,959,676	342,047	2,362,732	387,093
<b>Total funds carried forward</b>	<b>92,023</b>	<b>495,211</b>	<b>5,970,341</b>	<b>6,557,575</b>	<b>4,194,843</b>

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

The notes on pages 36 to 67 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	<i>As restated</i> 2021 £
<b>Fixed assets</b>			
Tangible assets	15	<b>6,069,336</b>	5,125,843
		<b>6,069,336</b>	5,125,843
<b>Current assets</b>			
Stocks	16	744	1,114
Debtors	17	380,829	748,528
Cash at bank and in hand		1,270,002	1,108,248
		<b>1,651,575</b>	1,857,890
Creditors: amounts falling due within one year	18	<b>(785,942)</b>	(494,754)
<b>Net current assets</b>		<b>865,633</b>	1,363,136
<b>Total assets less current liabilities</b>		<b>6,934,969</b>	6,488,979
Creditors: amounts falling due after more than one year	19	<b>(377,394)</b>	(418,136)
<b>Net assets excluding pension asset / liability</b>		<b>6,557,575</b>	6,070,843
Defined benefit pension scheme asset / liability	28	-	(1,876,000)
<b>Total net assets</b>		<b>6,557,575</b>	4,194,843

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

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	<i>As restated</i> 2021 £
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	5,970,341	5,628,294
Restricted income funds	21	495,211	411,535
Restricted funds excluding pension asset	21	<u>6,465,552</u>	<u>6,039,829</u>
Pension reserve	21	-	(1,876,000)
<b>Total restricted funds</b>	21	<b>6,465,552</b>	<b>4,163,829</b>
<b>Unrestricted income funds</b>	21	<b>92,023</b>	<b>31,014</b>
<b>Total funds</b>		<u><b>6,557,575</b></u>	<u><b>4,194,843</b></u>

The financial statements on pages 31 to 67 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....  
**P Ross**  
Chair of Trustees

Date:

The notes on pages 36 to 67 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 2022**

---

	<b>Note</b>	<b>2022</b> £	<i>2021</i> £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	<b>1,382,493</b>	<i>1,001,219</i>
<b>Cash flows from investing activities</b>	25	<b>(1,181,922)</b>	<i>(340,844)</i>
<b>Cash flows from financing activities</b>	24	<b>(38,817)</b>	<i>(62,441)</i>
<b>Change in cash and cash equivalents in the year</b>		<b>161,754</b>	<i>597,934</i>
Cash and cash equivalents at the beginning of the year		<b>1,108,248</b>	<i>510,314</i>
<b>Cash and cash equivalents at the end of the year</b>	26, 27	<b>1,270,002</b>	<i>1,108,248</i>

The notes on pages 36 to 67 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 2022**

---

**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 2021 to 2022 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 2022**

---

**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**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**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**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**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 2022**

---

**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 17. 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 18 and 19. 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**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**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 28, 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 2022. 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.

Critical areas of judgement:

At 31 August 2022, the present value of the defined benefit obligation at the reporting date was valued at less than the fair value of plan assets and therefore the plan has a surplus. In accordance with FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. On the basis that the separate triennial valuation is used to calculate future contribution rates on a different valuation basis there is no realistic expectation that the surplus will be realised or will provide future economic benefit to the trust. As a result the pension asset has not been recognised in the balance sheet of the financial statements.

**3. Income from donations and capital grants**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>
Donations	27,700	-	-	<b>27,700</b>
Capital Grants	-	-	26,050	<b>26,050</b>
School Fund Income	-	116,146	-	<b>116,146</b>
	<u>27,700</u>	<u>116,146</u>	<u>26,050</u>	<u><b>169,896</b></u>

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**3. Income from donations and capital grants (continued)**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Restricted fixed asset funds 2021 £</i>	<i>Total funds 2021 £</i>
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>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Funding for the Academy's charitable activities**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
<b>Educational operations</b>			
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	6,305,028	<b>6,305,028</b>
Other DfE/ESFA grants			
Teachers pay and pension grants	-	78,997	<b>78,997</b>
Pupil premium	-	81,094	<b>81,094</b>
Others	-	38,451	<b>38,451</b>
	-	6,503,570	<b>6,503,570</b>
<b>Other Government grants</b>			
SEN funding	-	15,474	<b>15,474</b>
	-	15,474	<b>15,474</b>
<b>Other income from the Academy's educational operations</b>	340,514	-	<b>340,514</b>
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Catch up funding	-	88,022	<b>88,022</b>
	-	88,022	<b>88,022</b>
<b>COVID-19 additional funding (non-DfE/ESFA)</b>			
Coronavirus exceptional support	-	34,425	<b>34,425</b>
	-	34,425	<b>34,425</b>
	340,514	6,641,491	<b>6,982,005</b>
	340,514	6,641,491	<b>6,982,005</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Funding for the Academy's charitable activities (continued)**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
<b>Educational operations</b>			
<b>DfE/ESFA grants</b>			
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
<b>Other Government grants</b>			
SEN funding	-	28,535	28,535
Local Authority energy grant	-	19,300	19,300
	-	47,835	47,835
<b>Other income from the Academy's educational operations</b>	158,430	1,750	160,180
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Catch up funding	-	73,766	73,766
	-	73,766	73,766
<b>COVID-19 additional funding (non-DfE/ESFA)</b>			
Coronavirus exceptional support	-	46,777	46,777
	-	46,777	46,777
	158,430	6,530,218	6,688,648
	158,430	6,530,218	6,688,648

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**5. Income from other trading activities**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Lettings income	20,833	<b>20,833</b>	10,594
Other income	35,922	<b>35,922</b>	21,284
	<u>56,755</u>	<u><b>56,755</b></u>	<u>31,878</u>

**6. Investment income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Bank interest	352	<b>352</b>	99
	<u>352</u>	<u><b>352</b></u>	<u>99</u>

**7. Expenditure**

	<b>Staff Costs 2022 £</b>	<b>Premises 2022 £</b>	<b>Other 2022 £</b>	<b>Total 2022 £</b>
Expenditure on fundraising trading activities:				
Direct costs	-	-	20,654	<b>20,654</b>
Educational operations:				
Direct costs	4,312,159	101,103	669,336	<b>5,082,598</b>
Allocated support costs	942,207	342,503	643,314	<b>1,928,024</b>
Other expenditure	-	-	269,000	<b>269,000</b>
	<u>5,254,366</u>	<u>443,606</u>	<u>1,602,304</u>	<u><b>7,300,276</b></u>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**7. Expenditure (continued)**

	<i>Staff Costs 2021 £</i>	<i>Premises 2021 £</i>	<i>Other 2021 £</i>	<i>Total 2021 £</i>
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>

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total 2022 £</b>
Educational operations	364,312	6,646,310	<b>7,010,622</b>
	<u>364,312</u>	<u>6,646,310</u>	<u>7,010,622</u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
Educational operations	211,088	6,279,328	6,490,416
	<u>211,088</u>	<u>6,279,328</u>	<u>6,490,416</u>

**9. Other expenditure**

	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Reduction in revaluation of defined benefit pension scheme	269,000	<b>269,000</b>	-
	<u>269,000</u>	<u>269,000</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**9. Other expenditure (continued)**

**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>
Educational operations	5,082,598	1,928,024	<b>7,010,622</b>

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

**Analysis of direct costs**

	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Pension finance costs	<b>29,000</b>	24,000
Staff costs	<b>4,312,159</b>	4,223,151
Depreciation	<b>264,831</b>	248,527
Educational supplies	<b>278,303</b>	139,151
Examination fees	<b>144,994</b>	129,644
Staff development	<b>11,743</b>	8,007
Other costs	<b>41,568</b>	27,022
	<b>5,082,598</b>	4,799,502

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Staff costs	<b>942,207</b>	906,990
Technology costs	<b>127,475</b>	167,350
Maintenance of premises	<b>133,392</b>	81,975
Cleaning	<b>22,577</b>	25,465
Rent and rates	<b>51,825</b>	53,025
Energy costs	<b>98,836</b>	94,849
Insurance	<b>32,793</b>	32,911
Security	<b>3,080</b>	4,130
Transport	<b>10,925</b>	2,946
Telephone, postage and stationery	<b>49,076</b>	33,528
Catering	<b>346,909</b>	183,945
Bank interest and charges	<b>21,929</b>	25,288
Operating lease costs	<b>9,545</b>	11,473
Governance costs	<b>11,870</b>	15,503
Personnel fees	<b>11,217</b>	11,520
Legal fees	<b>11,876</b>	11,612
Other costs	<b>42,492</b>	28,404
	<b>1,928,024</b>	1,690,914

**11. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2022 £</b>	<i>2021 £</i>
Operating lease rentals	<b>11,390</b>	11,473
Depreciation of tangible fixed assets	<b>264,831</b>	248,527
Fees paid to auditors for:		
- audit	<b>6,750</b>	6,750
- other services	<b>750</b>	750

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	3,748,719	3,672,969
Social security costs	358,743	350,564
Pension costs	1,086,758	1,028,475
	<u>5,194,220</u>	<u>5,052,008</u>
Agency staff costs	60,146	70,633
Staff restructuring costs	-	7,500
	<u>5,254,366</u>	<u>5,130,141</u>

Staff restructuring costs comprise:

	2022 £	2021 £
Severance payments	-	7,500
	<u>-</u>	<u>7,500</u>

**b. Special staff severance payments**

There are no non-statutory/non-contractual severance payments in the year (2021 - £7,500).

**c. Staff numbers**

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

	2022 No.	2021 No.
Teachers	70	68
Management	1	1
Admin and support	56	58
	<u>127</u>	<u>127</u>

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**12. Staff (continued)**

**c. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
Teachers	<b>65</b>	<i>63</i>
Management	<b>1</b>	<i>1</i>
Admin and support	<b>36</b>	<i>37</i>
	<b>102</b>	<i>101</i>

**d. Higher paid staff**

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

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>2</b>	<i>1</i>
In the band £70,001 - £80,000	<b>2</b>	<i>2</i>
In the band £90,001 - £100,000	<b>1</b>	<i>1</i>

**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 £645,820 (2021 - £660,838).

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**13. 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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
S Pickett, Head Master and Accounting Officer		
Remuneration	<b>95,000 -</b>	<i>95,000 -</i>
	<b>100,000</b>	<i>100,000</i>
Pension contributions paid	<b>15,000 -</b>	<i>20,000 -</i>
	<b>20,000</b>	<i>25,000</i>
S Jones, Staff Trustee		
Remuneration	<b>45,000 -</b>	<i>45,000 -</i>
	<b>50,000</b>	<i>50,000</i>
Pension contributions paid	<b>10,000 -</b>	<i>10,000 -</i>
	<b>15,000</b>	<i>15,000</i>
J Parker, Staff Trustee		
Remuneration	<b>15,000 -</b>	<i>15,000 -</i>
	<b>20,000</b>	<i>20,000</i>
Pension contributions paid	<b>0 - 5,000</b>	<i>0 - 5,000</i>

During the year ended 31 August 2022, no Trustee expenses have been incurred (*2021 - £NIL*).

**14. 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 2022 was £291 (*2021 - £291*). The cost of this insurance is included in the total insurance cost.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**15. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>							
At 1 September 2021	3,000,000	2,505,953	557,706	418,315	458,730	22,220	6,962,924
Additions	-	966,395	69,534	83,532	88,863	-	1,208,324
At 31 August 2022	<u>3,000,000</u>	<u>3,472,348</u>	<u>627,240</u>	<u>501,847</u>	<u>547,593</u>	<u>22,220</u>	<u>8,171,248</u>
<b>Depreciation</b>							
At 1 September 2021	605,000	274,441	407,198	256,721	271,501	22,220	1,837,081
Charge for the year	60,000	41,103	73,313	28,452	61,963	-	264,831
At 31 August 2022	<u>665,000</u>	<u>315,544</u>	<u>480,511</u>	<u>285,173</u>	<u>333,464</u>	<u>22,220</u>	<u>2,101,912</u>
<b>Net book value</b>							
At 31 August 2022	<u><u>2,335,000</u></u>	<u><u>3,156,804</u></u>	<u><u>146,729</u></u>	<u><u>216,674</u></u>	<u><u>214,129</u></u>	<u><u>-</u></u>	<u><u>6,069,336</u></u>
<i>At 31 August 2021</i>	<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>

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**15. 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 - £684,124;
2. Works towards demolition of Church Hall and replacement modular building - £126,803;
3. Works on the entrance and foyer - £141,391;
4. Minor repairs under £5,000 - £15,077.

**16. Stocks**

	<b>2022</b>	<b>2021</b>
	£	£
Cleaning and stationery stocks	<b>744</b>	<b>1,114</b>

**17. Debtors**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Due within one year</b>		
Trade debtors	<b>35,709</b>	<b>283</b>
Other debtors	<b>109,189</b>	<b>72,467</b>
Prepayments and accrued income	<b>235,931</b>	<b>675,778</b>
	<b>380,829</b>	<b>748,528</b>



---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**18. Creditors: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other loans	<b>124,203</b>	122,278
Trade creditors	<b>353,488</b>	47,086
Other taxation and social security	<b>94,389</b>	89,290
Other creditors	<b>23,007</b>	14,324
Accruals and deferred income	<b>190,855</b>	221,776
	<b>785,942</b>	494,754
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2021	<b>11,195</b>	14,820
Resources deferred during the year	<b>24,890</b>	11,195
Amounts released from previous periods	<b>(11,195)</b>	(14,820)
	<b>24,890</b>	11,195

Deferred income relates to trip income received in advance for the 2022/23 academic year.

Other loans comprises of:

1. 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.
2. Two 10-year CIF loans, repayable monthly, carrying interest rates of 2.3% per annum.

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**19. Creditors: Amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other loans	<b>377,394</b>	<b>418,136</b>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Payable or repayable other than by instalments	<b>243,267</b>	<b>242,637</b>
	<b>243,267</b>	<b>242,637</b>

Other loans comprises of:

1. 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.
2. Two 10-year CIF loans, repayable monthly, carrying interest rates of 2.3% per annum.

**20. Prior period adjustments**

The prior period financial statements have been re-stated to recognise a CIF loan which had been treated as income in the 2020 financial statements. This has now been corrected by a prior period adjustment. The effect on the prior year balance sheet is that liabilities have increased by £83,461 and restricted fixed asset funds have reduced by the same amount.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**21. Statement of funds**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>						
Other income	439,211	425,321	(364,312)	(38,817)	-	461,403
Transfer on conversion	(433,197)	-	-	38,817	-	(394,380)
Lord Knight's Legacy	25,000	-	-	-	-	25,000
	<u>31,014</u>	<u>425,321</u>	<u>(364,312)</u>	<u>-</u>	<u>-</u>	<u>92,023</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	263,102	6,305,028	(5,563,876)	(580,828)	-	423,426
Other DfE/ESFA grants	39,721	307,844	(346,318)	-	-	1,247
Other government grants	-	28,619	(28,619)	-	-	-
Invest to Save	(1,661)	-	1,661	-	-	-
School fund	110,373	116,146	(155,981)	-	-	70,538
Pension reserve	(1,876,000)	-	(578,000)	-	2,454,000	-
	<u>(1,464,465)</u>	<u>6,757,637</u>	<u>(6,671,133)</u>	<u>(580,828)</u>	<u>2,454,000</u>	<u>495,211</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	2,480,375	26,050	(82,427)	-	-	2,423,998
Funded from GAG	735,930	-	(120,041)	580,828	-	1,196,717
Funded from other income	2,411,989	-	(62,363)	-	-	2,349,626

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**21. Statement of funds (continued)**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
	5,628,294	26,050	(264,831)	580,828	-	5,970,341
<b>Total Restricted funds</b>	4,163,829	6,783,687	(6,935,964)	-	2,454,000	6,465,552
<b>Total funds</b>	4,194,843	7,209,008	(7,300,276)	-	2,454,000	6,557,575

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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**21. Statement of funds (continued)**

Summary

The balance on restricted general funds plus unrestricted general funds at 31 August 2022 results in a net surplus of £587,234.

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 2022.

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

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
<b>Unrestricted funds</b>						
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>
<b>Restricted general funds</b>						
GAG	(33,297)	5,917,612	(5,199,841)	(421,372)	-	263,102
Other DfE/ESFA grants	-	552,446	(512,725)	-	-	39,721
Other gov't 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>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	2,323,246	241,713	(84,584)	-	-	2,480,375

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**21. Statement of funds (continued)**

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2021 £</i>
Funded from GAG	514,293	-	(101,838)	323,475	-	735,930
Funded from other income	2,474,094	-	(62,105)	-	-	2,411,989
	<u>5,311,633</u>	<u>241,713</u>	<u>(248,527)</u>	<u>323,475</u>	<u>-</u>	<u>5,628,294</u>
<b>Total Restricted funds</b>	<u>3,782,750</u>	<u>6,880,451</u>	<u>(6,375,372)</u>	<u>-</u>	<u>(124,000)</u>	<u>4,163,829</u>
<b>Total funds</b>	<u><u>3,807,750</u></u>	<u><u>7,097,553</u></u>	<u><u>(6,586,460)</u></u>	<u><u>-</u></u>	<u><u>(124,000)</u></u>	<u><u>4,194,843</u></u>

**22. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Restricted fixed asset funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	-	-	6,069,336	<b>6,069,336</b>
Current assets	510,158	1,051,221	90,196	<b>1,651,575</b>
Creditors due within one year	(57,433)	(556,010)	(172,499)	<b>(785,942)</b>
Creditors due in more than one year	(360,702)	-	(16,692)	<b>(377,394)</b>
<b>Total</b>	<u><u>92,023</u></u>	<u><u>495,211</u></u>	<u><u>5,970,341</u></u>	<u><u><b>6,557,575</b></u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**23. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of financial activities)	<b>(91,268)</b>	511,093
<b>Adjustments for:</b>		
Depreciation	<b>264,831</b>	248,527
Capital grants from DfE and other capital income	<b>(26,050)</b>	(241,713)
Interest receivable	<b>(352)</b>	(99)
Defined benefit pension scheme cost less contributions payable	<b>278,000</b>	210,000
Defined benefit pension scheme finance cost	<b>29,000</b>	24,000
Decrease/(increase) in stocks	<b>370</b>	(335)
Decrease in debtors	<b>367,699</b>	66,883
Increase in creditors	<b>289,263</b>	180,863
Administration cost of defined benefit pension scheme	<b>2,000</b>	2,000
Reduction in revaluation of defined benefit pension scheme	<b>269,000</b>	-
<b>Net cash provided by operating activities</b>	<b>1,382,493</b>	<b>1,001,219</b>

**24. Cash flows from financing activities**

	2022 £	2021 £
Repayments of borrowing	<b>(38,817)</b>	(62,441)
<b>Net cash used in financing activities</b>	<b>(38,817)</b>	<b>(62,441)</b>

**25. Cash flows from investing activities**

	2022 £	2021 £
Dividends, interest and rents from investments	<b>352</b>	99
Purchase of tangible fixed assets	<b>(1,208,324)</b>	(582,656)
Capital grants from DfE Group	<b>26,050</b>	241,713
<b>Net cash used in investing activities</b>	<b>(1,181,922)</b>	<b>(340,844)</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**26. Analysis of cash and cash equivalents**

	<b>2022</b>	<i>2021</i>
	£	£
Cash in hand and at bank	<b>1,270,002</b>	<i>1,108,248</i>
<b>Total cash and cash equivalents</b>	<b>1,270,002</b>	<i>1,108,248</i>

**27. Analysis of changes in net debt**

	<b>At 1 September 2021</b>	<b>Cash flows</b>	<b>At 31 August 2022</b>
	£	£	£
Cash at bank and in hand	<b>1,108,248</b>	<b>161,754</b>	<b>1,270,002</b>
Debt due within 1 year	<b>(122,278)</b>	<b>(1,925)</b>	<b>(124,203)</b>
Debt due after 1 year	<b>(418,136)</b>	<b>40,742</b>	<b>(377,394)</b>
	<b>567,834</b>	<b>200,571</b>	<b>768,405</b>



---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**28. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**28. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £644,196 (2021 - £655,429).

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 2022 was £215,000 (2021 - £214,000), of which employer's contributions totalled £165,000 (2021 - £164,000) and employees' contributions totalled £ 50,000 (2021 - £50,000). The agreed contribution rates for future years are 21.6 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

**Principal actuarial assumptions**

	<b>2022</b>	<i>2021</i>
	%	%
Rate of increase in salaries	<b>3.25</b>	3.20
Rate of increase for pensions in payment/inflation	<b>2.95</b>	2.90
Discount rate for scheme liabilities	<b>4.25</b>	1.65

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

	<b>2022</b>	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>21.2</b>	21.2
Females	<b>23.7</b>	23.6
<i>Retiring in 20 years</i>		
Males	<b>22.1</b>	22.0
Females	<b>25.1</b>	25.1

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**28. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Discount rate +0.1%	<b>73</b>	<i>80</i>
CPI rate +0.1%	<b>68</b>	<i>106</i>
Salary increase + 0.1%	<b>8</b>	<i>15</i>

The pension scheme surplus/deficit is based on the actuarial assumptions used as at the 31 August 2022. These can, and do, change after the year end. The above sensitivity analysis shows how the position stated can change significantly based on changes to the actuarial assumptions. A change in the markets is likely to result in an increased pension scheme deficit by next year end. Post year end valuations could be obtained to provide an indication, however, it is considered that the cost would outweigh the benefit to the users of the accounts, and would not be value for money.

**Share of scheme assets**

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

	<b>At 31</b>	<i>At 31 August</i>
	<b>August 2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Equities	<b>2,560,000</b>	<i>2,339,000</i>
Corporate bonds	<b>414,000</b>	<i>464,000</i>
Property	<b>444,000</b>	<i>337,000</i>
Cash and other liquid assets	<b>82,000</b>	<i>124,000</i>
<b>Total market value of assets</b>	<b>3,500,000</b>	<i>3,264,000</i>

The actual return on scheme assets was £6,000 (*2021 - £45,000*).

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

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<i>£</i>
Current service cost	<b>(443,000)</b>	<i>(374,000)</i>
Interest income	<b>56,000</b>	<i>45,000</i>
Interest cost	<b>(85,000)</b>	<i>(69,000)</i>
<b>Total amount recognised in the Statement of financial activities</b>	<b>(472,000)</b>	<i>(398,000)</i>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**28. Pension commitments (continued)**

At 31 August 2022, the present value of the defined benefit obligation at the reporting date was valued at less than the fair value of plan assets and therefore the plan has a surplus. In accordance with FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. On the basis that the separate triennial valuation is used to calculate future contribution rates on a different valuation basis there is no realistic expectation that the surplus will be realised or will provide future economic benefit to the trust. As a result the pension asset has not been recognised in the balance sheet of the financial statements. The asset and liability movements as included in the FRS 102 valuation report has been disclosed below for transparency.

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

	2022 £	2021 £
<b>At 1 September</b>	<b>5,140,000</b>	4,091,000
Current service cost	443,000	374,000
Interest cost	85,000	69,000
Employee contributions	50,000	50,000
Actuarial (gains)/losses	(2,504,000)	631,000
Benefits paid	17,000	(75,000)
<b>At 31 August</b>	<b>3,231,000</b>	5,140,000

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

	2022 £	2021 £
<b>At 1 September</b>	<b>3,264,000</b>	2,575,000
Interest income	56,000	45,000
Actuarial (losses)/gains	(50,000)	507,000
Employer contributions	165,000	164,000
Employee contributions	50,000	50,000
Benefits paid	17,000	(75,000)
Administration expense	(2,000)	(2,000)
<b>At 31 August</b>	<b>3,500,000</b>	3,264,000

---

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

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

---

**29. Operating lease commitments**

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	11,390	11,390
Later than 1 year and not later than 5 years	5,695	17,085
	<u>17,085</u>	<u>28,475</u>

**30. 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.

**31. 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 Academy Trust 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 £1,478 (2021 - £2,098) 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 £718 (2021 - £311) was outstanding.

During the year the academy paid £2,820 for services from Duncan & Toplis, a company in which J Parker's (trustee) nephew is employed. At the year end no amounts were outstanding.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

**32. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the trust received £15,489 (2021 - £12,907) and disbursed £6,879 (2021 - £7,425) from the fund. An amount of £22,943 (2021 - £14,333) is included in other creditors relating to undistributed funds that is repayable to ESFA.

