
KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	A P L Kemp
Trustees	L Carter C Crede A P L Kemp C Kinnaird H Mellor A Pearson N Dennis (resigned 31 August 2018) J S Shareef (resigned 23 March 2018) S Sharma S J Thrower
Company registered number	08130253
Company name	Knightsfield School
Principal and registered office	Knightsfield School Knightsfield Welwyn Garden City Hertfordshire AL8 7LW
Company secretary	L Pope
Senior leadership team	S J Thrower, Headteacher D Bidwell, Deputy headteacher L Pope, School Business Manager
Independent auditors	Hillier Hopkins LLP Chartered Accountants Statutory Auditor Radius House 51 Clarendon Road Watford Herts WD17 1HP
Bankers	Lloyds Bank 49 Howardsgate Welwyn Garden City Hertfordshire AL8 6BA

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustee's report, and a Directors' report under company law.

Structure, governance and management

a. CONSTITUTION

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

The charitable company's Trust deed is the primary governing document of the Academy Trust.

The Trustees of Knightsfield School are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Knightsfield School.

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

b. 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.

c. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Knightsfield School has a Licence to Occupy in place with the adjoining secondary school, Monks Walk, to include our pupils in the following subjects:

Key Stage 3 PE, Art, Drama and in other subjects agreed by parents and both schools which match pupil's future aspirations.

Key Stage 4 Art GCSE/BTEC and P.E. GCSE.

Key Stage 5 A Level Photography.

The licence to occupy also includes the use of school hall, drama studio, one science classroom and catering facilities for our pupils and students.

Knightsfield School has an agreement with Oaklands College to provide relevant Key Stage 3 courses for our students, including 14-16 years Multi-Skills and Animal Care and Post 16 courses for our students, supported by Knightsfield staff. Post 16 courses include Diploma in Art & Design (L2), Diploma in Art, Media and Design (L1), BTEC Diploma in Business (L3), First Diploma in Sport (L2), Foundation in Hair & Beauty (L1), NVQ Certificate in Food Preparation & Cooking (L1) and Landmark.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Academy is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

The Trustee Body comprises 3 Community Trustees, 2 Staff Trustees, 2 Parent Trustees, the Headteacher and 2 Co opted Trustees.

Parent Trustees are elected by parents of registered pupils at the Academy. A parent must be a parent of a pupil at the Academy at the time when they are elected, if this is not feasible, a Parent Trustee must have a school aged child in full-time education at an alternative provision.

Staff Trustees shall be elected by secret ballot of all staff employed under contract to the Academy.

The Trustees may appoint Co opted Trustees provided (if they are an employee) the number of Trustees who are employees of the Academy would not exceed one third of the total number of the Trustees including the Headteacher.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

All Trustees undertake training as appropriate to their role. It is recommended that new Trustees attend induction training within 6 months of appointment. The school subscribes to Hertfordshire Association of School Governors and Herts for Learning. Trustees take part in their training programme. A log is kept of all Trustee training and reviewed on a regular basis at full trustee body meetings.

f. ORGANISATIONAL STRUCTURE

The structure of the Academy consists of three senior levels:

- The Trustees Body
- The Headteacher
- The Senior Leadership Team

The Trustees are responsible for the overall management and control of the Academy and formally meet four times a year. They are responsible for setting the School's policies, adopting the School Development Plan, approving the annual budget, monitoring performance against these plans and making decisions about the direction of the School including its curriculum, the achievement of pupils, students and staff.

The reviewing and monitoring of the work of the Academy is delegated to two Committees which are Strategy & Pupil Development and Resources & Audit Committees. The Committees meet at least once per term. They all work under the chairmanship of a Trustee appointed at the first full Trustee Body meeting in each academic year. Terms of Reference of these committees are agreed annually at these meetings. Please note: The Trustee Body requires the Resources Committee to undertake the duties of an Audit Committee. The clerk to the trustee body coordinates the work of the full Trustee Body, prepares agendas and papers and reviews matters arising. Committee Chairs coordinate the preparation of agenda, papers and minutes for the committees.

The Headteacher is the Accounting Officer.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees determine the general policies of the Academy. The day to day running of the Academy is delegated to the Headteacher. The Headteacher undertakes the key leadership role in the Academy. The day to day administration of the Academy is undertaken within the policies and procedures approved by the Trustees and Headteacher. The Deputy Headteacher is a Trustee attending full Trustee Body meetings and the Strategy & Pupil Development Committee. The School Business Manager attends full Trustee Body meetings and meetings of the Resources & Audit Committee to provide information but does not have voting rights.

All non staff Trustees give their time to the role freely and no remuneration or expenses were paid in the period.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

All teachers, including the Headteacher and teacher members of the Senior Leadership Team are paid in accordance to the School Teachers Pay and Conditions Document 2018. The School Business Manager is paid at a level remunerate with their position and responsibilities in the Senior Leadership Team.

h. TRUSTEES' INDEMNITIES

In accordance with normal practice the Academy is a member of the Department for Education's Risk Protection Arrangement to protect the Trustees and officers from claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under this arrangement is unlimited and in the period under review no sums have been paid out.

Objectives and Activities

a. OBJECTIVES AND ACTIVITIES

Knightsfield School is a specialist sensory academy for hearing-impaired pupils and students between the ages of 10-19. As specialists, we offer a broad and balanced curriculum. We encourage students to develop their ability to communicate by consistent use of their auditory oral, speaking, listening and language skills.

We intend that pupils leaving our school will:

- use their speaking and listening skills effectively in a range of environments and situations;
- be able to operate independently;
- fulfil or exceed their educational learning potential;
- be responsible, well rounded and thoughtful citizens;
- be ready to have an active and fulfilling life after leaving Knightsfield School.

The Academy is committed to safeguarding and promoting the welfare of children and young people and all staff and volunteers to share this commitment.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

All teachers must have Qualified Teacher Status. Mandatory Teacher of the Deaf training is a requirement for all teachers at Knightsfield School within three years of joining. One teacher completed their Teacher of the Deaf training in 2018 and one is currently undergoing training, and commenced their first year in September 2018.

Speech & Language Therapists support pupils on a weekly basis and radio aid systems are provided to all students, where appropriate, to promote and develop their listening skills to ensure they have optimal access to spoken language.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

c. PUBLIC BENEFIT

The Academy is committed to developing partnerships locally, nationally and internationally. The school offers deaf awareness sessions to its neighbouring school and college.

We have strong links with national services for hearing impaired people such as NDCS and BATOD, a local charity for deaf children called Phoenix, as well as local services that work with our pupils and students.

The Headteacher is a member of several local authority panels and committees for funding, strategy and placements.

We encourage our pupils to raise money for a Academy selected charity each year, which in 2017/18 was R P Fighting Blindness. We take part in national events such as Children in Need, Red Nose Days and fund raising for the British Heart Foundation.

Achievements and performance

Strategic report

a. KEY PERFORMANCE INDICATORS

Knightsfield School received a judgement of 'Outstanding' in the Ofsted inspection 12-13 November 2014. This included 'Outstanding' in Leadership & Management, 'Outstanding' in Behaviour & Safety of pupils, 'Outstanding' in Quality of teaching, 'Outstanding' in Achievement of pupils and 'Outstanding' in our Sixth Form provision.

The Trustee Body has delegated financial management to the Resources & Audit Committee. Key performance indicators are:

- Monthly variances against budget
- Revised outturn forecasts
- Final outturn against projected outturn
- Pupil recruitment

b. GOING CONCERN

After making appropriate enquiries, the Trustee Body has a reasonable expectation that the Academy 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.

c. ACHIEVEMENTS AND PERFORMANCE

Pupils joining the Academy in Year 6 or 7 do not have the same starting points as those in mainstream schools as a result of the impact of their hearing loss on their language, learning and progress. At the end of KS3 most pupils made expected or above progress in English, Maths, Science, Humanities and ICT.

100% of students made expected progress or above on their College courses in post 16.

Attendance for the 2017/2018 academic year was 91% (excluding absence for medical appointments). 82% of students had above 91% attendance.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

a. RESERVES POLICY

The Reserves Policy is reviewed on an annual basis by the Resources & Audit Committee. The Reserves Policy requires the Academy to ensure sufficient funds are available to cover one month's payroll in the event of an unforeseen circumstance or temporary cash flow issue. The Full Trustee Body approved this on 6 March 2018. This objective was met at year-end as the closing balance was higher than one month's payroll and there were no cash flow issues.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a pension deficit of £361,000.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the Academy in 2018 is the continued recruitment and retention of pupils. The Headteacher has raised the profile of the Academy during 2018 through marketing directly via improving links with out-county local authorities and feeder schools, and indirectly by upgrading the school website, publishing articles in deaf publications and features in local newspapers.

The principal uncertainty continue to be national school funding budget cuts which may directly impact the school.

c. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trustee Body assesses the principal risks facing the academy on an annual basis by reviewing the Risk Management Policy and Risk Register.

Fundraising

In 2017/2018 Knightsfield School did not utilise the services of any professional fundraisers or commercial participators. No fundraising took place on behalf of the school as the PTA was closed in 2015 and there were no complaints. It is hoped that the Knightsfield School Charity will be established in 2019.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Sixth Form learning environment has been refurbished and the provision will be reviewed to widen the choice of A Levels and vocational courses available to students. The provision and support will be individually tailored to students needs to make the sixth form accessible to all.

Using the new assessment system to ensure that student's achievement and progress is tracked effectively. This will include tracking and target setting in line with educational health and care plans to guarantee progress in all areas of the pupils education.

The whole Academy KS3 and KS4 curriculum has been reviewed in 2017 and then yearly to ensure it is suitable for all students to maximise their educational learning experience.

A strong emphasis on marketing is a key priority in order to recruit new pupils and increase the Academy roll.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee Body in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Trustee Body, as the company directors, on _____ and signed on its behalf by:

.....
Mrs Lesley Carter
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Knightsfield 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 Trustee Body has delegated the day-to-day responsibility to the Headteacher, 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 Knightsfield School and the Secretary of State for Education. They are also responsible for reporting to the Trustee Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Trustee Body has formally met 5 times during the year. Attendance during the year at meetings of the Trustee Body was as follows:

Trustee	Meetings attended	Out of a possible
L Carter (Chair from 18 September 2017)	3	5
C Crede	4	5
A P L Kemp	2	5
C Kinnaird	3	5
H Mellor	2	5
A Pearson	5	5
N Dennis (from 1 Sept 2017 to 31 Aug 2018)	5	5
J S Shareef (resigned 16 March 2018)	0	5
S Sharma	5	5
S J Thrower (Headteacher & Accounting Officer)	5	5

The Resources & Audit Committee is a sub-committee of the main Trustee Body. The committee has delegated powers to consider and make decisions in respect of the Academy's budgets, financial strategy and policy and the supervision and control of financial procedures, accounts, income and expenditure. In addition it is responsible for health & safety, premises, and all areas of personnel.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Crede	4	4
L Carter	3	4
H Mellor	4	4
S J Thrower (Headteacher & Accounting Officer)	4	4

Trustees have given a significant amount of time to the school and completed the following visits during the year. All visits are linked to the School Development Plan:

- Hearing Impairment/Deaf Awareness
- Classroom observations
- Behaviour, welfare and pupil development
- Effective Leadership & management
- Safeguarding
- Pupil Premium
- Careers

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GOVERNANCE STATEMENT (continued)

- Speech & Language Therapy

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Trustee Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Annual review of the teaching and support structure of the Academy
- Renegotiating integration costs with Monks Walk School and the service level agreement with Oaklands College
- Undertaking a review of speech and language therapist service provision to ensure best value
- Continual review of contracts, which has identified savings in utilities, security and premises contracts

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Knightsfield School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Trustee Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustee Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustee Body.

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 Trustee Body;
- regular reviews by the Resources & Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trustee Body has considered the need for a specific internal audit function and has decided to appoint an independent Responsible Officer as internal auditor.

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GOVERNANCE STATEMENT (continued)

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- payroll checks to contracts
- Internal control checks
- Inspection of insurance schedules
- Review of bank account reconciliation process

The Responsible Officer reports to the Resources & Audit following each visit.

On an annual basis, the auditor reports to the Trustee Body through the audit committee on the operation of the systems of control and on the discharge of the Trustee Body' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Trustee Body on 12 December 2017 and signed on their behalf, by:

.....
Mrs L Carter
Chair of Trustees

.....
S Thrower, Headteacher
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Knightsfield 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 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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

.....
S Thrower
Accounting Officer

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Trustee Body on

and signed on its behalf by:

.....
L Carter
Chair of Trustees

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

OPINION

We have audited the financial statements of Knightsfield School (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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's affairs as at 31 August 2018 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 2017 to 2018 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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'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.

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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.

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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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

concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP
Date:

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
KNIGHTSFIELD SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 November 2012 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Knightsfield School during the year 1 September 2017 to 31 August 2018 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 Knightsfield School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Knightsfield School and the 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 Knightsfield School and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF KNIGHTSFIELD SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Knightsfield School's funding agreement with the Secretary of State for Education dated 1 August 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities;
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence;
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime;
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
KNIGHTSFIELD SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date:

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	4,763	-	5,316	10,079	11,570
Charitable activities	5	3,340	969,778	-	973,118	955,819
Other trading activities	3	385	-	-	385	-
Investments	4	129	-	-	129	146
TOTAL INCOME		8,617	969,778	5,316	983,711	967,535
EXPENDITURE ON:						
Charitable activities		2,519	1,028,125	65,834	1,096,478	1,046,892
TOTAL EXPENDITURE	6	2,519	1,028,125	65,834	1,096,478	1,046,892
NET SURPLUS/DEFICIT BEFORE TRANSFERS		6,098	(58,347)	(60,518)	(112,767)	(79,357)
Transfers between Funds	17	(5,534)	-	5,534	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		564	(58,347)	(54,984)	(112,767)	(79,357)
Actuarial gains on defined benefit pension schemes	21	-	59,000	-	59,000	72,000
NET MOVEMENT IN FUNDS		564	653	(54,984)	(53,767)	(7,357)
RECONCILIATION OF FUNDS:						
Total funds brought forward		178,176	(344,688)	2,493,510	2,326,998	2,334,355
TOTAL FUNDS CARRIED FORWARD		178,740	(344,035)	2,438,526	2,273,231	2,326,998

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 08130253

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		2,438,526		2,484,360
Investments	14		25		25
			2,438,551		2,484,385
CURRENT ASSETS					
Debtors	15	10,777		9,438	
Cash at bank and in hand		248,636		244,978	
			259,413		254,416
CREDITORS: amounts falling due within one year	16	(63,733)		(41,803)	
NET CURRENT ASSETS			195,680		212,613
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	21		(361,000)		(370,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			2,273,231		2,326,998
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	16,965		25,312	
Restricted fixed asset funds	17	2,438,526		2,493,510	
Restricted funds excluding pension liability		2,455,491		2,518,822	
Pension reserve		(361,000)		(370,000)	
Total restricted income funds			2,094,491		2,148,822
Unrestricted income funds	17		178,740		178,176
TOTAL FUNDS			2,273,231		2,326,998

The financial statements on pages 18 to 42 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

.....
Mrs L Carter
Chair of Trustees

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>18,210</u>	<u>24,464</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		132	146
Purchase of tangible fixed assets		(20,000)	(31,282)
Capital grants from DfE Group		5,316	5,316
Net cash used in investing activities		<u>(14,552)</u>	<u>(25,820)</u>
Change in cash and cash equivalents in the year		3,658	(1,356)
Cash and cash equivalents brought forward		<u>244,978</u>	<u>246,334</u>
Cash and cash equivalents carried forward	20	<u><u>248,636</u></u>	<u><u>244,978</u></u>

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Knightsfield School constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

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

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

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

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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.

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

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

1.5 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 charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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.

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property - building	-	2% straight line
Long-term leasehold property - Land	-	Over the term of the lease
Furniture and fixtures	-	10% straight line
Audiology Equipment	-	12.5% straight line
Computer equipment	-	20% straight line

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 incorporating income and expenditure account.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.9 Operating leases

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

1.10 Taxation

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

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, 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.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

1.14 Liabilities and provisions

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

1.15 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.16 Agency arrangements

The Academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The academy trust does not use any of the allocation towards its own administration costs. The funds received and paid and any balances held are disclosed in note 24.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1.17 Critical accounting estimates and areas of judgment

Estimates and judgments 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 21, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Valuation of tangible fixed assets

Trustees have considered the value of tangible fixed assets. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired, which would require the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired requires a significant degree of judgement and may to a large extent depend on the assumptions made in its evaluation. The Trustees have concluded that valuation of the tangible fixed assets as at the year end appropriate.

Depreciation and residual values

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Donations	4,763	-	-	4,763	6,254
Government grants	-	-	5,316	5,316	5,316
	<u>4,763</u>	<u>-</u>	<u>5,316</u>	<u>10,079</u>	<u>11,570</u>
<i>Total 2017</i>	<u>6,254</u>	<u>-</u>	<u>5,316</u>	<u>11,570</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Hiring income	135	-	135	-
Other income	250	-	250	-
	<u>385</u>	<u>-</u>	<u>385</u>	<u>-</u>

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Bank interest	129	-	129	146
<i>Total 2017</i>	<u>146</u>	<u>-</u>	<u>146</u>	

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Educational activities	3,340	969,778	973,118	955,819
<i>Total 2017</i>	7,543	948,276	955,819	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	450,653	450,653	466,336
Pupil Premium	-	5,995	5,995	6,650
Other ESFA grants	-	1,125	1,125	3,000
	-	457,773	457,773	475,986
Other government grants				
LA pupil top ups	-	512,005	512,005	472,290
	-	512,005	512,005	472,290
Other funding				
Trip income	1,307	-	1,307	5,348
Other income	2,033	-	2,033	2,195
	3,340	-	3,340	7,543
	3,340	969,778	973,118	955,819
<i>Total 2017</i>	7,543	948,276	955,819	

KNIGHTSFIELD SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational activities:					
Direct costs	684,288	-	85,683	769,971	747,695
Support costs	176,438	89,677	60,392	326,507	299,197
	<u>860,726</u>	<u>89,677</u>	<u>146,075</u>	<u>1,096,478</u>	<u>1,046,892</u>
<i>Total 2017</i>	<u>770,916</u>	<u>70,836</u>	<u>205,140</u>	<u>1,046,892</u>	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational activities	<u>769,971</u>	<u>326,507</u>	<u>1,096,478</u>	<u>1,046,892</u>
<i>Total 2017</i>	<u>747,695</u>	<u>299,197</u>	<u>1,046,892</u>	

Analysis of direct costs

	Educational activities £	Total 2018 £	Total 2017 £
Teaching and educational supplies	16,252	16,252	16,197
Examination fees	3,883	3,883	699
Staff development	7,410	7,410	6,313
Educational consultancy	31,956	31,956	31,561
Trip expenditure	755	755	5,069
Other direct costs	25,427	25,427	54,924
Wages and salaries	556,201	556,201	516,257
National insurance	35,847	35,847	29,335
Pension cost	92,240	92,240	87,340
	<u>769,971</u>	<u>769,971</u>	<u>747,695</u>
<i>At 31 August 2017</i>	<u>747,695</u>	<u>747,695</u>	

KNIGHTSFIELD SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Educational activities £	Total 2018 £	Total 2017 £
Pension income	10,000	10,000	9,000
Staff costs	176,438	176,438	137,984
Depreciation	65,834	65,834	69,121
Other direct costs	-	-	10,246
Support staff costs	-	-	233
Recruitment	1,327	1,327	2,095
Repairs and maintenance	5,947	5,947	10,522
Rent and rates	1,891	1,891	1,462
Technology costs	13,021	13,021	16,130
Insurance costs	2,091	2,091	9,379
Heat and light costs	12,179	12,179	5,821
Printing, postage and stationery	1,688	1,688	2,057
Cleaning and caretaking costs	3,826	3,826	3,291
Professional fees	12,494	12,494	4,034
Other support costs	8,299	8,299	8,170
Security and bank charges	1,732	1,732	2,554
Audit costs	5,700	5,700	4,750
Professional fees	4,040	4,040	2,348
	<u>326,507</u>	<u>326,507</u>	<u>299,197</u>
<i>At 31 August 2017</i>	<u>299,197</u>	<u>299,197</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	65,834	69,121
Auditors' remuneration - audit	5,700	4,750
Auditors' remuneration - other services	2,100	1,750
	<u>73,634</u>	<u>75,621</u>

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	661,646	575,912
Social security costs	43,006	35,086
Operating costs of defined benefit pension schemes	156,074	129,174
	860,726	740,172
Agency staff costs	-	30,744
Staff restructuring costs	20,000	-
	880,726	770,916

Staff restructuring costs comprise:

Severance payments	20,000	-
--------------------	--------	---

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

Included in staff restructuring costs are redundancy payments totalling £20,000 made during the year to 31 August 2018. Individually, the payments were: £20,000. In 2017, non-statutory compensation payments of £nil were paid during the year.

c. Staff numbers

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

	2018 No.	2017 No.
Management	1	1
Support	16	16
Teachers	13	9
	30	26

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	0

The employee in this salary bracket in 2018 participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for the employee amounted to £7,552.

e. Key management personnel

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS (continued)

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 services to the Academy Trust was £269,709 (2017: £208,762). The increase this year is a result of the Deputy Head being on paid maternity leave, while an Acting Deputy was also being paid a salary.

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other 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:

		2018	2017
		£	£
J S Shareef, Staff Trustee	Remuneration	20,000-25,000	40,000-45,000
	Pension contributions paid	0-5,000	5,000-10,000
S J Thrower, Headteacher	Remuneration	65,000-70,000	40,000-45,000
	Pension contributions paid	10,000-15,000	5,000-10,000
S Sharma, Staff Trustee	Remuneration	40,000-45,000	35,000-40,000
	Pension contributions paid	5,000-10,000	0-5,000
N Dennis, Deputy Headteacher	Remuneration	50,000-55,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

11. OTHER FINANCE COSTS

	2018	2017
	£	£
Interest income on pension scheme assets	9,000	4,000
Interest on pension scheme liabilities	(19,000)	(13,000)
	<u>(10,000)</u>	<u>(9,000)</u>

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12. TRUSTEES' AND OFFICERS' INSURANCE

As of the 1 August 2017, the Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise.

This scheme protects directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the directors and officers indemnity element of the overall cost of the RPA scheme.

13. TANGIBLE FIXED ASSET

	Leasehold property £	Fixture & Fittings £	Audiology equipment £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 September 2017	2,637,415	59,358	15,321	8,250	70,569	2,790,913
Additions	-	-	4,936	-	15,064	20,000
At 31 August 2018	<u>2,637,415</u>	<u>59,358</u>	<u>20,257</u>	<u>8,250</u>	<u>85,633</u>	<u>2,810,913</u>
Depreciation						
At 1 September 2017	230,951	25,079	5,736	8,250	36,537	306,553
Charge for the year	46,190	5,936	2,429	-	11,279	65,834
At 31 August 2018	<u>277,141</u>	<u>31,015</u>	<u>8,165</u>	<u>8,250</u>	<u>47,816</u>	<u>372,387</u>
Net book value						
At 31 August 2018	<u>2,360,274</u>	<u>28,343</u>	<u>12,092</u>	<u>-</u>	<u>37,817</u>	<u>2,438,526</u>
At 31 August 2017	<u>2,406,464</u>	<u>34,279</u>	<u>9,585</u>	<u>-</u>	<u>34,032</u>	<u>2,484,360</u>

14. FIXED ASSET INVESTMENTS

	Investments in participating interests £
Cost	
At 1 September 2017 and 31 August 2018	<u>25</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. DEBTORS

	2018	2017
	£	£
Trade debtors	3,378	-
Other debtors	17	-
Prepayments and accrued income	3,223	3,066
Tax recoverable	4,159	6,372
	<hr/> 10,777 <hr/>	<hr/> 9,438 <hr/>

16. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	-	1,924
Other taxation and social security	27,171	21,856
Other creditors	3,682	2,643
Accruals and deferred income	32,880	15,380
	<hr/> 63,733 <hr/>	<hr/> 41,803 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	178,176	8,617	(2,519)	(5,534)	-	178,740
Restricted funds						
General Annual Grant (GAG)	5,312	455,460	(460,125)	-	-	647
Pupil Premium	-	5,995	(5,995)	-	-	-
LA pupil top ups	-	512,005	(512,005)	-	-	-
Specialist school - private funds	20,000	-	-	-	-	20,000
Pension reserve	(370,000)	-	(50,000)	-	59,000	(361,000)
Other Restricted funds	-	(3,682)	-	-	-	(3,682)
	<u>(344,688)</u>	<u>969,778</u>	<u>(1,028,125)</u>	<u>-</u>	<u>59,000</u>	<u>(344,035)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	2,484,360	-	(65,834)	20,000	-	2,438,526
ESFA capital grants	9,150	5,316	-	(14,466)	-	-
	<u>2,493,510</u>	<u>5,316</u>	<u>(65,834)</u>	<u>5,534</u>	<u>-</u>	<u>2,438,526</u>
Total restricted funds	<u>2,148,822</u>	<u>975,094</u>	<u>(1,093,959)</u>	<u>5,534</u>	<u>59,000</u>	<u>2,094,491</u>
Total of funds	<u><u>2,326,998</u></u>	<u><u>983,711</u></u>	<u><u>(1,096,478)</u></u>	<u><u>-</u></u>	<u><u>59,000</u></u>	<u><u>2,273,231</u></u>

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education & Skills Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy.

Pupil Premium is a grant allocated to academies with pupils that are known to be eligible for free school meals. The purpose is to raise attainment for pupils from low income families.

LA pupil top ups: Local Authorities are required to pay a top-up amount, calculated and agreed by Hertfordshire on an annual basis, for pupils resident in their Authority who name Knightsfield School as their educational provider in their Statement of Special Educational Needs.

Specialist school private funds relate to funds raised pre conversion to allow the school to achieve

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

specialist school status.

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited upon conversion and future GAG funding agreed by the ESFA is expected to be sufficient to take the fund back into surplus.

The restricted fixed asset fund includes the long leasehold land and buildings and all material items of fixtures, fittings and equipment. Depreciation charged on the assets is allocated to the fund. Transfers into the fixed asset fund relate to capital expenditure paid from the GAG income, as permitted by the terms of the grant.

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 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General Funds - all funds	170,371	13,943	(6,138)	-	-	178,176
Restricted funds						
General Annual Grant (GAG)	10,270	469,336	(449,447)	(24,847)	-	5,312
Pupil Premium	-	6,650	(6,650)	-	-	-
LA pupil top ups	-	472,290	(472,290)	-	-	-
Specialist school -private funds	20,000	-	-	-	-	20,000
Pension reserve	(409,000)	-	(33,000)	-	72,000	(370,000)
	<u>(378,730)</u>	<u>948,276</u>	<u>(961,387)</u>	<u>(24,847)</u>	<u>72,000</u>	<u>(344,688)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Fund	2,525,494	-	(79,367)	38,233	-	2,484,360
ESFA capital grants	17,220	5,316	-	(13,386)	-	9,150
Total restricted funds	<u>2,163,984</u>	<u>953,592</u>	<u>(1,040,754)</u>	<u>-</u>	<u>72,000</u>	<u>2,148,822</u>
Total of funds	<u><u>2,334,355</u></u>	<u><u>967,535</u></u>	<u><u>(1,046,892)</u></u>	<u><u>-</u></u>	<u><u>72,000</u></u>	<u><u>2,326,998</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	2,438,526	2,438,526
Fixed asset investments	-	25	-	25
Current assets	178,740	80,653	-	259,393
Creditors due within one year	(3,682)	(60,031)	-	(63,713)
Provisions for liabilities and charges	-	(361,000)	-	(361,000)
Difference	3,682	(3,682)	-	-
	<u>178,740</u>	<u>(344,035)</u>	<u>2,438,526</u>	<u>2,273,231</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Restricted fixed asset funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	-	-	2,484,360	2,484,360
Fixed asset investments	-	25	-	25
Current assets	178,176	67,090	9,150	254,416
Creditors due within one year	-	(41,803)	-	(41,803)
Provisions for liabilities and charges	-	(370,000)	-	(370,000)
	<u>178,176</u>	<u>(344,688)</u>	<u>2,493,510</u>	<u>2,326,998</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(112,767)	(79,357)
Adjustment for:		
Depreciation charges	65,834	69,122
Dividends, interest and rents from investments	(129)	(146)
Loss on the sale of fixed assets	-	10,247
(Increase)/decrease in debtors	(1,342)	6,513
Increase/(decrease) in creditors	21,930	(9,599)
Capital grants from DfE and other capital income	(5,316)	(5,316)
Defined benefit pension scheme cost less contributions payable	40,000	24,000
Defined benefit pension scheme finance cost	10,000	9,000
Net cash provided by operating activities	<u>18,210</u>	<u>24,464</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	<i>2017</i>
	£	£
Cash in hand	248,636	<i>244,978</i>
Total	248,636	<i>244,978</i>

21. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £14,135 were payable to the schemes at 31 August 2018 (*2017 - 11,702*) 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £58,637 (2017 - £56,955).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £72,000 (2017 - £57,000), of which employer's contributions totalled £58,000 (2017 - £47,000) and employees' contributions totalled £14,000 (2017 - £11,000). The agreed contribution rates for future years are 26.6% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	<i>2017</i>
Discount rate for scheme liabilities	2.80 %	<i>2.50 %</i>
Rate of increase in salaries	2.50 %	<i>2.50 %</i>
Rate of increase for pensions in payment / inflation	2.40 %	<i>2.40 %</i>

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

	2018	<i>2017</i>
Retiring today		
Males	22.5	<i>22.5</i>
Females	24.9	<i>24.9</i>
Retiring in 20 years		
Males	24.1	<i>24.1</i>
Females	26.7	<i>26.7</i>

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

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	219,950	227,000
Debt instruments	145,250	87,500
Property	33,200	24,500
Cash	16,600	10,500
Total market value of assets	415,000	349,500

The actual return on scheme assets was £20,000 (2017 - £112,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	<i>2017 £</i>
Current service cost	(98,000)	(71,000)
Interest income	9,000	4,000
Interest cost	(19,000)	(13,000)
Total	(108,000)	(80,000)
Actual return on scheme assets	20,000	112,000

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	720,000	599,000
Current service cost	98,000	71,000
Interest cost	19,000	13,000
Employee contributions	14,000	11,000
Actuarial (gains)/losses	(62,000)	36,000
Benefits paid	(13,000)	(10,000)
Closing defined benefit obligation	776,000	720,000

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	350,000	190,000
Interest income	9,000	4,000
Actuarial gains/(losses)	(3,000)	108,000
Employer contributions	58,000	47,000
Employee contributions	14,000	11,000
Benefits paid	(13,000)	(10,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	415,000	350,000
	<hr/> <hr/>	<hr/> <hr/>

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	789	789
Between 1 and 5 years	2,169	2,958
	<hr/>	<hr/>
Total	2,958	3,747
	<hr/> <hr/>	<hr/> <hr/>

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

No related party transactions took place in the period of account.

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NOTES TO THE FINANCIAL STATEMENTS
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24. AGENCY ARRANGEMENTS

The academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust received £1,039 (2017: £966) and disbursed £nil (2017: £nil) from the fund. An amount of £3,682 (2017: £2,643) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

25. MEMBERS' LIABILITY

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