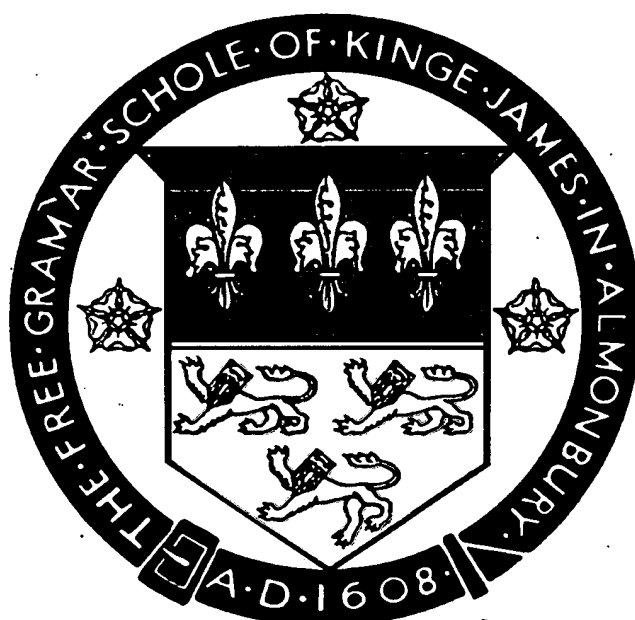


King James's School (A Company Limited by Guarantee)
Annual Report and Financial Statements
Year Ended 31 August 2021



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COMPANIES HOUSE

Company Registration Number: 08164889 (England and Wales)

King James's School

Annual Report and Financial Statements

Year Ended 31 August 2021

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King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

Members

J Eastwood (Chair)
A Haigh
M Mills
P O'Brien
V Thomas

Trustees

S Bryden (Appointed 01.10.20)
J Cockcroft
S Dommatt*
R Farrell
A Haigh* (Chair of Finance Committee)
D Harling* (Resigned 13.09.21)
C Harrower
R James (Appointed 08.11.2021)
J Jones
M Kapsa*
M Mills* (Chair of Governors)
M Oldfield
I Rimmer (Principal and Accounting Officer)
D Shokar
A Slater
D Thorington
M Wilson*
C Woodward*
Y Wu (Appointed 01.10.20)

*members of the Finance Committee

Company Secretary

A Hardwick

Senior Management Team

Principal	I Rimmer
Vice Principal	P Coxon
Senior Assistant Principal	S McNamara
Senior Assistant Principal	R Walton
Assistant Principal	P Kang
Assistant Principal	A Terry
Business Manager	A Hardwick

Company Name

King James's School

Principal and Registered Office

St Helen's Gate
Almondbury
Huddersfield
HD4 6SG

Company Registration Number

08164889

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

Independent Auditor	Wheawill & Sudworth Limited Chartered Accountants 35 Westgate Huddersfield HD1 1PA
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Bankers	Lloyds Bank 1 Westgate Huddersfield HD1 2DN
	Virgin Money Jubilee House Gosforth NE3 4PL

Solicitors	Walker Morris Kings Court Leeds LS1 2HL
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King James's School

Trustees' Report

Year Ended 31 August 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The trust operates as a secondary academy and has a pupil capacity of 918 and had a roll of 1032 in the school census 1st October 2021.

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 trustees of King James's School are also the directors of the charitable company for the purposes of company law. The charitable company is known as King James's School.

Details of the trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The trust holds a qualifying third party indemnity insurance policy on behalf of its trustees, the cost is £182.81.

Method of Recruitment and Appointment or Election of Trustees

The Governing Body's full composition (i.e. without any vacancies) is:

Local Authority	1
Parent	6
Staff (Including the Principal)	3
Member	9

Parent governors are elected by parents of registered students at the academy. A Parent Governor must be a parent of a student at the academy at the time he/she is elected. Where a vacancy for a parent governor exists, nominations can be sought from the parents of registered students at the academy. Where the number nominated exceeds the number of vacancies a secret ballot is held. If insufficient parents are nominated, the Governing Body may appoint a parent governor.

Staff Governors are nominated by the staff employed at the academy or by secret ballot if there are more nominations than vacancies. If there are insufficient nominations, the Governing Body may appoint a staff governor from amongst the employees. The total number of governors who are employees cannot exceed one third of the total number of governors.

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

Each governor (excluding the Principal) will serve a term of four years.

The Governors may appoint up to three Co-opted Governors. The governors may not co-opt an employee of the Academy Trust as a co-opted governor if thereby the number of governors who are employees of the Academy Trust would exceed one third of the total number of governors (including the Principal).

King James's School

Trustees' Report

Year Ended 31 August 2021

Structure, Governance and Management (continued)

The Secretary of State may appoint additional governors as he thinks fit subject to Articles 62A, 63, 64 and 68A of the Academy Trust's Memorandum of Association.

Policies and Procedures Adopted for the Induction and Training of governors

Newly appointed governors follow an induction programme which includes visits to the school. They are also encouraged to attend courses on the role of the governor and their statutory responsibilities. Upon appointment, Governors are assigned to one of its Committees.

The Academy subscribes to Kirklees Local Authority governor support package which provides a clerk to the Governors with extensive knowledgeable and experience to guide and assist Governors to meet their statutory obligations. In addition, this package consists of a range of tools (training courses, governor bulletins, discussion forums/networks, annual conference and a range of ad hoc materials) for both newly appointed and longer serving Governors. 'Modern Governor' is an e-learning tool included in this package – valuable in that it enables access to information at any time.

Organisational Structure

The organisational structure consists of two levels: The Governing Body and the Senior Leadership Team. The aim of the organisational structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governing Body are responsible for ensuring compliance with legal requirements, making decisions about the direction of the Trust, policy development, overall strategic planning, adopting an annual strategic plan, setting and monitoring an annual budget, making decisions about capital expenditure, setting and monitoring academic targets and involvement in senior staff appointments.

The governors delegate day to day operation of the school to the Senior Leadership Team, which for the period ended 31 August 2021, comprised the Principal (who is also the Accounting Officer), Vice Principal, two Senior Assistant Principals, two Assistant Principals and the Business Manager. The team manage the school at an executive level, implementing the policies laid down by the Governing Body and reporting back to them. As a team, the senior leaders are responsible for the authorisation of spending within agreed limits and the appointment of staff. (Appointments at senior leadership level always include a team of governors on the panel).

Other school leaders, such as Heads of Departments and Associate Staff Managers, have responsibility for different functions or areas of the school. The staffing structure, including responsibilities, is reviewed on an annual basis.

The governors have appointed a Responsible Officer to audit the school financial and administrative procedures.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The key management personnel comprise the trustees and the senior management team which are detailed on page 1. Remuneration of key management personnel is set by the trustees/members. For Principals, pay is set by applying the criteria in the School Teachers' Pay and Conditions Document to determine group size and setting an ISR within the group. Extra payments are not made in addition and movement within the ISR depends on successful annual appraisal. The criteria used in setting the pay of Vice and Assistant Principals is similar in that ISRs are set in accordance with the Pay Policy and progression through the IR is determined by the outcomes of appraisal.

King James's School

Trustees' Report

Year Ended 31 August 2021

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is:

- to advance for the public benefit education in the UK, in particular but without prejudice of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- to promote for the benefit of individuals living in Kirklees and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure activities in the interests of social welfare and with the object of improving the condition of life of the said individuals

Objectives, Strategies and Activities

King James's School's longstanding motto is Floreat Schola: May the School Flourish. This aptly describes the vision for the school, which has been exemplified through a series of values and commitments entitled the King James's Way.

At King James's School we **value**:



Kindness and Compassion



Inclusion and Tolerance



Nurture and Innovation



Greatness and Aspiration

and we make a **commitment** to be a community which promotes:



Joining together and helping each other



Academic challenge and opportunities



Mutual respect and shared responsibility



Engaging and enriching curriculum



Safe and secure learning environment



Strong belief in the well-being of everyone in school

The Governing Body's principal aim for the current period, as set out in the school improvement plan, is to build further on the standards, achievement and positive ethos which already exist in the school. The Governors approve a three-year plan and monitor its progress at Governing Body meetings.

Many of the objectives were either achieved or well on the way by the end of the 2020-21 academic year:

- To develop Leadership and Management
 - Embed the school's ethos and values
 - Prepare for the school expansion
 - Enhance school presence to all stakeholders
- To develop Quality of Education

King James's School

Trustees' Report

Year Ended 31 August 2021

- Provide first class Quality of Education, which delivers improved GCSE results in the relatively weaker subject areas
- Ensure that the achievement of disadvantaged pupils leaving the school matches more closely that of their peers
- To develop Behaviour and Attitudes
 - Additional Needs provision
 - Improve parental & student engagement
 - Reduce the number of disadvantaged pupils who are excluded from school
- To develop Personal Development
 - Support students to become physically and mentally healthy
 - Enhance student cultural capital
 - Provide first class careers guidance
- To monitor the impact of Covid-19 on all stakeholders and systems and plan for the wider reopening of school.

Public Benefit

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on the public benefit. The principal public benefit delivered by the King James's School is the provision of a high-quality education to students. This has been evidenced through the quality of education provided and the results achieved.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1% - 50%	-
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	£4,880,534
Percentage of total pay bill spent on facility time	0%

King James's School

Trustees' Report

Year Ended 31 August 2021

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours	0%
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Strategic report

Achievements and Performance

The Trust is in its ninth year of operation having converted to become an Academy on the 1 September 2012. The school is oversubscribed with waiting lists for admission. The total number of students in the period ended 31 August 2021 was 1032.

2021 GCSE Results

GCSE results for 2021 were suspended owing to Covid-19. Centre Assessed Grades were used to determine student outcomes. No Performance Measures were calculated.

Our results for previous years can be summarised as follows:

GCSE Results	2021	2020	2019	2018	2017	2016	2015	2014
5+ A* - C						80%	85%	83%
5+ A* - C incl. English and Mathematics						73%	81%	71%
5+ A* - G incl. English and Mathematics	N/A	N/A				98.9%	99.4%	99.4%
English A*-C						75%	85%	75%
Mathematics A*-C						87%	89%	82%
Progress 8			+0.01	-0.08	0.03	0.06		
Attainment 8			47.37	47.37	48.20*	54.68		
Basics (English and Mathematics) 4+	N/A	N/A	68%	70%	69%	76%		
Basics (English and Mathematics) 5+			48%	48%	45%			
English Baccalaureate 4+			42%	40%	22%	29%		
English Baccalaureate 5+			31%	20%	18%			

* The Attainment 8 score also reflects a new GCSE system which assigns a point's score to each grade. These scores have been lowered from 2016

Attendance

The attendance figures for the academic year ended 31 August 2021 were suspended owing to Covid 19 – until lockdown they were once again well above the national average.

Pupil Destinations

The figure for 'pupils staying in education or employment for at least two terms after key stage 4' for the academic year ended 31 August 2021 was 99.5% - which is once again above the national average.

Other accomplishments

The school remains a place where students' personal development can be enhanced by a broad range of additional experiences and opportunities, above and beyond the excellent work done in the classroom. The curriculum, which

Year Ended 31 August 2021

includes tutor time and assembly provision as well as external speakers and workshops, is enriched by numerous activities, which are available to all year groups. Unfortunately, work in this area for 2020-21 has been significantly adversely affected by Covid, so the number of opportunities was dramatically reduced. Typical trips to UK and European destinations could not take place. Equally, all musical and drama productions, many charity events and a wide variety of cultural activities had to be cancelled. Latterly, once restrictions were to some extent lifted, students were able to engage once again in some performance and sports-related activities. A summary of all the activities which could take place is recorded in the school's newsletter, which is published termly. The last three copies of these newsletters can be viewed on the school's website.

Achievements and Performance (continued)

Key Performance Indicators

Financial Performance Indicators reported to Governors include actual income and expenditure v academy budget. The key items considered are as follows:

- i) Staffing costs v budget and prior year
- ii) Overall level of GAG funding for the year
- iii) Base funding formula

Going Concern

After making appropriate enquiries, the board of trustees 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 Accounting Policies note of the financial statements.

Financial Review

During the year all reports have been submitted on time to the Education & Skills Funding Agency (ESFA). The Terms of Reference for all the committees of the Governing Body have been reviewed during the year, together with the scheme of delegation for financial transactions.

The school's major source of funding is the General Annual Grant (GAG) received from the ESFA. This is almost entirely dependent on student numbers. The use of this is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities (SOFA).

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

During the year ended 31 August 2021, the Academy had net outgoing resources before transfers of £487,563 which are shown in the SOFA. Included in this figure are net incoming resources to restricted general funds of £460,000, net out going resources to restricted fixed asset funds totalling £114,000 and net incoming resources from unrestricted funds of £9,000.

At 31 August 2021, the net book value of fixed assets was £8,721,873 which includes the assets that were 'donated' by Kirklees Council on conversion. The assets were used exclusively for providing education and associated support services to students of the Academy. Movements in tangible fixed assets are shown in note 11 to the financial statements.

Reserves & Investment Policy

King James's School

Trustees' Report

Year Ended 31 August 2021

The governors of the Academy consider it prudent that the Academy Trust maintains sufficient reserves to meet unexpected expenditure, and the level is reviewed annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Our Funding Agreement allows us to hold unspent funds from the previous financial year amounting to such percentage (if any) as specified in the Academies Financial Handbook (as amended from time to time or otherwise as the Secretary of State may specify by notice in writing to us prior to the beginning of each financial year). We may use the reserves for such purpose as specified in the Academies Financial Handbook.

At 31 August 2021, the Academy held fund balances of £6,360,219 comprising £248,350 of unrestricted funds, £8,730,115 of restricted fixed asset funds, and £316,754 of restricted general funds excluding the pension reserve. There is a deficit on the pension reserve of (£2,935,000).

The deficit in the pension reserve relates to the Local Government Pension Scheme inherited from the Local Authority on conversion. The deficit has arisen due to the Academy's share of pension scheme liabilities being in excess of the Academy's share of pension scheme assets. The provision in the Balance Sheet represents the expected future cost of meeting pension payments to current employees. No immediate liability will crystallise for the amount recognised in the Balance Sheet. The Academy has agreed to make additional funding deficit payments to the West Yorkshire Pension Fund in order to eliminate the liability over a number of years.

King James's School aims to manage its cash balances to provide for the day-to-day requirement of its operations while protecting the real long-term value of any surplus cash balances against inflation. In addition, the school aims to invest surplus cash funds to optimise returns, but ensure that the investments are such that there is no risk to the loss of these cash funds.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy Trust relate to pupil numbers and the formulas used for calculating funding. The academy has considered what these risks might be, and how to treat them or deal with the outcome. These are published in the Risk Policy and Register.

Risk Management

The governors have assessed the major risks to which the Academy Trust is exposed – in particular those relating to strategic and reputational risk, operational risks, compliance risks and financial risks. The key risks have been determined as:

- Strategic Risks:
 - School Reputation - impact of taking on students from Almondbury Community School
 - Risk of the impact Covid 19 will have on school
 - Capital construction - risk that assets built by contractors do not meet deadlines/specifications/budget
- Human Resources Risks:
 - Staff leaving because of disruption due to integration with ACS over past 2 years
 - Impact of Covid 19
 - loss of staff impacting on smooth running of school and staff well-being and cost implications of cover.
 - health and safety measures to prevent staff, students or visitors contracting Covid in School.
- Financial Control Risks:
 - In year budget in deficit owing to additional costs associated with Covid - staffing, H&S resources etc.
 - In year budget in deficit owing to unbudgeted additional costs associated with split-site – staffing, resources etc.
- The Trust is particularly open to risk surrounding staffing and income. Staffing, like other schools, accounts for the majority of incoming financial resources. The Trust is particularly vulnerable to external pressures, such as those presented by external bodies, i.e. School Teachers' Review Body (and the various interpretations of their

King James's School

Trustees' Report

Year Ended 31 August 2021

recommendations), who may recommend increases in pay despite no increase in funding. Failure to follow through on such recommendations (or interpretations of these recommendations) may result in exposure to other risks associated with staffing

Governors have implemented a number of systems to assess risks that the Trust faces, especially in the operations area. They have reviewed risks and established procedures, including operational procedures (e.g. vetting of new staff and visitors, security of the school site) and internal financial controls in order to minimise risk. Where significant financial risk remains, they have ensured they have adequate insurance cover which is reviewed annually.

Financial and Risk Management Objectives and Policies

The Academy's dealings with financial instruments are limited to bank accounts, creditors and debtors. This limitation serves to minimise credit and liquidity risks when this is combined with the nature of the Academy's debtors (being principally Government bodies) and therefore the risk to cash flow is also minimal.

The Academy has not undertaken any borrowing nor entered into any financial leases in the financial period ended 31 August 2021. Cash flow is monitored on a regular basis and any cash that is surplus is held in the academy's bank accounts. All creditors are paid within specified payment terms and no interest has been charged in respect of late payments for this period. Similarly, debtors' invoices are raised promptly, and grants and income claimed at the earliest opportunity.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

Plans for Future Periods

Governors intend to build on our current success and look forward to excellent GCSE results in 2022.

Many priorities remain the same, including increased focus on the progress of students in English, and more targeted use of the additional Pupil Premium funding. The School Improvement Plan identifies other areas of particular emphasis, including the successful integration of students following the closure of the neighbouring Almondbury Community School, development of the site to accommodate additional students, implementing a recovery curriculum to make up for time lost owing to the pandemic, and driving an Inclusion agenda to meet the needs of our changing demographic. Where appropriate, funds have been earmarked and identified in the budget for these areas of development.

Funds held as Custodian Trustee on behalf of others

There are no funds held on behalf of others

Auditor

In so far as the trustees are aware:

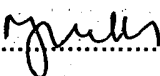
- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9th December 2021 and signed on the board's behalf by:

King James's School

Trustees' Report

Year Ended 31 August 2021


.....

M Mills, Trustee

9th December 2021

King James's School

Governance Statement

Year Ended 31 August 2021

Scope of Responsibility

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

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 King James's School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of governors' responsibilities. Details of the Governing Body are given on page 1. The Governing Body has met formally on 8 occasions during the period. The Governing Body has 4 committees:

- Finance & Resources Committee (including the Audit & Risk Committee)
- Staffing Committee
- Curriculum Committee
- Student Progress and Welfare Committee

Attendance during the period at meetings of the governing body was as follows:

Governor	Meetings Attended	Out of a Possible
E Barraclough	0	1
S Bryden	5	6
J Cockroft	4	7
S Dommett	5	7
R Farrell	6	7
A Haigh	6	7
D Harling	0	7
C Harrower	6	7
J Jones	5	7
M Kapsa	7	7
M Mills	6	7
M Oldfield	5	7
I Rimmer	7	7
P Rushton	0	1
D Shokar	4	7
A Slater	7	7
D Thorington	6	7
M Wilson	6	7
C Woodward	5	7

The Finance Committee is a sub-committee of the main board of governors. Its purpose is to:

- Assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis.

King James's School

Governance Statement

Year Ended 31 August 2021

Governance (continued)

Attendance during the year at meetings of the Finance Committee was as follows:

Governor	Meetings Attended	Out of a Possible
A Haigh	4	4
S Dommett	0	4
D Harling	0	4
M Kapsa	4	4
M Mills	1	4
I Rimmer	4	4
M Wilson	2	4
C Woodward	2	4

Review of Value for Money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

1. Improving educational outcomes

Improving educational results for our students remains our key priority. In 2021, Performance Tables were suspended owing to Covid-19. Given Centre Assessed Grades were used to calculate student outcomes, it is meaningless to make comparisons with previous cohorts. Nevertheless, the indicators were of a strong set of results.

The attendance of our students is typically well above the national level. Persistent absence is low and truancy is very rare. This year, like all other schools, our figures have been badly affected by Covid, but we hope to return to historically low levels once again in the future.

We are the school of choice for the vast majority of parents in the area with, once again, record numbers of families placing us as 1st preference 232 (for a PAN of 186) and any preference 436. As a result, the school is vastly oversubscribed.

2. Better Income Generation

In increasingly demanding financial times, the school continues to explore every avenue to generate additional funds. In addition to the hiring out of school facilities, during the last year we also secured extra income from the King James's School Foundation to fund the school minibus and various music lessons. We have also generated income by providing Inset to ITT students and system support to other schools. We continue to look for alternative sources of income, so that we can develop our facilities for the benefit of all.

3. Manchester Nexus SCITT & Northern Teaching Alliance / West Yorkshire Teaching Alliance

We have maintained our links with the Manchester Nexus SCITT and the West Yorkshire Teaching Alliance, as the Principal sits on the Executive Steering Committee of both. We have played an active role in the recruitment process for ITT students and agreed to act as host school for successful candidates. We have also offered training to the whole 2020-21 cohort. Despite a national teacher shortage, there are encouraging developments, as we aim to recruit and

King James's School

Governance Statement

Year Ended 31 August 2021

train new entrants to the profession, thus providing a steady source of high-quality recruits in a time of national shortage. Our succession planning involves identifying and supporting colleagues who have leadership potential.

4. Environment and Resources

- To accommodate our additional numbers, construction began on a new 10 classroom block, along with some internal ancillary works: extending the dining room, adding some outdoor sheltered space, reshaping Café 1608 into a science lab and making improvements to flow around school.
- Until the new 10 classroom building is completed, we have been given use of the Fernside Avenue building (formerly Almondbury Community School) in order to accommodate our additional numbers. The site is managed by SPIE

5. Areas for improvement

- We will install further outdoor shelters to provide more covered space for students during break times.
- We will be reconfiguring the current sports hall changing rooms/toilets/exam store and installing new facilities.
- We will be creating new office space, enhanced Isolation and increasing Inclusion capacity
- We will be seeking capital funding from the DfE to continue external fabric repairs to the building and to run new heating pipes to sections of the school.

6. Financial Impact of Covid

Covid 19 caused extensive operational issues for the Trust and necessitated additional investment to ensure that the buildings were suitable to manage the implications of the pandemic. Costs of covering for staff absences and maintaining enhanced cleaning regimes have escalated.

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 the academy trust's 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 King James's School for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The 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 Governing Body;
- regular reviews by the Finance Committee of quarterly management accounts and detailed reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure

King James's School

Governance Statement

Year Ended 31 August 2021

- programmes;
- monthly management accounts sent to Chair of Governors, Chair of Finance Committee and Accounting Officer;
- delegation of authority and segregation of duties;
- specific terms of reference and delegated responsibility including tender procedures;
- regular reviews of budgets by budget holders
- identification and management of risks
- contractors and visitors are subject to a rigorous signing in procedure and carry identification badges when on site
- the school buys into a service level agreement with the LA and all off-site visits are processed through their electronic system (Evolve)
- the school buys into a contract for Health & Safety with the LA who acts as 'Competent Person'.

The Governing Body took the decision to combine the Audit Committee with the Finance Committee. The Finance Committee carries out the functions of an Audit Committee, ensuring compliance with the financial systems and operational controls and to ensure that any risks are identified and managed.

The Chair and one other member of the Finance Committee are also Members of the academy which ensures continuity of assurance and awareness of the internal controls to meet the requirements of as details in the Financial Handbook 2020.

The Governing Body has, during the year, appointed a Responsible Officer Mr B Sykes, Appleton Dale Parsons Chartered Accountants who carries out the internal audit function including:

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

On a termly basis the Responsible Officer provides a report for the board of trustees, through the finance committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. There have been no material control issues arising during the year as a result of the internal auditor's work.

The Governing Body appointed Mr B Sykes as he is a qualified, independent, accountant and carries out the necessary checks to systems and controls.

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:

- regular monitoring of the budget with the business manager;
- monthly management accounts provided by the business manager;
- regular reports to the finance committee;
- the work of the Responsible Officer;
- the work of the external auditor.

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 any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 9th December 2021 and signed on its behalf by:


.....
M Mills, Trustee


.....
Mr I Rimmer, Accounting Officer

King James's School

Statement on Regularity, Propriety and Compliance

Year Ended 31 August 2021

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

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

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



I Rimmer
Accounting Officer

9th December 2021

Statement of Trustees' Responsibilities

Year Ended 31 August 2021

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

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

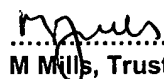
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education & Skills Funding Agency and Department for Education have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 9th December 2021 and signed on its behalf by:


.....
M Mills, Trustee

King James's School

Independent Auditor's Report to the Members of King James's School

Year Ended 31 August 2021

Opinion

We have audited the financial statements of King James's School (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of King James's School

Year Ended 31 August 2021

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of King James's School

Year Ended 31 August 2021

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the academy trust'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 trust'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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Butterworth (Senior Statutory Auditor)
For and on behalf of Wheawill & Sudworth Limited,
Chartered Accountants and Statutory Auditor
35 Westgate
Huddersfield
HD1 1PA

Date: 9th December 2021

King James's School

Independent Reporting Accountant's Assurance Report on Regularity to King James's School and the Education Funding Agency

Year Ended 31 August 2021

In accordance with the terms of our engagement letter dated 10 December 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by King James's School during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to King James's School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to King James's School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than King James's School and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of King James's School's funding agreement with the Secretary of State for Education dated 4 September 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions involved obtaining an understanding of the framework and authorities sufficient to identify and assess risk. This assessment is informed by our understanding of how the Trust complies with the framework of authorities, the Accounting Officer's Statement of Regularity, Propriety and Compliance and the work of the Accounting Officer and Responsible Officer during the period.

King James's School

Independent Reporting Accountant's Assurance Report on Regularity to King James's School and the Education Funding Agency

Year Ended 31 August 2021

Our testing included a review to ensure financial controls were appropriately designed and implemented during the period as well as detailed tests and analytical procedures to ensure compliance with specific terms of King James's School's funding agreement and the Academies Financial Handbook, extant from 1 September 2020. These tests were integrated with the audit of the financial statements for the period ended 31 August 2021 and separately documented.

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 period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

David Butterworth
Reporting Accountant
For and on behalf of Wheawill & Sudworth Limited,
Chartered Accountants and Statutory Auditor
35 Westgate
Huddersfield
HD1 1PA

Date: 9th December 2021

King James's School

Statement of Financial Activities (including Income and Expenditure Account)

Year Ended 31 August 2021

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2021 £000	Total 2020 £000
Income and endowments from:						
Donations and capital grants	2	5	8	218	231	201
Charitable activities:						
Funding for the academy trust's educational operations	5	-	6,259	-	6,259	5,123
Other trading activities	3	7	40	-	47	95
Investments	4	1	-	-	1	2
Total		13	6,307	218	6,538	5,421
Expenditure on:						
Charitable activities:						
Academy trust's educational operations	6,7	(4)	(6,766)	(256)	(7,026)	(5,699)
Total		(4)	(6,766)	(256)	(7,026)	(5,699)
Net income / (expenditure)		9	(459)	(38)	(488)	(278)
Transfers between funds	15	-	-	-	-	-
Other recognised gains / (losses)						
Actuarial gains / (losses) on defined benefit pension schemes	15, 23	-	260	-	260	(1,254)
Net movement in funds		9	(199)	(38)	(228)	(1,532)
Reconciliation of funds:						
Total funds brought forward	15	239	(2,419)	8,768	6,588	8,120
Total funds carried forward	15	248	(2,618)	8,730	6,360	6,588

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

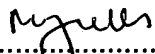
King James's School

Balance Sheet

Year Ended 31 August 2021

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	11		8,722		8,767
Current assets					
Debtors	12	254		139	
Cash at bank and in hand		852		853	
		<u>1,106</u>		<u>992</u>	
Liabilities					
Creditors: Amounts falling due within one year	13	<u>(531)</u>		<u>(361)</u>	
Net current assets			<u>575</u>		<u>631</u>
			9,297		9,398
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	14		(2)		(3)
Net assets excluding pension liability			<u>9,295</u>		<u>9,395</u>
Defined benefit pension scheme liability	23		(2,935)		(2,807)
Net assets including pension liability			<u>6,360</u>		<u>6,588</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	8,730		8,767	
General fund	15	317		389	
Pension reserve	15	<u>(2,935)</u>		<u>(2,807)</u>	
Total restricted funds			6,112		6,349
Unrestricted income funds	15		248		239
Total funds			<u>6,360</u>		<u>6,588</u>

The financial statements on pages 23 to 43 were approved by the trustees, and authorised for issue on 9th December 2021 and are signed on their behalf by:



M Mills, Trustee

Company Limited by Guarantee
 Registration Number: 08164889

King James's School**Statement of Cash Flows****Year Ended 31 August 2021**

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	18	(9)	(97)
Cash flows from investing activities	20	(1)	(1)
Cash flows from financing activities	19	9	(1)
Change in cash and cash equivalents in the reporting period		<u>(1)</u>	<u>(99)</u>
Cash and cash equivalents at 1 September 2020		853	952
Cash and cash equivalents at 31 August 2021	21	<u>852</u>	<u>853</u>

1 Statement of accounting policies

King James's School is a private company limited by guarantee incorporated in England. The address of the registered office and the principal place of business are given in the Reference and Administrative Details given on page 1 of these financial statements. The nature of the academy trusts operations and principal activities are set out in the Trustees' Report on page 5.

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the trust and rounded to the nearest £'000.

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

Going Concern

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

This assessment has also taken into account the uncertainty caused by Covid-19 and the operational action plans put in place by the Senior Management Team. These are considered to be an effective response to maintain both educational standards and working capital resources.

Income

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

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

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

Capital grants are recognised when there is entitlement 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.

1 Statement of accounting policies (continued)

Income (continued)

- **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and "Income from other trading activities". Upon sale, the value of the stock is charged against "Income from other trading activities" and the proceeds are recognised as "Income from other trading activities". Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within "Income from other trading activities".

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

1 Statement of accounting policies (continued)

Tangible Fixed Assets

Assets costing £1,000 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. Where there are specific restrictions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, 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 straight line
Fixtures, fittings and equipment	10 years straight line
ICT equipment	5 years straight line

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

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

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 Part 11, Chapter 3 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 Statement of accounting policies (continued)

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.

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 quadrennial valuations using a prospective unit credit method. As stated in Note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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 trustees.

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 with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Capital grants	-	218	218	181
Other donations	5	8	13	20
	<u>5</u>	<u>226</u>	<u>231</u>	<u>201</u>

Income from donations and capital grants was £231,000 (2020 - £201,000) of which £5,000 (2020 - £9,000) was attributable to unrestricted funds, £8,000 (2020 - £11,000) was attributable to restricted general funds and £218,000 (2020 - £181,000) was attributable to restricted fixed asset funds.

£106,000 (2020 - £146,000) of government grants were received from the Education Funding Agency (EFA) for capital investment, with an additional £112,000 received for specific capital projects from King James's School Foundation and another donor.

3 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
School welfare income	-	39	39	79
Hire of facilities	1	-	1	6
Other income	6	1	7	6
Sport Co-ordinator income	-	0	0	4
	<u>7</u>	<u>40</u>	<u>47</u>	<u>95</u>

Income from other trading activities was £47,000 (2020 - £95,000) of which £7,000 (2020 - £5,000) was attributable to unrestricted funds and £40,000 (2020 - £90,000) was attributable to restricted general funds.

4 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Short term deposits	1	-	1	2
	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>

Investment income was £1,000 (2020 - £2,000) all of which was attributable to unrestricted funds.

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

5 Funding for academy trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	5,409	5,409	4,572
Other DfE/EFA grants	-	515	515	403
	-	5,924	5,924	4,975
Other Government grants				
Local authority grants	-	296	296	122
Covid-19 additional funding (DfE/ESFA)				
Catch-up premium	-	14	14	-
Other DfE/ESFA COVID-19 funding	-	25	25	26
		6,259	6,259	5,123

Funding for academy trust's educational operations was £6,259,000 (2020 - £5,123,000) all of which was attributable to restricted general funds.

King James's School was eligible to claim additional funding in the year from the government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2021	Total 2020 £000
Academy trust's educational operations					
Direct costs	4,645	225	602	5,472	4,511
Allocated support costs	903	502	149	1,554	1,188
	5,548	727	751	7,026	5,699

£Nil (2020 - £Nil) of the above expenditure on the academy trust's educational operations was attributable to unrestricted funds, £6,769,000 (2020 - £5,408,000) was attributable to restricted general funds and £256,000 (2020 - £291,000) was attributable to restricted fixed asset funds.

Net income for the year includes:

	2021 £000	2020 £000
Operating lease rentals	40	37
Depreciation	256	255
Fees payable to the auditor for:		
Audit	5	5
Other services	5	5

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

7 Charitable activities

	Total 2021 £000	Total 2020 £000
Direct costs – educational operations	5,472	4,511
Support costs – educational operations	1,554	1,188
	<u>7,026</u>	<u>5,699</u>

Analysis of support costs

	Educational operations £000	Total 2021 £000	Total 2020 £000
Support staff costs	903	903	652
Depreciation	31	31	32
Premises costs	457	457	343
Other support costs	149	149	143
Governance costs	14	14	18
Total support costs	<u>1,554</u>	<u>1,554</u>	<u>1,188</u>

Support costs are allocated based upon actual use.

8 Staff

Staff costs

	2021 £000	2020 £000
Staff costs during the period were:		
Wages and salaries	3,744	3,120
Social security costs	765	313
Operating costs of defined benefit pension schemes	<u>763</u>	<u>878</u>
	5,272	4,311
Supply staff costs	276	90
	<u>5,548</u>	<u>4,401</u>

Staff numbers

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

	2021		2020	
	Number	FTE	Number	FTE
Teachers	55	51	50	47
Administration and support	55	49	43	32
Management	<u>7</u>	<u>7</u>	<u>6</u>	<u>6</u>
	117	107	99	85

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

8 Staff (continued)

Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	3	3
£80,001 - £90,000	0	0
£90,001 - £100,000	1	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the academy trust was £564,656 (2019 £537,687).

9 Related party transactions - Trustees' remuneration and expenses

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

I Rimmer (Principal and trustee):

Remuneration	£95,000 - £100,000 (2020: £90,000 - £95,000)
Employers' pension contributions	£20,000 - £25,000 (2020: £20,000 - £25,000)

S Dommett (Staff Trustee):

Remuneration	£40,000 - £45,000 (2020: £40,000 - £45,000)
Employers' pension contributions	£5,000 - £10,000 (2020: £5,000 - £10,000)

M Kapsa (Staff Trustee):

Remuneration	£30,000 - £35,000 (2020: £30,000 - £35,000)
Employers' pension contributions	£Nil - £5,000 (2020: £ Nil - £5,000)

Other related party transactions involving the trustees are set out in note 24.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £183 (2020: £180). The cost of this insurance is included in the total insurance cost.

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

11 Tangible fixed assets

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Total £000
Cost				
At 1 September 2020	9,334	446	349	10,129
Additions	133	47	30	210
Disposals	-	-	(7)	(7)
At 31 August 2021	9,467	493	372	10,332
Depreciation				
At 1 September 2020	810	264	288	1,362
Charged in year	189	42	24	255
Disposals	-	-	(7)	(7)
At 31 August 2021	999	306	305	1,610
Net book values				
At 31 August 2020	8,524	182	61	8,767
At 31 August 2021	8,468	187	67	8,722

12 Debtors

	2021 £000	2020 £000
Trade debtors	1	1
VAT recoverable	14	6
Prepayments and accrued income	239	132
	<u>254</u>	<u>139</u>

13 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Other taxation and social security	100	78
Other creditors	1	1
Accruals and deferred income	430	282
	<u>531</u>	<u>361</u>

Included within other creditors, amounts due within one year is a loan of £1,000 from Kirklees Metropolitan Council Energy and Water Conservation Fund which is provided at a fixed interest rate of 12.3% and repayable over 17 years, with 3 years outstanding at the year end.

13 Creditors: amounts falling due within one year (continued)

	2021 £000	2020 £000
Deferred income		
Deferred income at start of 1 September 2020	62	71
Released from previous years	(52)	(61)
Resources deferred in the year	112	52
Deferred income at end of 31 August 2021	<u>122</u>	<u>62</u>

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

At the balance sheet date the academy trust was holding funds received in advance for rates relief for the period September 2021 to March 2022 of £11,000, LA revenue income of £11,000 and Covid Catch Up premium grants of £100,000.

14 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Other creditors	2	3

Included within other creditors, amounts due after more than one year is a loan of £2,000 from Kirklees Metropolitan Council Energy and Water Conservation Fund which is provided at a fixed interest rate of 12.3% and repayable over 17 years, with 3 years outstanding at the year end.

15 Funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	310	5,409	(5,674)	-	45
Other DfE/EFA grants	25	515	(436)	-	104
Other DfE/EFA COVID-19 grants					
Catch –up premium	-	14	(14)	-	-
Summer School grants	-	25	(25)	-	-
Other local authority grants	-	296	(172)	-	124
School welfare fund	47	39	(45)	-	41
Pension reserve	(2,807)	-	(388)	260	(2,935)
Foundation trust fund	7	8	(12)	-	3
	<u>(2,419)</u>	<u>6,306</u>	<u>(6,766)</u>	<u>260</u>	<u>(2,618)</u>
Restricted fixed asset funds					
Transfer on conversion	7,583	-	(171)	-	7,412
DfE/EFA capital grants	770	106	(19)	-	857
Capital expenditure from GAG	294	112	(59)	-	347
Private sector capital sponsorship	121	-	(7)	-	114
	<u>8,768</u>	<u>218</u>	<u>(256)</u>	<u>-</u>	<u>8,730</u>
Total restricted funds	<u>6,349</u>	<u>6,525</u>	<u>(7,022)</u>	<u>260</u>	<u>6,112</u>
Total unrestricted funds	<u>239</u>	<u>13</u>	<u>(4)</u>	<u>-</u>	<u>248</u>
Total funds	<u>6,588</u>	<u>6,538</u>	<u>(7,026)</u>	<u>260</u>	<u>6,360</u>

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

15 Funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	300	4,582	(4,535)	(38)	309
Other DfE/EFA grants	25	429	(429)	-	25
Other local authority grants	-	122	(122)	-	-
School welfare fund	41	79	(73)	-	47
Pension reserve	(1,314)	-	(239)	(1,254)	(2,807)
Foundation trust fund	6	11	(10)	-	7
	(942)	5,223	(5,408)	(1,292)	(2,419)
Restricted fixed asset funds					
Transfer on conversion	7,756	-	(174)	-	7,582
DfE/EFA capital grants	637	147	(14)	-	770
Capital expenditure from GAG	357	-	(100)	38	295
Private sector capital sponsorship	89	35	(3)	-	121
	8,839	182	(291)	38	8,767
Total restricted funds	7,897	5,405	(5,699)	(1,254)	6,349
Total unrestricted funds	223	16	-	-	239
Total funds	8,120	5,421	(5,699)	(1,254)	6,588

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

Restricted General Funds

General Annual Grant

The General Annual Grant (GAG) is a recurrent grant paid by the Education Funding Agency (EFA).

The Academy's funding agreement restricts expenditure to the establishment, conduct, administration and maintenance of the academy.

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 2021.

Other DfE/EFA grants

Pupil Premium

A grant paid by the EFA which is restricted to costs associated with the support of pupils from low income families.

Teachers Pay

A grant restricted to teachers pay costs.

Teachers Pension

A grant restricted to teachers pay costs.

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

15 Funds (continued)

Other Local Authority Grants

SEN Grant

The local authority has a legal duty to ensure the statements of children with special educational needs (SEN) is fulfilled, and does this by paying the individually assigned funding and monitoring provision made by the academy. Use of the grant is restricted to the provision of support to the special needs students.

LAC funding

Funding is also given for looked after children in care and restricted to the provision of support to these students.

School welfare fund

The school welfare fund is derived from the academy from charges made to students for school trips, visits and activities. The income received is restricted to meeting costs of school trips, visits and activities.

Foundation Trust Fund

Donations received from the Foundation Trust following annual bids made by the Academy. This fund is restricted to expenditure on those items bid for by the Academy.

Pensions Reserves

The Pensions reserve was inherited from the Local Authority on conversion. The fund is restricted to providing retirement benefits to members of the Local Government Pension Scheme (LGPS).

Restricted Fixed Asset Funds

DfE Capital Grants

Devolved Formula Capital Allocation (DFCA)

The Academy receives a DFC allocation from the EFA each year. DFCA funds are restricted to repairs and maintenance of a capital nature.

Condition Improvement Fund (CIF)

CIF grants are received from the EFA. The school bids for funding for specific capital projects and funding received is restricted to meet the costs of successful capital bids.

Capital expenditure from GAG

Fixed assets acquired from recurrent GAG funding. Use of assets acquired from recurrent GAG funding is restricted to the provision of free education and Secretary of State approval is required for disposals.

Private Sector Capital Sponsorship

Grants received from non-government sources for capital items, including assets purchased using grants from the Big Lottery Fund and from the Foundation Trust.

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

16 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	8,722	8,722
Current assets	248	850	8	1,106
Current liabilities	-	(531)	-	(531)
Non-current liabilities	-	(2)	-	(2)
Pension scheme liability	-	(2,935)	-	(2,935)
Total net assets	248	(2,610)	8,730	6,360

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	8,767	8,767
Current assets	239	753	-	992
Current liabilities	-	(361)	-	(361)
Non-current liabilities	-	(3)	-	(3)
Pension scheme liability	-	(2,807)	-	(2,807)
Total net assets	239	(2,418)	8,767	6,588

17 Commitments under operating leases

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	28	30
Amounts due between one and five years	59	43
Amounts due after five years	0	2
	87	75

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

18 Reconciliation of net income / (expenditure) to net cash inflow from operating activities

	2021 £000	2020 £000
Net (expenditure) for the reporting period (as per the Statement of Financial Activities)	(488)	(278)
Adjusted for:		
Depreciation (note 11)	256	257
Capital grants from DfE and other capital income	(218)	(181)
Interest receivable (note 4)	(1)	(2)
Defined benefit pension scheme cost less contributions payable (note 23)	(158)	(112)
Defined benefit pension scheme finance income (note 23)	46	24
Defined benefit pension scheme current service cost (note 23)	500	327
Defined benefit pension scheme past service cost (note 23)	-	-
(Increase)/decrease in debtors	(115)	(59)
Increase/(decrease) in creditors	169	(73)
Net cash provided by / (used in) operating activities	(9)	(97)

19 Cash flows from financing activities

	2021 £000	2020 £000
Repayments of borrowing	(1)	(1)
Net cash used in financing activities	(1)	(1)

20 Cash flows from investing activities

	2021 £000	2020 £000
Dividends, interest and rents from investments	1	2
Purchase of tangible fixed assets	(210)	(185)
Capital grants from DfE/EFA	106	147
Capital funding received from sponsors and others	112	35
Net cash used in investing activities	9	(1)

21 Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	641	643
Notice deposits (less than 3 months)	211	210
Total cash and cash equivalents	852	853

22 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.

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

23 Pension and similar obligations

The academy trust'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 West Yorkshire Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £96,000 (2020: £75,000) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. As a result of the latest valuation based on membership data as at 31 March 2016, TPS employees pays an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the year amounted to £604,000 (2020: £527,000).

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

23 Pension and similar obligations – Teachers' Pension Scheme (continued)

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

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 2021 was £224,000 (2020: £159,000), of which employer's contributions totalled £158,000 (2020: £112,000), and employees' contributions totalled £66,000 (2020: £47,000). The agreed contribution rates for future years are 15.3% for employers and 5.5% - 12% for employees.

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

Principal Actuarial Assumptions

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.85%	3.55%
Rate of increase for pensions in payment / inflation	2.60%	2.30%
Discount rate for scheme liabilities	1.70%	1.70%
Inflation assumption (CPI)	2.60%	2.30%
Commutation of pensions to lump sums	50%	50%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.9	21.8
Females	24.7	24.6
<i>Retiring in 20 years</i>		
Males	22.6	22.5
Females	25.8	25.7

The academy trust's share of the assets in the scheme was:

	Fair value at 31 August 2021	Fair value at 31 August 2020
Equity instruments	3,748	2,749
Property	178	152
Government bonds	374	343
Corporate bonds	206	177
Cash	103	60
Other	65	53
Total market value of assets	4,674	3,534

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

23 Pension and similar obligations - Local Government Pension Scheme (continued)

The actual return on scheme assets was -£959,000 (2020: £222,000 credit).

Amounts recognised in the statement of financial activities

	2021 £000	2020 £000
Current service cost (net of employee contributions)	500	327
Past service cost (net of employee contributions)	0	0
Net interest cost	46	24
Total operating charge	546	351

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

	2021 £000	2020 £000
At 1 September	6,341	4,940
Current service cost	500	327
Past service cost	0	0
Interest cost	108	94
Employee contributions	66	47
Actuarial (gain) / loss	637	962
Benefits paid	(43)	(29)
At 31 August	7,609	6,341

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

	2021 £000	2020 £000
At 1 September	3,534	3,626
Interest income	62	70
Actuarial gain / (loss)	897	(292)
Employer contributions	158	112
Employee contributions	66	47
Benefits paid	(43)	(29)
At 31 August	4,674	3,534

Reconciliation of funded status to balance sheet

	2021 £000	2020 £000
Fair value of assets	4,674	3,534
Present value of funded defined benefit obligation	(7,609)	(6,341)
(Liability) recognised on the balance sheet	(2,935)	(2,807)

King James's School

Notes to the Financial Statements

Year Ended 31 August 2021

24 Related Party Transactions

Owing to the nature of the academy trust'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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2020 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

King James's School Foundation – A charitable foundation in which 3 governors of the Academy, A Haigh, J Cockcroft and P O'Brien, are trustees. During the year the academy received donations amounting to £8,361 (2020: £10,994). There were no amounts outstanding at 31 August 2021 (2020: £nil).

25 Capital commitments

	2021 £000	2020 £000
Contracted for, but not provided in the financial statements	<u>3</u>	<u>78</u>