
KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	A P L Kemp
Trustees	L Carter (appointed 24 February 2017) C Crede (appointed 16 May 2017) A P L Kemp C Kinnaird (appointed 16 May 2017) H Mellor (appointed 16 May 2017) A Pearson (appointed 1 January 2017) E T Petty (resigned 31 July 2017) J S Shareef S Sharma S J Thrower (appointed 1 January 2017) B M Tipping (resigned 1 July 2017) G Kelso (resigned 31 December 2016) L Leith (resigned 31 December 2016) N Dennis (appointed 18 September 2017)
Company registered number	08130253
Company name	Knightsfield School
Company secretary	L Pope
Senior leadership team	S J Thrower, Headteacher J S Shareef, Deputy headteacher (maternity) N Dennis, Acting 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
Solicitors	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

KNIGHTSFIELD SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. 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.

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 Post 16 courses for our students, supported by Knightsfield staff. These include City & Guilds certificate in Animal Care (L1), Diploma in Art & Design (L1), Diploma in Media (L2) and BTEC Diploma in Applied Science (L3).

The connected charity 'Knightsfield School Association' was closed in November 2015 due to the retirement of the principal administrators. The closing balance of £7,361 was paid into the Knightsfield School Fund account under a new sub account heading.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 five 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 2017

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. 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 2016. 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 secondary aged hearing-impaired students. As specialists, we offer a broad and balanced secondary 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 is currently undergoing training, and commenced their second year in September 2017.

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 2017

c. PUBLIC BENEFIT

The school 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 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 school selected charity each year. We take part in national events such as Children in Need, Red Nose Days and fund raising for the British Heart Foundation.

Strategic report

Achievements and performance

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 school in Year 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 learning and progress. At the end of KS3 pupils made good or above progress in English, Maths, Science, Humanities and ICT.

100% of students made expected progress on their A Level or BTEC courses.

Attendance for the 2016/2017 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 2017

Financial review

a. RESERVES POLICY

The Reserves Policy is reviewed on an annual basis by the Resources & Audit Committee. The Reserves Policy requires the school to ensure sufficient funds are available to cover one month's payroll in the event of an unforeseen circumstance or temporary cashflow issue. It was approved by the Full Governing Body on 19 July 2017. This objective was met at year end as the closing balance was higher than one month's payroll and there were no cashflow issues.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a pension deficit of £370,000.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the academy in 2017 is the continued recruitment and retention of pupils. The Headteacher has raised the profile of the school during 2017 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.

Principal uncertainties 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.

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 subjects.

The whole school KS3 and KS4 curriculum will be reviewed in 2017 and 2018 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 school roll.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 12 December 2017 and signed on its behalf by:



.....
Mrs Lesley Carter
Chair of Trustees

KNIGHTSFIELD SCHOOL
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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 (from 6 March 2017) (Chair from 18 September 2017)	2	2
E T Petty (resigned 31 July 2017)	4	5
A P L Kemp	4	5
B M Tipping (Chair to 31 July 2017, resigned 31 July 2017)	4	5
H Mellor (parent trustee from 30 March 2017)	2	2
C Crede (from 28 March 2017)	2	2
C Kinnaird (parent trustee from 27 February 2017)	0	2
J S Shareef, Staff Trustee	2	5
S Sharma, Staff Trustee	5	5
S J Thrower (Headteacher & Accounting Officer from 1 January 2017)	3	3
A Pearson (from 1 December 2016)	4	4
L Leith (Headteacher & Accounting Officer, retired 31 December 2017)	2	2

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' 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
L Carter (from 6 March 2017)	2	2
L Leith (Headteacher & Accounting Officer, retired 31 December 2017)	2	2
S J Thrower (Headteacher & Accounting Officer from 1 January 2017)	2	2
C Crede (from 28 March 2017)	1	1
H Mellor (parent trustee from 30 March 2017)	1	2
E T Petty (resigned 31 July 2017)	4	4
B M Tipping (resigned 31 July 2017)	4	4

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GOVERNANCE STATEMENT (continued)

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:

- Classroom observations
- Achievement for All - Fostering independence & Fix-it feedback
- Deaf awareness

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 school
- 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 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustee Body.

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GOVERNANCE STATEMENT (continued)

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 HCC Internal Audit as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual basis, the internal auditor reports to the Trustee Body on the operation of the systems of control and on the discharge of the Trustee Body's financial responsibilities.

In particular the checks carried out in the current period included Governance, financial control, budget processes, contracts, payroll, income and expenditure.

The internal auditor's overall assurance opinion for internal control was substantial assurance.

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 internal auditor;
- 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

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 2016.

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 2017

The Trustees (who act as governors of Knightsfield School and 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

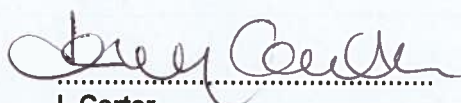
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the 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 12 December 2017 and signed on its behalf by:



L Carter
Chair of Trustees

KNIGHTSFIELD SCHOOL
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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 for the year ended 31 August 2017 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 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 Auditor's report thereon. Our opinion on the financial statements does not cover the 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 which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report 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' remunerations specified by law 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.

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

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

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.

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. The description forms part of our Auditor's report.



Alexander Bottom (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: 14th December 2017

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

In accordance with the terms of our engagement letter dated 9 November 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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 AND 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 2016 to 31 August 2017 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: 14th December 2017

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	6,254	-	5,316	11,570	15,685
Charitable activities	5	7,543	948,276	-	955,819	965,563
Other trading activities	3	-	-	-	-	3,562
Investments	4	146	-	-	146	255
TOTAL INCOME		13,943	948,276	5,316	967,535	985,065
EXPENDITURE ON:						
Charitable activities		6,138	961,387	79,367	1,046,892	1,039,429
TOTAL EXPENDITURE	8	6,138	961,387	79,367	1,046,892	1,039,429
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	7,805	(13,111)	(74,051)	(79,357)	(54,364)
		-	(24,847)	24,847	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		7,805	(37,958)	(49,204)	(79,357)	(54,364)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	72,000	-	72,000	(117,000)
NET MOVEMENT IN FUNDS		7,805	34,042	(49,204)	(7,357)	(171,364)
RECONCILIATION OF FUNDS:						
Total funds brought forward		170,371	(378,730)	2,542,714	2,334,355	2,505,719
TOTAL FUNDS CARRIED FORWARD		178,176	(344,688)	2,493,510	2,326,998	2,334,355

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		2,484,360		2,532,445
Investments	15		25		25
			2,484,385		2,532,470
CURRENT ASSETS					
Debtors	16	9,438		15,953	
Cash at bank and in hand		244,978		246,333	
			254,416	262,286	
CREDITORS: amounts falling due within one year	17		(41,803)	(51,401)	
NET CURRENT ASSETS			212,613		210,885
TOTAL ASSETS LESS CURRENT LIABILITIES			2,696,998		2,743,355
Defined benefit pension scheme liability	22		(370,000)		(409,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			2,326,998		2,334,355
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	25,312		30,270	
Restricted fixed asset funds	18	2,493,510		2,542,714	
			2,518,822	2,572,984	
Restricted funds excluding pension liability			2,518,822	2,572,984	
Pension reserve		(370,000)		(409,000)	
			2,148,822	2,163,984	
Total restricted income funds			2,148,822	2,163,984	
Unrestricted income funds	18		178,176	170,371	
TOTAL FUNDS			2,326,998	2,334,355	

The financial statements on pages 18 to 42 were approved by the Trustees, and authorised for issue, on 12 December 2017 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 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>24,464</u>	<u>6,952</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		146	255
Purchase of tangible fixed assets		(31,282)	(6,729)
Capital grants from DfE/ESFA		5,316	5,215
Net cash used in investing activities		<u>(25,820)</u>	<u>(1,259)</u>
Change in cash and cash equivalents in the year		(1,356)	5,693
Cash and cash equivalents brought forward		<u>246,334</u>	<u>240,641</u>
Cash and cash equivalents carried forward	21	<u><u>244,978</u></u>	<u><u>246,334</u></u>

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 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 and include grants from the Department for Education.

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 2017

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 2017

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
Audiology Equipment	-	12.5% straight line
Motor vehicles	-	33.3% straight line
Fixtures and fittings	-	10% 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 2017

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 22, 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 2017

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 27.

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 22, 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 2017. 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 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	6,254	-	-	6,254	10,470
Government grants	-	-	5,316	5,316	5,215
	<u>6,254</u>	<u>-</u>	<u>5,316</u>	<u>11,570</u>	<u>15,685</u>
<i>Total 2016</i>	<u>10,470</u>	<u>-</u>	<u>5,215</u>	<u>15,685</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hiring income	-	-	-	1,523
Other income	-	-	-	2,039
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,562</u>
<i>Total 2016</i>	<u>3,562</u>	<u>-</u>	<u>3,562</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	146	-	146	255
	<u>146</u>	<u>-</u>	<u>146</u>	<u>255</u>
<i>Total 2016</i>	<u>255</u>	<u>-</u>	<u>255</u>	

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Educational activities	7,543	948,276	955,819	965,563
<i>Total 2016</i>	1,781	963,782	965,563	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	466,336	466,336	472,007
Pupil Premium	-	9,650	9,650	8,776
Other ESFA grants	-	-	-	10,445
	-	475,986	475,986	491,228
Other government grants				
LA pupil top ups	-	472,290	472,290	465,844
	-	472,290	472,290	465,844
Other funding				
Trip income	5,348	-	5,348	3
Other income	2,195	-	2,195	1,778
Other grant income	-	-	-	6,710
	7,543	-	7,543	8,491
	7,543	948,276	955,819	965,563
<i>Total 2016</i>	1,781	963,782	965,563	

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

6. DIRECT COSTS

	Educational activities £	Total 2017 £	Total 2016 £
Teaching and educational supplies	16,197	16,197	18,544
Examination fees	699	699	2,572
Staff development	6,313	6,313	6,793
Educational consultancy	31,561	31,561	35,352
Trip expenditure	5,069	5,069	25
Other direct costs	54,924	54,924	45,657
Wages and salaries	516,257	516,257	522,371
National insurance	29,335	29,335	38,895
Pension cost	87,340	87,340	85,640
	<u>747,695</u>	<u>747,695</u>	<u>755,849</u>
<i>At 31 August 2016</i>	<u>755,849</u>	<u>755,849</u>	

7. SUPPORT COSTS

	Educational activities £	Total 2017 £	As restated Total 2016 £
FRS102 pension cost	9,000	9,000	10,000
(Profit)/loss on disposal	10,246	10,246	-
Support staff costs	233	233	-
Recruitment	2,095	2,095	4,623
Maintenance of equipment	10,522	10,522	13,324
Water rates	1,462	1,462	1,757
Technology costs	16,130	16,130	16,250
Insurance costs	9,379	9,379	14,119
Heat and light costs	5,821	5,821	11,810
Printing, postage and stationery	2,057	2,057	1,855
Cleaning and caretaking costs	3,291	3,291	4,326
Legal fees	4,034	4,034	7,121
Other support costs	8,170	8,170	11,030
Security	2,305	2,305	1,522
Bank charges	249	249	181
Audit costs	4,750	4,750	4,400
Professional fees	2,348	2,348	4,800
Wages and salaries	90,399	90,399	86,812
National insurance	5,751	5,751	4,683
Pension cost	41,834	41,834	18,292
Depreciation	69,121	69,121	66,675
	<u>299,197</u>	<u>299,197</u>	<u>283,580</u>
<i>At 31 August 2016</i>	<u>283,580</u>	<u>283,580</u>	

KNIGHTSFIELD SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. SUPPORT COSTS (continued)

During the year ended 31 August 2017, the academy incurred the following Governance costs:
£4,750 (2016 - £4,400) included within the table above in respect of Educational activities.

8. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational activities:					
Direct costs	632,932	-	114,763	747,695	755,848
Support costs	137,984	70,836	90,377	299,197	283,581
	<u>770,916</u>	<u>70,836</u>	<u>205,140</u>	<u>1,046,892</u>	<u>1,039,429</u>
<i>Total 2016</i>	<u>756,693</u>	<u>81,731</u>	<u>201,005</u>	<u>1,039,429</u>	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	69,121	66,675
Auditors' remuneration - audit	4,750	4,400
Auditors' remuneration - other services	1,750	1,850
	<u>75,621</u>	<u>72,925</u>

KNIGHTSFIELD SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	575,912	593,245
Social security costs	35,086	43,578
Operating costs of defined benefit pension schemes	129,174	103,932
	<u>740,172</u>	<u>740,755</u>
Agency staff costs	30,744	15,938
	<u>770,916</u>	<u>756,693</u>

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

	2017	2016
	No.	No.
Management	1	1
Support	16	18
Teachers	9	10
	<u>26</u>	<u>29</u>

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

	2017	2016
	No.	No.
In the band £70,001 - £80,000	0	1

The employee in this salary bracket in 2016 participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for the employee amounted to £13,149.

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 £208,762 (2016: £285,074).

KNIGHTSFIELD SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has 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 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:

		2017	2016
		£	£
L Leith, Headteacher (resigned 31 December 2016)	Remuneration	25,000-30,000	75,000-80,000
	Pension contributions paid	0-5,000	10,000-15,000
J S Shareef, Staff Trustee	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
S J Thrower, Headteacher (appointed 1 January 2017)	Remuneration	40,000-45,000	Nil
	Pension contributions paid	5,000-10,000	Nil
S Sharma, Staff Trustee	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	0-5,000	0-5,000
N Dennis, Deputy Headteacher	Remuneration	40,000-45,000	Nil
	Pension contributions paid	5,000-10,000	Nil

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

12. OTHER FINANCE COSTS

	2017	2016
	£	£
Interest income on pension scheme assets	4,000	6,000
Interest on pension scheme liabilities	(13,000)	(16,000)
	<u>(9,000)</u>	<u>(10,000)</u>

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £570 (2016 - £777).

As of the 1st 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Audiology equipment £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 September 2016	2,637,415	35,318	8,250	48,591	57,381	2,786,955
Additions	-	7,327	-	10,767	13,188	31,282
Disposals	-	(27,324)	-	-	-	(27,324)
At 31 August 2017	<u>2,637,415</u>	<u>15,321</u>	<u>8,250</u>	<u>59,358</u>	<u>70,569</u>	<u>2,790,913</u>
Depreciation						
At 1 September 2016	184,761	17,661	8,250	19,436	24,402	254,510
Charge for the year	46,190	5,153	-	5,643	12,135	69,121
On disposals	-	(17,078)	-	-	-	(17,078)
At 31 August 2017	<u>230,951</u>	<u>5,736</u>	<u>8,250</u>	<u>25,079</u>	<u>36,537</u>	<u>306,553</u>
Net book value						
At 31 August 2017	<u>2,406,464</u>	<u>9,585</u>	<u>-</u>	<u>34,279</u>	<u>34,032</u>	<u>2,484,360</u>
At 31 August 2016	<u>2,452,654</u>	<u>17,657</u>	<u>-</u>	<u>29,155</u>	<u>32,979</u>	<u>2,532,445</u>

15. FIXED ASSET INVESTMENTS

	Investments in participating interests £
Cost	
At 1 September 2016 and 31 August 2017	<u>25</u>

16. DEBTORS

	2017 £	2016 £
Prepayments and accrued income	3,066	13,510
Tax recoverable	6,372	2,443
	<u>9,438</u>	<u>15,953</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,924	-
Other taxation and social security	21,856	12,741
Other creditors	2,643	1,912
Accruals and deferred income	15,380	36,748
	<hr/> 41,803 <hr/>	<hr/> 51,401 <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

18. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
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
	<u>2,542,714</u>	<u>5,316</u>	<u>(79,367)</u>	<u>24,847</u>	<u>-</u>	<u>2,493,510</u>
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>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds - all funds	156,593	16,068	(2,290)	-	-	170,371
	<u>156,593</u>	<u>16,068</u>	<u>(2,290)</u>	<u>-</u>	<u>-</u>	<u>170,371</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	6,616	472,007	(465,689)	(2,664)	-	10,270
Pupil Premium	-	8,776	(8,776)	-	-	-
Other ESFA grants	-	10,445	(10,445)	-	-	-
LA pupil top ups	-	465,844	(465,844)	-	-	-
Other grant income	-	6,710	(6,710)	-	-	-
Specialist school -private funds	20,000	-	-	-	-	20,000
Pension reserve	(279,000)	-	(13,000)	-	(117,000)	(409,000)
	<u>(252,384)</u>	<u>963,782</u>	<u>(970,464)</u>	<u>(2,664)</u>	<u>(117,000)</u>	<u>(378,730)</u>

Restricted fixed asset funds

Restricted Fixed Asset Fund	2,589,505	-	(66,675)	2,664	-	2,525,494
ESFA capital grants	12,005	5,215	-	-	-	17,220
	<u>2,601,510</u>	<u>5,215</u>	<u>(66,675)</u>	<u>2,664</u>	<u>-</u>	<u>2,542,714</u>
Total restricted funds	<u>2,349,126</u>	<u>968,997</u>	<u>(1,037,139)</u>	<u>-</u>	<u>(117,000)</u>	<u>2,163,984</u>
Total of funds	<u>2,505,719</u>	<u>985,065</u>	<u>(1,039,429)</u>	<u>-</u>	<u>(117,000)</u>	<u>2,334,355</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 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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

18. STATEMENT OF FUNDS (continued)

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 2017.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
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>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	2,532,445	2,532,445
Fixed asset investments	25	-	-	25
Current assets	170,346	81,671	10,269	262,286
Creditors due within one year	-	(51,401)	-	(51,401)
Provisions for liabilities and charges	-	(409,000)	-	(409,000)
	<u>170,371</u>	<u>(378,730)</u>	<u>2,542,714</u>	<u>2,334,355</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017	2016
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(79,357)	(54,364)
Adjustment for:		
Depreciation charges	69,122	66,675
Dividends, interest and rents from investments	(146)	(255)
Loss on the sale of fixed assets	10,247	-
Decrease/(increase) in debtors	6,513	(7,296)
Decrease in creditors	(9,599)	(5,593)
Capital grants from DfE and other capital income	(5,316)	(5,215)
Defined benefit pension scheme cost less contributions payable	24,000	3,000
Defined benefit pension scheme finance cost	9,000	10,000
	<hr/>	<hr/>
Net cash provided by operating activities	24,464	6,952
	<hr/> <hr/>	<hr/> <hr/>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Cash in hand	244,978	246,334
	<hr/>	<hr/>
Total	244,978	246,334
	<hr/> <hr/>	<hr/> <hr/>

22. 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 £11,702 were payable to the schemes at 31 August 2017 (2016 - 11,304) 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

22. PENSION COMMITMENTS (continued)

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
- 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 £56,955 (2016 - £64,430).

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 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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £57,000 (2016 - £46,000), of which employer's contributions totalled £47,000 (2016 - £37,000) and employees' contributions totalled £11,000 (2016 - £9,000). 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

22. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.3
Females	24.9	24.5
Retiring in 20 years		
Males	24.1	24.3
Females	26.7	26.7

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	227,000	<i>119,700</i>
Debt instruments	87,500	<i>53,200</i>
Property	24,500	<i>13,300</i>
Cash	10,500	<i>3,800</i>
Total market value of assets	<u>349,500</u>	<i><u>190,000</u></i>

The actual return on scheme assets was £112,000 (2016 - £23,000).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

22. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Current service cost	(71,000)	(40,000)
Interest income	4,000	6,000
Interest cost	(13,000)	(16,000)
	<u> </u>	<u> </u>
Total	(80,000)	(50,000)
	<u> </u>	<u> </u>
Actual return on scheme assets	112,000	23,000
	<u> </u>	<u> </u>

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

	2017 £	2016 £
Opening defined benefit obligation	599,000	414,000
Current service cost	71,000	40,000
Interest cost	13,000	16,000
Changes in financial assumptions and other experience	11,000	9,000
Actuarial gains	36,000	134,000
Benefits paid	(10,000)	(14,000)
	<u> </u>	<u> </u>
Closing defined benefit obligation	720,000	599,000
	<u> </u>	<u> </u>

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

	2017 £	2016 £
Opening fair value of scheme assets	190,000	135,000
Interest income	4,000	6,000
Actuarial gains	108,000	17,000
Employer contributions	47,000	37,000
Employee contributions	11,000	9,000
Benefits paid	(10,000)	(14,000)
	<u> </u>	<u> </u>
Closing fair value of scheme assets	350,000	190,000
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	789	-
Between 1 and 5 years	2,958	-
Total	<u>3,747</u>	<u>-</u>

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

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

25. AGENCY ARRANGEMENTS

The academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £966 (2016: £966) and disbursed £nil (2016: £nil) from the fund. An amount of £2,878 (2016: £1,912) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

26. 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.