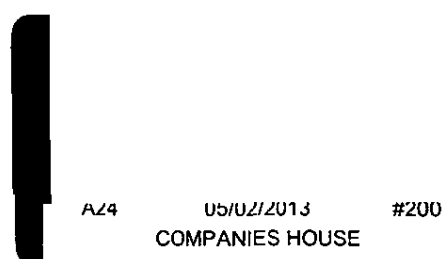


THE KING DAVID HIGH SCHOOL
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012



Company Limited by Guarantee
Registration number: 07716057(England and Wales)



THE KING DAVID HIGH SCHOOL

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THE KING DAVID HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE INFORMATION

DIRECTORS

Mr J Rowe - Chair (appointed 17 August 2011) < \ / # +
Mr J Dover – Vice Chair (appointed 17 August 2011) * ^ < / # +
Mr D Lopian – Treasurer (appointed 17 August 2011) * #
Mr G Stemmer (appointed 17 August 2011) * ^ < ~ + =

GOVERNORS

Mrs M Rowe – Foundation Governor * >
Mr L Fruhman– Foundation Governor * /
Mr N Handler– Foundation Governor \ / +
Mr A Pliener– Foundation Governor
Cllr M Hackett– LEA Governor
Mrs E Raczkowycz– Teacher Governor
Mr L Labaton– Parent Governor
Mr D Landes– Parent Governor ^ >
Mrs C Downes– Staff Governor
Mr B Levy– Headteacher > #

* Disciplinary Sub-Committee
^ Parental & General Complaints-Committee
> Staffing Sub-Committee
< Ofsted Monitoring Committee
\ Gifted & Talented Sub-Committee
/ Disciplinary Appeals Sub-Committee
~ Buildings & Facilities Sub-Committee
Finance Sub-Committee
+ Recruitment & Admissions Sub-Committee
= Safeguarding Sub-Committee

EX-OFFICIO GOVERNORS

Mr B Levy (Headteacher)

RESPONSIBLE OFFICERS

Mrs J Goddard/Mr R Smith

ACCOUNTING OFFICER

Mr B Levy (Headteacher)

REGISTERED OFFICE

The King David High School
Eaton Road
Crumpsall
Manchester,
M8 5DY

COMPANY REGISTRATION NUMBER

07716057

AUDITORS

Crowe Clark Whitehill LLP
Arkwright House
Parsonage Gardens
Manchester
M3 2HP

BANKERS

The Co-operative Bank
1 Balloon Street
Manchester
M60 4EP

THE KING DAVID HIGH SCHOOL

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2012

The Governors, who are also directors for the purposes of company law, have pleasure in presenting their report together with the financial statements and auditor's report of the charitable company for the period to 31 August 2012. The King David High School (The Academy) was formed on 18th August 2011. The Academy took over the management of The King David High School on 17th August 2011.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 3 of the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as trustees for the charitable activities of The King David High School Academy Trust. Trust board members are the directors of the charitable company for the purpose of company law.

Details of the Governors who served throughout the period are included in the reference and administrative details on page 3.

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 whilst 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 £10, for the debts and liabilities contracted before he/she ceased to be a member.

Governors' Indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover of up to £5,000,000 on any one claim.

Principal Activities

The King David High School Academy Trust's principal activity is specifically restricted to the following:

The provision of secondary school education with a designated Jewish religious character (in accordance with the religious authority of the Chief Rabbi of the British Commonwealth) offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Governors

Foundation governors are appointed by the Trustees, normally for a term of 4 years. In addition there are local authority governors, parent governors and staff governors. Parent governors are elected by parents.

THE KING DAVID HIGH SCHOOL

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2012

The articles of Association require the trust board members to appoint a minimum of 3 governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. The Articles of Association contain provisions for the appointment of additional governors including staff governors and parent governors. There is no maximum number of governors.

The Governing Body comprises 15 Governors, including the head teacher, 2 staff Governors and 2 Parent Governors.

The Principal is an ex-officio governor.

Policies and Procedures Adopted for the Induction and Training of Governors

New Governors have induction training and support available to them, via the Clerk to the Governing Body and through training courses provided by the Local Education Authority.

Organisational Structure

The governing body is responsible for the efficient running of the school and efficient delivery of education. The day to day management of the school is delegated to the Head teacher, Deputy Head teacher and Senior Management Team. The Principle Accounting Officer is the Head teacher, but the Chair of the Governors and the treasurer operate an additional layer of supervision over the school finances.

The Governors set and review school policies, set the academic targets, set the budget, monitor academic and financial performance etc and are largely involved in supervising and monitoring the management of the school.

The governors have sub-committees responsible for specific areas (Staff Disciplinary, Pupil Disciplinary, Sixth Form, Staffing, Ofsted Monitoring etc). Each sub-committee has its own terms of reference and the governors review the remit of the sub groups and the frequency of meeting. The Finance Committee meet at least once per term and the other committees meet as required.

The Resources committee have received guidance, which has resulted in changes to processes from those operated as a Voluntary Aided Primary School. Notes to support the financial processes have been circulated as part of the finance manual and considered in detail by the Staffing and Resources Committee. All Governors receive monthly newsletters and are kept up to date by regular e-mail. Many Governors help in school on a regular basis, often accompanying visits and attending events. All Governors have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their governing body duties.

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular, those relating to the operational areas of the site and facilities and of teaching and the finances. The governors have implemented a system to assess the risks the school faces, especially in the operational areas which include teaching and health and safety and in relation to the control of finance. The governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover. The academy also has produced a risk register and action plan which can be obtained for any governor. These items are reviewed periodically to ensure they are up to date and relevant to the academy's requirements.

THE KING DAVID HIGH SCHOOL

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2012

Connected Organisations, including Related Party Relationships

There are no related parties, which either control or significantly influence the decisions or operations of The King David High School. There are no sponsors.

The Academy works closely with parents and other stakeholders to further the principal activities of the academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of The King David High School.

In accordance with the Articles of Association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Academy and that the curriculum should comply with the substance of the National Curriculum.

The main objectives of the Academy during the period ended 31 August 2012 are

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

The excellent results that the School achieves as reflected in the published Government tables is testimony to the fulfilment of the Academy Trust objectives.

THE KING DAVID HIGH SCHOOL

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2012

Objectives, Strategies and Activities

The objectives of the school are to provide the highest quality of education for each and every child, whilst maintaining the warm and welcoming atmosphere of the school and enhancing the pupils' knowledge of, and pride in, their faith and tradition

Public Benefit

We have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

ACHIEVEMENTS AND PERFORMANCE

The Academy is in its first year of operation and continues to achieve forecast numbers of pupils. Total numbers on roll in the period ended 31 August 2012 numbered 827, and the Academy is full in most year groups. The Academy has a standard admission number of 115 per year group.

In 2012, the school's pass rate at GCSE, 5 A* to C grades was 99%. The pass rate for 5 A* to C grades including English and Maths was 88%. At A-Level, the pass rate was 100% with some 80% of results being at A*, A or B grades.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues 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.

Key Performance Indicators

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence. In its last OFSTED inspection in February 2011, OFSTED assessed the previous school now the Academy as "good".

The results of the February 2011 Inspection are summarised below:

Assessment	Inspection Grade
Outcomes for Individuals and Groups of Pupils	1
The quality of teaching	2
The extent to which the curriculum meets the pupils' needs	1
The effectiveness of pupils' care, guidance and support	2
The effectiveness of leadership and management in embedding ambition and driving improvement	1
The effectiveness of the governing body in challenging and supporting the school so that weaknesses are tackled decisively and statutory responsibilities met	1
The effectiveness of the school's engagement with parents and carers	2
Overall effectiveness of the sixth form	1

Note: Grade 1 is Outstanding, Grade 2 is Good

THE KING DAVID HIGH SCHOOL
REPORT OF THE GOVERNORS
FOR THE PERIOD ENDED 31 AUGUST 2012

The Academy is also monitored through the completion and submission to the EFA of

- The annual abbreviated accounts record,
- The financial plan for the period 2011-2014, and
- The annual financial Management and Governance Evaluation

FINANCIAL REVIEW

Financial and Risk Management Objectives and Policies

The Academy's financial objectives are

- To set and operate within an agreed and balanced budget
- Applying at all times, best value principles in all purchases
- Monitoring and evaluating the value for money of all staff
- To prevent all areas of wastage

These objectives were achieved in the period ending 31st August 2012

Financial Report for the Period

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ending 31st August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the charities Statement of Recommended Practice, "Accounting and Reporting by Charities," (SORP 2005) such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31st August 2012, total was £5,831,886 and expenditure was £5,656,045. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £175,841.

At 31st August 2012 the net book value of fixed assets was £1,151,491 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and associated support services to pupils.

Financial Position

The Academy held fund balances at 31st August 2012 of £783,178. This comprised restricted fixed asset funds of £762,377, £24,660 of restricted funds and £160,181 of unrestricted general funds, less other losses of £164,000 relating to the pension scheme deficit.

THE KING DAVID HIGH SCHOOL

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2012

Principal Risks and Uncertainties

The Academy has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation

A risk register is maintained at the Academy level which is reviewed at least annually by the Governors and more regularly when necessary. The risk register identifies key risks, the likelihood of these risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This is supported by an action plan which sets out a set of procedures to follow if risk on the risk register occur.

Outlined below is a description of the principal risk factors which may affect the Academy. Not all factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1 Government Funding

The Academy has considerable reliance on continued Government funding through the EFA. In 2011/2012, 87.6% of the Academy's revenue was ultimately publicly, and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or in the same terms.

This risk is mitigated in a number of ways:

- Funding is derived from a number of direct and indirect contractual arrangements,
- By ensuring that the Academy is rigorous in delivering high quality education and training,
- Considerable focus and investment is placed on maintaining and managing key relationships with the EFA.

2 Maintain adequate funding of pensions liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of Financial Reporting Standard (FRS17). This deficit relates to non-teaching staff who are members of Greater Manchester Pension Fund. At August 31st 2012 the deficit amounted to £164,000.

The pension scheme liability is an on-going liability which is not expected to materialise until the retirement of the employees in the scheme. The Academy makes contributions to the scheme on behalf of its employees. During the period, the Academy made contributions of £35,159. These contributions are determined by the scheme's Actuaries and are designed to eliminate the deficit over the estimated future working lives of the employees in the scheme.

THE KING DAVID HIGH SCHOOL

REPORT OF THE GOVERNORS FOR THE PERIOD ENDED 31 AUGUST 2012

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Academy's aim is to achieve prudent levels of reserves. However over the next few years, this is unlikely as even if the academy is able to build up reserves, the funds will be used to pay off the £500,000 loan from the Manchester City Council.

Investment Policy

Currently the academy does not have any investments due to the need to ensure cash balances for the day to day expenditure of the academy. In future periods the governors will look at the level of cash to see whether they merit investments.

PLANS FOR FUTURE PERIODS

The academy will continue to strive to achieve the highest academic standards, ensuring that every pupil realises their full potential. It will also maintain its efforts to ensure the well-being and happiness of each and every child.

AUDITORS

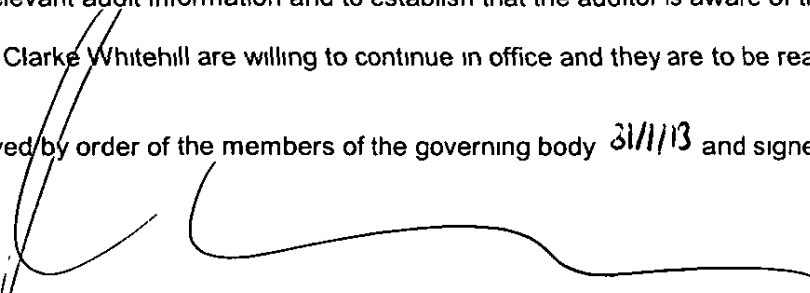
In so far as the governors are aware:

There is no relevant audit information of which the charitable company's auditor is unaware, and

The governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Crowe Clarke Whitehill are willing to continue in office and they are to be reappointed for the next year.

Approved by order of the members of the governing body 31/1/13 and signed on their behalf by



Mr J Rowe (Director and chair of the governing body)
Registered office
The King David High School
Eaton Road
Crumpsall
Manchester,
M8 5DY

THE KING DAVID HIGH SCHOOL
GOVERNANCE STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that The King David High School Academy Trust 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.

The Governing Body has delegated the day-to-day responsibility to the Head Teacher, 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 David High School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of governors responsibilities. Attendance during the year at meetings of the governing bodies was as follows:

Full Governors	Meetings Attended	Out of Possible
Mr J Rowe (Chair)	3	3
Mr J Dover	3	3
Mr D Lopian	2	3
Mr G Stemmer	2	3
Mrs M Rowe	3	3
Mr L Fruhman	0	3
Mr N Handler	1	3
Mr A Pliener	3	3
Cllr M Hackett	2	3
Mrs E Raczkowycz	2	3
Mr L Labaton	0	3
Mr D Landes	2	3
Mrs C Downes	1	3
Mr B Levy	3	3

Finance Subcommittee	Meetings Attended	Out of Possible
Mr J Rowe (Chair)	3	3
Mr J Dover	3	3
Mr D Lopian	3	3
Mr B Levy	2	3

All other sub-committees have met as required with attendance being noted through minutes of the sub-committee meeting.

THE KING DAVID HIGH SCHOOL
GOVERNANCE STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust 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 David High School Academy Trust for the period ended 31 August 2012 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

The Academy Trust'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 Governing Body,
- regular reviews by Governors 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 has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mrs J Goddard/Mr R Smith, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

THE KING DAVID HIGH SCHOOL
GOVERNANCE STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the Business Manager within the Academy Trust who has responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the Governing Body on 31/1/13 and signed on its behalf by



Mr J Rowe
Chair of Governors / Director



Mr B Levy
Accounting Officer / Director

THE KING DAVID HIGH SCHOOL
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE PERIOD ENDED 31 AUGUST 2012

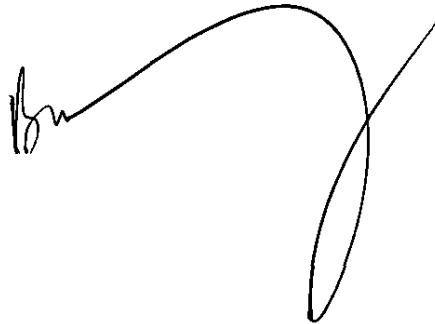
Statement of Regularity, Propriety and Compliance

As accounting officer of The King David High School Academy I have considered my responsibility to notify the academy governing body and the Education Funding Agency of material irregularity, impropriety, and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Mr B Levy
Accounting officer

A handwritten signature in black ink, consisting of a stylized 'B' followed by a long, sweeping horizontal line that curves upwards and then loops back down.

THE KING DAVID HIGH SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE PERIOD ENDED 31 AUGUST 2012

Statement of Governors' Responsibilities

The Governors (who act as trustees for charitable activities of The King David High School Academy Trust and are also the directors of the Charitable Company for the purposes of Company Law) are responsible for preparing the Governors' Report and the Financial Statements in accordance with the Annual Accounts Requirement issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company Law requires the Governors to prepare Financial Statements for each financial year. Under Company Law the Governors 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 Governors are required to -

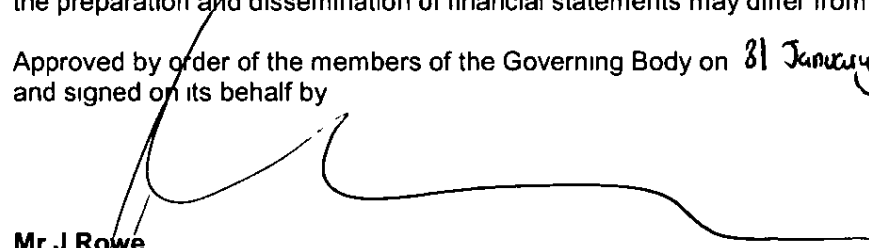
- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP,
- Make judgments and estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

The Governors 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 Governors 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 the EFA/DfE have been applied for the purposes intended

The Governors 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 Governing Body on 31 January 2013
and signed on its behalf by


Mr J Rowe
Chair of Governors
The King David High School
Eaton Road
Crumpsall
Manchester,
M8 5DY

THE KING DAVID HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE PERIOD ENDED 31 AUGUST 2012

We have audited the financial statements of The King David High School for the period ended 31 August 2012 which the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 24

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 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, including the Annual Accounts Direction 2011/12 issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors Report for the financial year for which the financial statements are prepared is consistent with the financial statements

THE KING DAVID HIGH SCHOOL
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 AUGUST 2012

Matters on which we are required to report by exception

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

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



Michael Jayson

Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Arkwright House
Parsonage Gardens
Manchester
M3 2HP

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF THE KING
DAVID HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY**

FOR THE PERIOD ENDED 31 AUGUST 2012

In accordance with the terms of our engagement letter dated 18 October 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 17 August 2011 to 31 August 2012 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 governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the governing body and Auditors

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction 2011/12. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction 2011/12 issued by the EFA.

Opinion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 17 August 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Crowe Clark Whitehill LLP

Statutory Auditor

Arkwright House

Parsonage Gardens

Manchester

M3 2HP

31 JAN 2013

KING DAVID HIGH SCHOOL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)

FOR THE PERIOD ENDED 31 AUGUST 2012

	Note	Unrestricted Funds £	Restricted General Funds £	Total 2012 £
Incoming resources				
<i>Incoming resources from generated funds</i>				
-Voluntary income	3	66,405	430,400	496,805
-Activities for generating funds	4	231,810	-	231,810
-Investment income	5	-	-	-
<i>Incoming resources from charitable activities</i>				
-Funding for the Academy's educational operations	6	83,127	5,134,144	5,217,271
Total incoming resources		381,342	5,564,544	5,945,886
Resources expended				
<i>Cost of generating funds</i>				
Costs of generating voluntary income				
Fundraising trading				
<i>Charitable activities</i>				
Academy's educational operations	8	221,161	5,495,454	5,716,615
Governance costs	9	-	6,500	6,500
Total resources expended	7,9	221,161	5,501,954	5,723,115
Net incoming / (outgoing) resources before transfers		160,181	62,590	222,771
Gross transfers between funds	17	-	-	-
Net income/(expenditure) for the year		160,181	62,590	222,771
Other recognised gains and losses				
Introduction of FRS 17 Liability	17,27	-	(88,000)	(88,000)
Actuarial (losses) gains on defined benefit pension schemes	17,27	-	(67,000)	(67,000)
Net movement in funds		160,181	(92,410)	67,771
Reconciliation of funds				
Funds carried forward at 31 August 2012		160,181	(92,410)	67,771

KING DAVID HIGH SCHOOL ACADEMY

BALANCE SHEET Company Number 07716057

FOR THE PERIOD ENDED 31 AUGUST 2012

	Notes	2012 £	2012 £
Fixed assets			
Tangible assets	13		396,153
Current assets			
Debtors	14	80,397	
Cash at bank and in hand		680,317	
		<u>760,714</u>	
Creditors Amounts falling due within one year	15	(508,558)	
Net current assets			<u>252,156</u>
Total assets less current liabilities			648,309
Creditors Amounts falling due after one year	16		(416,538)
Net assets excluding pension liability			231,771
Pension scheme liability	27		(164,000)
Net assets including pension liability			<u>67,771</u>
Funds of the academy			
Restricted funds			
Fixed asset fund(s)	17		-
General fund(s)	17		71,590
Pension Reserve	17		(164,000)
Total restricted funds			<u>(92,410)</u>
Unrestricted funds			
General fund(s)	17		160,181
Total unrestricted funds			<u>160,181</u>
Total funds			<u>67,771</u>

The financial statements on pages 19 to 42 were approved by the Governors, and authorised for issue on 31/1/2013 and are signed on their behalf by


Mr J Rowe
Chair

KING DAVID HIGH SCHOOL ACADEMY
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2012

	Notes	2012 £
Net cash inflow from operating activities	21	1,180,317
Returns on investments and servicing of finance	22	-
Capital expenditure	23	(500,000)
(Decrease)/Increase in cash in the year	24	<u>680,317</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 1 September 2011		-
Net funds at 31 August 2012		<u>680,317</u>

KING DAVID HIGH SCHOOL ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1 STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2011/12 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The governors 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 company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

The Governors have a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. The Academy is currently over-subscribed and has recently been informed that it is over-subscribed for September 2012. Maintaining pupil numbers is a key priority for the Academy and marketing, transition activities and links with Primary School are becoming established.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

- Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

- Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

KING DAVID HIGH SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses. All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £10,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Long leasehold buildings	50 years
Short-term additions to leasehold buildings	5 years
Fixtures, fittings and equipment	5 years
ICT equipment	5 years

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

KING DAVID HIGH SCHOOL ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

VAT accounting

The Finance Act 2011 put in place a special scheme whereby Academies are able to reclaim input VAT on their non-business activities directly from HMRC. The King David High School Academy has used this scheme during the period to 31 August 2012. Expenditure will be accounted for net of input VAT in the year to 31st August 2012.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. 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 Trust 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 quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

KING DAVID HIGH SCHOOL ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education, sponsor, or other funders, where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received and include grants from the Young People's Learning Agency & Department for Education.

2 GENERAL ANNUAL GRANT (GAG)

a Results and Carry Forward for the Year

2012

£

GAG brought forward from previous year	-
GAG allocation for current year	5,063,285
Total GAG available to spend	5,063,285
Recurrent expenditure from GAG	(4,998,695)
Fixed assets purchased from GAG	-
GAG carried forward to next year	64,591
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(607,594)
GAG to surrender to DfE (12% rule breached if result is positive)	(543,004)
	No breach

b. Use of GAG brought forward from previous year for recurrent purposes

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

Recurrent expenditure from GAG in current year	4,998,695
GAG allocation for current year	(5,063,285)
GAG allocation for previous year x 2%	-
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year (2% rule breached if result is positive)	(64,591)
	No breach

KING DAVID HIGH SCHOOL ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

3. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Donated Services	62,759	114,000	176,759
Other Donations	3,646	316,400	320,046
	<u>66,405</u>	<u>430,400</u>	<u>496,805</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Catering Staff Recharge	11,750	-	11,750
Recharge for Utilities	220,060	-	220,060
	<u>231,810</u>	<u>-</u>	<u>231,810</u>

5 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Short term deposits	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

KING DAVID HIGH SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

6 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
DfE / EFA revenue grants			
-General Annual Grant (GAG) (note 2)	-	5,063,285	5,063,285
-Start Up Grants	-	-	-
-DfE Implementation grant	-	-	-
-School Standards Fund	-	-	-
-Other DfE / EFA grants	-	40,589	40,589
	<u>-</u>	<u>5,103,874</u>	<u>5,103,874</u>
 Other Income			
School Meal Income	-	-	-
School Trip Income	51,934	-	51,934
School Uniform income	1,250	-	1,250
Exam Resists	-	22,985	22,985
NQT's Training Income	-	7,285	7,285
Endowment from Local authority	-	-	-
Other School Income	29,943	-	29,943
	<u>83,127</u>	<u>30,270</u>	<u>113,397</u>
	 <u>83,127</u>	 <u>5,134,144</u>	 <u>5,217,271</u>

KING DAVID HIGH SCHOOL ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

7. RESOURCES EXPENDED

	Staff Costs	Non Pay Expenditure Premises	Other Costs	Total 2012
	£	£	£	£
Academy's educational operations				
-Direct costs	3,560,357	-	495,357	4,055,714
-Allocated support costs	248,817	266,325	1,145,759	1,660,901
	<u>3,809,174</u>	<u>266,325</u>	<u>1,641,116</u>	<u>5,716,615</u>
Governance costs including allocated support costs	-	-	6,500	6,500
	<u>3,809,174</u>	<u>266,325</u>	<u>1,647,616</u>	<u>5,723,115</u>
Net Incoming/outgoing resources for the year include				2012
				£
Operating leases				
Fees payable to auditor - audit				6,500
Profit/(loss) on disposal of fixed assets				<u>-</u>

KING DAVID HIGH SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

8. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATION OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
<i>Direct costs</i>			
Teaching and educational support staff costs	-	3,538,538	3,538,538
Educational supplies	-	297,307	297,307
Examination fees	-	109,305	109,305
School Uniform costs	-	-	-
Staff development	-	21,819	21,819
Marketing Costs	-	-	-
Legal & Professional	-	88,745	88,745
Other direct costs	-	-	-
	<hr/>	<hr/>	<hr/>
	-	4,055,714	4,055,714
<i>Allocated support costs</i>			
Support staff costs	11,752	237,065	248,817
Depreciation	-	103,846	103,846
Maintenance of premises and equipment	-	266,325	266,325
Cleaning	-	85,299	85,299
Light & heat	-	128,512	128,512
Rent & rates	-	352,881	352,881
Insurance	-	70,871	70,871
Security and transport	-	75,546	75,546
Telephone and admin stationery	-	47,932	47,932
Catering	-	19,897	19,897
Recharge of expenses	209,409	-	209,409
Legal & professional	-	30,672	30,672
Bank interest and charges	-	20,894	20,894
Other support costs	-	-	-
	<hr/>	<hr/>	<hr/>
	221,161	1,439,740	1,660,901
	<hr/>	<hr/>	<hr/>
	221,161	5,495,454	5,716,615

KING DAVID HIGH SCHOOL ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

9 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Legal and professional fees	-	-	-
Auditor's remuneration	-	6,500	6,500
	<u>-</u>	<u>6,500</u>	<u>6,500</u>

10 STAFF COSTS

Staff costs during the period were	2012 £
Wages and salaries	3,161,992
Social security costs	254,238
Pension costs	<u>392,944</u>
	3,809,174

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows

	2012 No
Charitable Activities	
Teachers	73
Education support	6
Clerical and administration	4
Premises	1
Catering	1
Management	2
	<u>87</u>

The number of employees whose emoluments fell within the following bands was

	2012 No
Over £60,000	
£60,001 - £70,000	1
£70,001 - £80,000	-
£90,001 - £100,000	-
£100,001 - £110,000	

The employees earning £60,001 - £70,000 participated in the Teachers' Pension Scheme During the year ended 31 August 2012 pension contributions for this staff member amounted to £7,127

KING DAVID HIGH SCHOOL ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2012

11. GOVERNORS REMUNERATION AND EXPENSES

Governors did not receive any payments from the Academy in respect of their role as governors

During the year ended 31 August 2012, there were no expenses reimbursed to governors

Related party transactions involving the trustees are set out in note 28

12 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors 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 2012 was £1,400

The cost of this insurance is included in the total insurance cost

KING DAVID HIGH SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

13. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
Cost				
At 1 September 2011	-	-	-	-
Additions	-	200,000	300,000	500,000
BSF Additions	-	-	-	-
Disposals	-	-	-	-
At 31 August 2012	-	200,000	300,000	500,000
Depreciation				
At 1 September 2011	-	-	-	-
Charged in year	-	41,539	62,308	103,847
Disposals	-	-	-	-
At 31 August 2012	-	41,539	62,308	103,847
Net book values				
At 31 August 2012	-	158,461	237,692	396,153
At 31 August 2011	-	-	-	-

14. DEBTORS

	2012 £
VAT recoverable	33,167
Other Debtor	300
BSF funds due from EFA	7,000
Prepayments	39,930
	80,397

KING DAVID HIGH SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

15 CREDITORS amounts falling due within one year

	2012
	£
Loan from Manchester City Council	42,638
Accruals and deferred income	465,920
	<u>508,558</u>

Deferred income	2012
	£
Deferred Income at 1 September 2011	-
Resources deferred in the year	6,384
Amounts released from previous years	-
Deferred Income at 31 August 2012	<u>6,384</u>

Deferred income at 31 August 2012 includes £6,384 16-19 Bursary Funding from the DfE. All amounts were received before the year end but relate to the next year.

16 Creditors amounts falling due after one year

	2012
	£
Loans	
Due within 2-5 years	190,269
Due within more than 5 years	226,269
	<u>416,538</u>

KING DAVID HIGH SCHOOL ACADEMY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012**

17 FUNDS

	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2012 £
Restricted general funds				
General Annual Grant (GAG)	5,063,285	(4,998,695)	-	64,590
Start Up Grant	-	-	-	-
Other DfE Grants	40,589	(40,589)	-	-
NQT's Training Income	7,285	(7,285)	-	-
One to One Tuition Grant	-	-	-	-
Pupil Premium	-	-	-	-
Personal Education Allowance Grant	-	-	-	-
Extended Schools Grant	-	-	-	-
Exam Resits	22,985	(22,985)	-	-
Donation for Rent Building	316,400	(316,400)	-	-
Other Government Donations	114,000	(107,000)	-	7,000
SSAT support and training	-	-	-	-
Endowment from Local authority	-	-	-	-
Pension reserve	-	(9,000)	(155,000)	(164,000)
	5,564,544	(5,501,954)	(155,000)	(92,410)
Restricted fixed asset funds				
DfE/EFA capital grants	-	-	-	-
BSF ICT capital grants	-	-	-	-
Capital expenditure from GAG	-	-	-	-
Private sector capital sponsorship	-	-	-	-
	-	-	-	-
	-	-	-	-
Total restricted funds	5,564,544	(5,501,954)	(155,000)	(92,410)
Unrestricted funds				
Unrestricted funds	381,342	(221,161)	-	160,181
Total unrestricted funds	381,342	(221,161)	-	160,181
Total funds	5,945,886	(5,723,115)	(155,000)	67,771

KING DAVID HIGH SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets		396,153	-	396,153
Current assets	160,181	600,533	-	760,714
Current liabilities		(925,096)	-	(925,096)
Pension scheme liability	-	(164,000)	-	(164,000)
Total net assets	160,181	(92,410)	-	67,771

19 CAPITAL COMMITMENTS

2012
£

Contracted for, but not provided in the financial statements

-

20. FINANCIAL COMMITMENTS

Operating leases

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows

2012
£

Other

Expiring within one year

15,176

Expiring within two and five years inclusive

-

Expiring in over five years

-

15,176

The building in which the school operates is owned by the King David Schools (Manchester). No lease has been signed on the building however, it is the intention that a rolling 5 year operating lease is put in place in the near future

Whilst no rental has been charged by the King David Schools (Manchester), the accounts include within Voluntary income & Allocated support costs amounts of £315,000 to reflect the grossed up donation and expenditure in accordance with the Charities SORP

KING DAVID HIGH SCHOOL ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

21. RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2012 £
Net income	222,771
Depreciation (note 13)	103,847
Capital grants from DfE and other capital income	-
Interest receivable (note 5)	-
FRS 17 pension cost less contributions payable (note 27)	8,000
FRS 17 pension finance income	1,000
(Increase)/decrease in debtors	(80,397)
Increase/(decrease) in creditors	925,096
Net cash inflow from operating activities	<u>1,180,317</u>

22. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012 £
Interest received	-
Net cash inflow from returns on investment and servicing of finance	<u>-</u>

23 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2012 £
Purchase of tangible fixed assets	(500,000)
Net cash outflow from capital expenditure and financial investment	<u>(500,000)</u>

24. ANALYSIS OF CHANGE IN NET FUNDS

Analysis of changes in net funds	At 1 September 2011	Cash flows	At 31 August 2012
	£	£	£
Cash in hand and at bank	-	680,317	680,317
	<u>-</u>	<u>680,316</u>	<u>680,316</u>

KING DAVID HIGH SCHOOL ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

25 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 £10 for the debts and liabilities contracted before he/she ceases to be a member

26 PENSION AND OTHER OBLIGATIONS

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 Tameside MBC, Administering Authority for Greater Manchester Pension Fund Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

KING DAVID HIGH SCHOOL ACADEMY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2012

27 PENSION AND OTHER OBLIGATIONS

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2011 was £47,000, of which employer's contributions totalled £32,000 and employees' contributions totalled £15,000. The agreed contribution rates for future years are 14.6% per cent for employers and between 5.5% and 7.5% depending on pay, for employees.

Principal Actuarial Assumptions	At 31 August 2012
Rate of increase in salaries	4%
Rate of increase for pensions in payment / inflation	2.20%
Discount rate for scheme liabilities	4.10%
Inflation assumption (CPI)	2.10%
Commutation of pensions to lump sums	50%

The sensitivities regarding the principal assumption used to measure the scheme liabilities as at 31 August 2012 are

	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	14%	88,000
1 year increase in member life expectancy	3%	19,000
0.5% increase in the Salary Increase Rate	7%	43,000
0.5% increase in the Pension Increase Rate	7%	43,000

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

	At 31 August 2012
<i>Retiring today</i>	
Males	20.1
Females	22.9
<i>Retiring in 20 years</i>	
Males	22.5
Females	25.0

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Local Government Pension Scheme
(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31 August 2012	Fair value at 31 August 2012 £
Equities	5.50%	319,000
Bonds	3.40%	92,000
Property	3.70%	23,000
Cash	2.80%	28,000
Currency		-
Other assets		-
		462,000
Total market value of assets		
Present value of scheme liabilities		
- Funded		(626,000)
Surplus/(deficit) in the scheme		(164,000)

The actual return on the scheme assets for period 1 October 2011 to 30 June 2012 was 1.6%
The estimated return on the scheme assets for period 1st August 2011 to 31 August 2012 was 9.2%

Amounts recognised in the statement of financial activities

	2012 £
Prior year movement	-
Current service cost (net of employee contributions)	8,000
Past service cost	-
Total operating charge	8,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(26,000)
Interest on pension liabilities	27,000
Pension finance income / (costs)	1,000

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Local Government Pension Scheme (Continued)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £67,000 loss.

Movements in the present value of defined benefit obligations were as follows

	2012 £
Introduced Liability	446,000
Current service cost	57,000
Interest cost	27,000
Employee contributions	20,000
Actuarial (gain)/loss	76,000
Benefits paid	
Past Service cost	
Curtailments and settlements	
At 31 August	626,000

Movements in the fair value of academy's share of scheme assets.

	2012 £
Introduced Assets	358,000
Expected return on assets	26,000
Actuarial gain/(loss)	9,000
Employer contributions	49,000
Employee contributions	20,000
Benefits paid	
At 31 August	462,000

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The estimated value of employer contributions for the year ended 31 August 2013 is £49,000

The five-year history of experience adjustments is as follows

	2012
	£
Present value of defined benefit obligations	626,000
Fair value of share of scheme assets	(462,000)
Deficit in the scheme	<u>164,000</u>
	£
Experience adjustments on share of scheme assets - Gains/(Losses)	<u>9,000</u>

27. RELATED PARTY TRANSACTION

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year the Academy engaged with Hill Dickinson LLP a firm of lawyers of which Mr J Dover (a director of the academy) is a member. The services provided were on an arm's length basis for the provision of legal services to the amount of £11,504.