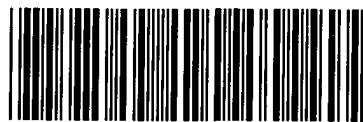

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

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THE KING DAVID HIGH SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members

Mr J Rowe, Chair
Mr J Dover, Vice Chair
Mr D Lopian, Treasurer

Governors

Mr G Stemmer
Mrs M Rowe
Mr L Fruhman
Mr N Handler
Mr S Pliener
Cllr M Hackett
Mrs E Raczkowycz
Mr D Landes
Mrs C Downes
Mr B Levy, Head Teacher
Mr C Glaskie

Company registered number

07716057

Principal and registered office

Eaton Road
Crumpsall
Manchester
M8 5DY

Senior management team

Mr B N Levy	Headteacher
Mrs H Edis	Assistant Headteacher
Mrs T Basger	Assistant Headteacher
Mrs J Turner	Head of Upper School/PE/Careers
Mr S Marvin	Head of Upper School/English
Miss E Mulgrew	Head of Sixth Form/Business Studies/Economics
Mr I Frankell	Sixth Form UCAS Co-ordinator/English/Media
Dr J Hampson	Biology
Mrs S Eden	Head of Yavneh Girls/History
Rabbi P Cohen	Jewish Studies (Yavneh Boys)
Rabbi S Schwalbe	Jewish Studies (Yavneh Boys)
Mr G Leventhall	Deputy Head of Yavneh Boys/Head of History
Mrs Raczkowycz	Head of Science/Biology
Miss Earner/Mrs Silver	Head of English
Mr Milejski	Head of Maths
Mr Mintz	Co-ordinator of RS (Key Stage 4&5) Jewish History,

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Independent auditor

Crowe Clark Whitehill LLP
3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Bankers

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

Solicitors

Hill Dickinson LLP
No 1 St Paul's Square
Liverpool
L3 9SJ

THE KING DAVID HIGH SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

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 year ended 31 August 2014. The King David High School (The Academy) was formed on 25th July 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 1 of the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trustees of King David Schools are responsible for the overall direction and religious content and appoint its foundation governors.

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, dated 22 July 2011.

The Governors are to manage the business of King David High School Academy Trust.

The Directors of the charitable company are set out in the reference and administrative details on page 1.

Details of the Governors who served throughout the period 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 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 United Hebrew Congregation 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 Articles of Association require there to be a minimum of 3 governors to be responsible for 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

THE KING DAVID HIGH SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Governors.

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 Accounting Officer is the Head teacher, but the Chair of 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.

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 has also produced a risk register and action plan. These items are reviewed periodically to ensure they are up to date and relevant to the academy's requirements.

Connected Organisations, including Related Party Relationships

The Trustees of King David High School are responsible for the overall direction of the school and its religious content. The Trustees are the sponsors of the school.

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 2014 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 KING DAVID HIGH SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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

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 third year of operation. It continues to achieve forecast numbers of pupils and is fully subscribed. The Academy has a standard admission number of 115 per year group.

In 2014, the school's pass rate at GCSE, 5 A* to C grades was 100%. The pass rate for 5 A* to C grades including English and Maths was 96.45%. At A-Level, the pass rate was 100% with some 75.65% 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 Academy is also monitored through the completion and submission to the EFA of

THE KING DAVID HIGH SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- 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 2014.

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 2014 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.

Excluding movements in the restricted fixed asset fund and the movement for actuarial losses on defined benefit pension schemes, during the period ended 31st August 2014, total income was £5,437,310 and expenditure was £5,325,440. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension scheme movements) was £79,363.

At 31st August 2014 the net book value of fixed assets was £237,952 and movements in tangible fixed assets are shown in note 14 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 2014 of £176,336. This comprised unrestricted general funds of £46,780 plus general restricted funds of £52,951 and restricted fixed asset funds of £381,605, less the pension scheme deficit of £305,000.

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 risks on the risk register occur.

Outlined below is a description of the principal risk factors which may affect the Academy. Not all factors are

THE KING DAVID HIGH SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 2013/2014, 88.02% of the Academy's revenue was ultimately from public sources, 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 2014 the deficit amounted to £305,000.

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 £61,000. 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.

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 subject to the Pension reserve fund. The pension liability is a long term liability rather than an immediate liability and further disclosure for the Pensions reserve fund is provided in notes 18 and 24.

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.

THE KING DAVID HIGH SCHOOL
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 Clark 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 and signed on their behalf by



Mr J. Rowe
Chair of Trustees

17 DEC 2014

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that The King David High 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.

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mr J Rowe, Chair	3	3
Mr J Dover, Vice Chair	3	3
Mr D Lopian, Treasurer	3	3
Mr G Stemmer	3	3
Mrs M Rowe	3	3
Mr L Fruhman	0	3
Mr N Handler	2	3
Mr S Pliener	3	3
Cllr M Hackett	3	3
Mrs E Raczkowycz	2	3
Mr L Labaton	0	3
Mr D Landes	2	3
Mrs C Downes	0	3
Mr B Levy, Head Teacher	3	3
Mr C Glaskie	3	3

The Finance Committee is a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr J Rowe	3	3
Mr J Dover	3	3
Mr D Lopian	3	3
Mr B Levy	3	3

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 David High School for the year 1

THE KING DAVID HIGH SCHOOL
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GOVERNANCE STATEMENT (continued)

September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 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 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 appointee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the appointee reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However it engages external specialist consultants (Education Finance Consultants Limited) to carry out systems and control tests throughout the year. The consultants reports are reviewed in detail by the Finance Committee.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 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 Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 on **17 DEC 2014** and signed on its behalf, by:


Mr J Rowe
Chair of Trustees


Mr B Levy
Accounting Officer

THE KING DAVID HIGH SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The King David High School I have considered my responsibility to notify the academy board of trustees 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 (2013).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of 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 (2013).

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 EFA.

Mr B Levy
Accounting Officer

Date: 17 DEC 2014

THE KING DAVID HIGH SCHOOL
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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors (who 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 Direction 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 of the Charities SORP;
- make judgments 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 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 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 board of trustees on **17 DEC 2014** and signed on its behalf by:



Mr J Rowe
Chair of Trustees

THE KING DAVID HIGH SCHOOL
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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF THE KING DAVID HIGH SCHOOL

We have audited the financial statements of The King David High School for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. 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 Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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 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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

As explained more fully in the Governors' responsibilities statement, the Governors (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.

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 academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 academy's affairs as at 31 August 2014 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 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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
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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF THE KING DAVID HIGH SCHOOL

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 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Michael Jayson (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT
Date:

18 DEC 2014

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 18 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The King David High School during the year 1 September 2013 to 31 August 2014 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 David High School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The King David High School and EFA 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 David High School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE KING DAVID HIGH SCHOOL'S ACCOUNTING OFFICER AND
THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The King David High School's funding agreement with the Secretary of State for Education dated 17 August 2011, and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 Academies Accounts Direction 2013 to 2014 issued by EFA. 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 KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE KING
DAVID HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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 year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Michael Jayson

Crowe Clark Whitehill LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: 18 DEC 2014

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	478,843	-	478,843	392,149
Investment income	3	1,138	-	-	1,138	-
Incoming resources from charitable activities	4	24,008	4,789,668	143,653	4,957,329	5,020,128
TOTAL INCOMING RESOURCES		25,146	5,268,511	143,653	5,437,310	5,412,277
RESOURCES EXPENDED						
Charitable activities	7	116,272	5,086,372	111,146	5,313,790	5,366,162
Governance costs	6	-	11,650	-	11,650	9,850
TOTAL RESOURCES EXPENDED	8	116,272	5,098,022	111,146	5,325,440	5,376,012
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		(91,126)	170,489	32,507	111,870	36,265
Actuarial gains and losses on defined benefit pension schemes		-	(124,000)	-	(124,000)	34,000
NET MOVEMENT IN FUNDS FOR THE YEAR		(91,126)	46,489	32,507	(12,130)	70,265
<i>Total funds at 1 September 2013</i>		<i>137,906</i>	<i>(298,538)</i>	<i>349,098</i>	<i>188,466</i>	<i>118,201</i>
TOTAL FUNDS AT 31 AUGUST 2014		46,780	(252,049)	381,605	176,336	188,466

All activities relate to continuing operations.

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

The notes on pages 22 to 42 form part of these financial statements.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07716057

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		237,952		349,098
CURRENT ASSETS					
Debtors	15	140,690		133,365	
Cash at bank and in hand		643,942		501,382	
		784,632		634,747	
CREDITORS: amounts falling due within one year	16	(215,725)		(266,363)	
NET CURRENT ASSETS			568,907		368,384
TOTAL ASSETS LESS CURRENT LIABILITIES			806,859		717,482
CREDITORS: amounts falling due after more than one year	17		(325,523)		(372,016)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			481,336		345,466
Defined benefit pension scheme liability	24		(305,000)		(157,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			176,336		188,466
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	52,951		(141,538)	
Restricted fixed asset funds	18	381,605		349,098	
Restricted funds excluding pension liability		434,556		207,560	
Pension reserve		(305,000)		(157,000)	
Total restricted funds			129,556		50,560
Unrestricted funds	18		46,780		137,906
TOTAL FUNDS			176,336		188,466

The Governors consider that the academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the academy to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2014

The financial statements were approved by the Governors, and authorised for issue, on
17 DEC 2014 and are signed on their behalf, by:

Mr J Rowe
Chair of Trustees

The notes on pages 22 to 42 form part of these financial statements.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	20	183,297	(80,566)
Capital expenditure and financial investment	21	-	(55,732)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		183,297	(136,298)
Financing	21	(40,737)	(42,638)
INCREASE/(DECREASE) IN CASH IN THE YEAR		142,560	(178,936)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £	2013 £
Increase/(Decrease) in cash in the year	142,560	(178,936)
Cash outflow from decrease in debt and lease financing	40,737	42,638
MOVEMENT IN NET FUNDS IN THE YEAR	183,297	(136,298)
Net funds at 1 September 2013	84,844	221,142
NET FUNDS AT 31 AUGUST 2014	268,141	84,844

The notes on pages 22 to 42 form part of these financial statements.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Department for Education.

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy 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 the academy's policies.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

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

1.4 Resources expended

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.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 academy 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.

In making their assessment, the Governors have considered the guidance by the Charity Commission and the ICAEW's Technical Release 1/02 in relation to the FRS 17 Pensions liability which is long term in nature. Consequently, as the Academy is able to pay its debts as they fall due and able to meet the cashflow requirements of the Academy, including the contributions arising under the pension scheme, the Governors have prepared the accounts on a going concern basis.

1.6 Tangible fixed assets and depreciation

All assets costing more than £10,000 are capitalised.

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 are 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's depreciation policy.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	50 years
S/Term Leasehold Property	-	5 years
Fixtures and fittings	-	5 years
Computer equipment	-	5 years

1.7 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

The academy 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 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.

1.9 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 and the assets are held separately from those of the academy.

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 quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy 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 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 the 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 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.

1.10 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 2014. Expenditure is accounted for net of input VAT in the year.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Donation of rent free premises	-	315,000	315,000	315,000
Other donations	-	14,626	14,626	1,980
CST funding	-	149,217	149,217	75,169
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	-	478,843	478,843	392,149
	<hr/>	<hr/>	<hr/>	<hr/>

Reclassification of comparatives

Comparative CST funding has been reclassified for consistency with the current period. The reclassification between other income and voluntary income has been made to better reflect the nature of the income.

3. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Investment income	1,138	-	1,138	-
	<hr/>	<hr/>	<hr/>	<hr/>

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA grants				
Devolved formula capital	-	143,653	143,653	18,057
General annual grant (GAG)	-	4,483,404	4,483,404	4,744,014
Bursary fund 16-18	-	9,212	9,212	9,576
SEN income	-	12,000	12,000	-
	-	4,648,269	4,648,269	4,771,647
Other government grants				
Pupil premium	-	39,751	39,751	24,036
Music grant	-	10,473	10,473	10,961
SSCo funding	-	-	-	7,600
SEN income	-	98,299	98,299	250
Golden Hello	-	5,599	5,599	-
	-	154,122	154,122	42,847
Other funding				
School trip income	-	117,161	117,161	75,477
School uniform income	-	1,143	1,143	1,125
Exam resists	-	5,597	5,597	16,399
Other school income	24,008	-	24,008	16,048
Income for NQT's	-	3,929	3,929	96,585
Insurance	-	3,100	3,100	-
	24,008	130,930	154,938	205,634
	24,008	4,933,321	4,957,329	5,020,128

5. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for educational operations	116,272	5,197,518	5,313,790	5,366,162

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

5. EXPENDITURE BY CHARITABLE ACTIVITY (continued)

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	<i>Total 2013 £</i>
Funding for educational operations	3,733,028	111,146	1,469,616	5,313,790	<i>5,366,162</i>

6. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>Total funds 2013 £</i>
Auditors' remuneration	-	6,500	6,500	<i>6,500</i>
Responsible Officer	-	5,150	5,150	<i>3,350</i>
	-	11,650	11,650	<i>9,850</i>

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

7. CHARITABLE ACTIVITIES

	Total funds 2014 £	<i>Total funds 2013 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	3,487,139	3,530,783
Educational supplies	302,603	309,929
Examination fees	85,362	85,856
Staff development	11,575	22,218
	3,886,679	3,948,786
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	245,889	257,848
Depreciation	111,146	102,787
Maintenance of premises and equipment	22,529	30,552
Cleaning	89,335	98,996
Light and heat	109,670	76,637
Rent and rates	362,925	347,907
Insurance	72,338	39,930
Security and transport	157,804	97,890
Catering	60,156	20,065
Recharge of expenses	19,572	61,079
Legal and professional	159,907	264,598
Bank interest and charges	15,840	19,087
	1,427,111	1,417,376
	5,313,790	5,366,162

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2014	2014	2014	2014	2013
	£	£	£	£	£
Funding for educational operations	3,487,139	-	399,540	3,886,679	3,948,785
Support costs - Funding for educational operations	245,889	22,529	1,158,693	1,427,111	1,417,378
Charitable activities	3,733,028	22,529	1,558,233	5,313,790	5,366,163
Governance	-	-	11,650	11,650	9,850
	3,733,028	22,529	1,569,883	5,325,440	5,376,013

9. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Funding for educational operations	3,886,679	1,427,111	5,313,790	5,366,163

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	111,146	102,787
Auditor's remuneration	6,500	6,500
Operating leases	19,932	15,176

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

11. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	3,106,344	3,161,709
Social security costs	236,773	244,891
Other pension costs (Note 24)	389,911	382,031
	<u>3,733,028</u>	<u>3,788,631</u>
Supply teacher costs	25,181	-
	<u><u>3,758,209</u></u>	<u><u>3,788,631</u></u>

b. Staff severance payments

Included in wages and salaries is a non-contractual severance payment totalling £15,986 (2013: £84,200).

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2014 No.	2013 No.
Teachers	71	72
Educational support	10	10
Clerical and administration	6	6
Premises	2	1
Catering	1	2
Management	2	2
	<u>92</u>	<u>93</u>

d. Higher paid staff

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

The employee above participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 pension contributions for this staff member amounted to £9,627 (2013: £9,455)

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

12. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2014 £	2013 £
Head Teacher	65,000-70,000	65,000-70,000
Head of Science	50,000-55,000	50,000-55,000
Administrative Officer	25,000-30,000	20,000-25,000

During the year, no Governors received any reimbursement of expenses (2013 - £NIL).

13. 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 2014 was £2,120 (2013 - £1,050). The cost of this insurance is included in the total insurance cost.

14. TANGIBLE FIXED ASSETS

	Furniture and Equipment £	Computer equipment £	Total £
Cost			
At 1 September 2013 and 31 August 2014	255,732	300,000	555,732
Depreciation			
At 1 September 2013	84,326	122,308	206,634
Charge for the year	51,146	60,000	111,146
At 31 August 2014	135,472	182,308	317,780
Net book value			
At 31 August 2014	120,260	117,692	237,952
At 31 August 2013	171,406	177,692	349,098

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

15. DEBTORS

	2014 £	2013 £
Trade debtors	10,064	7,350
Prepayments and accrued income	76,766	108,494
VAT recoverable	53,860	17,521
	<u>140,690</u>	<u>133,365</u>

**16. CREDITORS:
Amounts falling due within one year**

	2014 £	2013 £
Loan from Manchester City Council	50,278	44,522
Trade creditors	57,666	79,513
Other creditors	24,489	21,000
Accruals and deferred income	83,292	121,328
	<u>215,725</u>	<u>266,363</u>

**17. CREDITORS:
Amounts falling due after more than one year**

	2014 £	2013 £
Loans from Manchester City Council	<u>325,523</u>	<u>372,016</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £	2013 £
Repayable by instalments	<u>118,033</u>	<u>173,323</u>

The loan with Manchester City Council is repayable in monthly installments and attracts interest at 4.34%.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
Unrestricted funds	137,906	24,091	(116,272)	-	45,725
Other General funds	-	1,055	-	-	1,055
	<u>137,906</u>	<u>25,146</u>	<u>(116,272)</u>	<u>-</u>	<u>46,780</u>
Restricted funds					
General Annual Grant (GAG)	(153,808)	4,483,404	(4,283,645)	-	45,951
Other government donations	7,000	-	-	-	7,000
Pupil premium	-	39,751	(39,751)	-	-
Bursary funding 16-19	-	9,212	(9,212)	-	-
SEN funding	-	110,299	(110,299)	-	-
Music grant	-	10,473	(10,473)	-	-
NQT income	-	3,929	(3,929)	-	-
Exam resits	-	5,597	(5,597)	-	-
Donations	-	14,626	(14,626)	-	-
Donations for rent building	-	315,000	(315,000)	-	-
CST funding	5,270	149,217	(154,487)	-	-
Teaching Agency - Golden Hello	-	5,599	(5,599)	-	-
Insurance	-	3,100	(3,100)	-	-
Trip income	-	117,161	(117,161)	-	-
School uniform	-	1,143	(1,143)	-	-
Pension reserve	(157,000)	-	(24,000)	(124,000)	(305,000)
	<u>(298,538)</u>	<u>5,268,511</u>	<u>(5,098,022)</u>	<u>(124,000)</u>	<u>(252,049)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	-	143,653	-	-	143,653
Capital expenditure from GAG	349,098	-	(111,146)	-	237,952
	<u>349,098</u>	<u>143,653</u>	<u>(111,146)</u>	<u>-</u>	<u>381,605</u>
Total restricted funds	<u>50,560</u>	<u>5,412,164</u>	<u>(5,209,168)</u>	<u>(124,000)</u>	<u>129,556</u>
Total of funds	<u>188,466</u>	<u>5,437,310</u>	<u>(5,325,440)</u>	<u>(124,000)</u>	<u>176,336</u>

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

Restricted fixed asset funds have been reclassified to correctly reflect the brought forward funds as capital expenditure from GAG.

Restricted General Funds are used specifically to provide educational resources for the pupils of the Academy.

THE KING DAVID HIGH SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

18. STATEMENT OF FUNDS (continued)

Restricted Fixed Asset Funds provide for the installation, maintenance and repair of the Fixed Assets of the Academy.

Unrestricted Funds are those other Resources which may be used to further the objectives of the Academy.

Transfers between restricted general and restricted fixed asset funds have occurred for capital purchases which have arisen from GAG expenditure.

The deficit on the pension reserve will be eliminated based on future contributions as advised by the schemes actuary. That on general funds will be eliminated by control of future expenditure and if necessary from unrestricted funds.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Gains/ (Losses) £	Carried Forward £
General funds	137,906	25,146	(116,272)	-	46,780
Restricted funds	(298,538)	5,268,511	(5,098,022)	(124,000)	(252,049)
Restricted fixed asset funds	349,098	143,653	(111,146)	-	381,605
	<u>188,466</u>	<u>5,437,310</u>	<u>(5,325,440)</u>	<u>(124,000)</u>	<u>176,336</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	237,952	237,952	349,098
Current assets	(96,873)	737,852	143,653	784,632	634,747
Creditors due within one year	143,653	(359,378)	-	(215,725)	(266,363)
Creditors due in more than one year	-	(325,523)	-	(325,523)	(372,016)
Provisions for liabilities and charges	-	(305,000)	-	(305,000)	(157,000)
	<u>46,780</u>	<u>(252,049)</u>	<u>381,605</u>	<u>176,336</u>	<u>188,466</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Net incoming resources before revaluations	111,870	36,265
Depreciation of tangible fixed assets	111,146	102,787
Capital grants from DfE	(143,653)	-
(Increase)/decrease in debtors	(7,325)	15,372
Increase/(decrease) in creditors	87,259	(261,990)
FRS 17 pension cost less contributions payable	25,000	23,000
FRS 17 pension finance income	(1,000)	4,000
Net cash inflow/(outflow) from operations	183,297	(80,566)

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	-	(55,732)
	2014 £	2013 £
Financing		
Repayment of loans	(40,737)	(42,638)

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	501,382	142,560	-	643,942
Debt:				
Debts due within one year	(44,522)	40,737	(46,493)	(50,278)
Debts falling due after more than one year	(372,016)	-	46,493	(325,523)
Net funds	84,844	183,297	-	268,141

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23. 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.

24. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 related to the period ended 31 March 2012 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and

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24. PENSION COMMITMENTS (continued)

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £80,000, of which employer's contributions totalled £58,000 and employees' contributions totalled £22,000. The agreed contribution rates for future years are 16.6% for employers and 5.5-7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the

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24. PENSION COMMITMENTS (continued)

Department for Education. The guarantee came into force on 18 July 2013.

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.80	550,000	6.60	446,000
Bonds	3.20	140,000	3.90	112,000
Property	4.50	46,000	4.70	37,000
Cash	3.30	39,000	4.70	25,000
Total market value of assets		<u>775,000</u>		<u>620,000</u>
Surplus in the scheme		<u>775,000</u>		<u>620,000</u>

The amounts recognised in the Balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(1,080,000)	(777,000)
Fair value of scheme assets	<u>775,000</u>	<u>620,000</u>
Net liability	<u>(305,000)</u>	<u>(157,000)</u>

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

	2014 £	2013 £
Current service cost (net of employee contributions)	86,000	81,000
Expected return on pension scheme assets	(39,000)	(24,000)
Interest on pension liabilities	<u>38,000</u>	<u>28,000</u>
Total	<u>85,000</u>	<u>85,000</u>
Actual return on scheme assets	<u>66,000</u>	<u>78,000</u>

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24. PENSION COMMITMENTS (continued)

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

	2014 £	2013 £
Opening defined benefit obligation	777,000	626,000
Contributions by scheme participants	22,000	22,000
Actuarial Losses	157,000	20,000
Current service cost	86,000	81,000
Interest cost	38,000	28,000
	<u>1,080,000</u>	<u>777,000</u>
Closing defined benefit obligation	<u>1,080,000</u>	<u>777,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	620,000	462,000
Actuarial gains and (losses)	33,000	54,000
Contributions by employees	22,000	22,000
Expected return on assets	39,000	24,000
Employer contributions	61,000	58,000
	<u>775,000</u>	<u>620,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £-157,000 (2013 - £-33,000).

The academy expects to contribute £68,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.50 %	5.90 %
Rate of increase in salaries	3.80 %	4.60 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %
Inflation assumption (CPI)	2.70 %	2.90 %
Commutation of pensions to lump sums	55.00 %	50.00 %

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	21.4	20.1
Females	24.0	22.9
Retiring in 20 years		
Males	24.0	22.5
Females	26.6	25.0

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(1,080,000)	(777,000)	(626,000)
Scheme assets	775,000	620,000	462,000
Deficit	(305,000)	(157,000)	(164,000)
Experience adjustments on scheme liabilities	(16,000)	-	-
Experience adjustments on scheme assets	33,000	54,000	9,000

25. OPERATING LEASE COMMITMENTS

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Between 2 and 5 years	20,383	19,932

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.

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26. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations 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 a governors has 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 £24,517 (2013: £5,721). The balance outstanding at the year end was £9,574 (2013: £nil).

The also had transactions with Manchester City Council, of which Councillor Hackett is a member. Payroll, insurance, health and safety and other support services were provided on an arm's length basis to the amount of £21,228 (2013: £17,468). The balance outstanding at the year end was £2,560 (2013: £1,161).

During the period, the King David High School recharged utility costs to King David Primary School, an Academy with which the High School has common governors. These recharges were made on an arm's length basis to the amount of £62,884 (2013: £31,631). In addition, £15,402 was recharged to the Primary School for the swimming pool, £13,127 for IT and £2,773 for repairs. The balance at the year end is £10,064.

During the period, the High School was recharged cleaning and caretaking costs to the value of £93,545 by King David Schools, a charity with which the school has common trustees. In addition the charity recharges catering costs amounting to £51,820 and decorating and repair costs of £9,080. The High School recharged the charity £2,323 in the year. The balance due to the charity at the year end is £17,423.

The charity also provides the school premises on a rent free basis. The market value has been assessed and included in both donated voluntary income and allocated support costs to the value of £315,000.