

Company Registration No. 08130253 (England and Wales)

KNIGHTSFIELD SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

KNIGHTSFIELD SCHOOL

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KNIGHTSFIELD SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A P L Kemp	
Trustees	L Carter (Chair of Trustees) C Crede C Kinnaird H Mellor A Pearson S Sharma S J Thrower D Bidwell (Appointed 11 September 2018) A P L Kemp	
Senior management team	S J Thrower D Bidwell L K Pope	- Headteacher - Deputy headteacher - School Business Manager
Company secretary	L K Pope	
Company registration number	08130253 (England and Wales)	
Principal and registered office	Knightsfield School Knightsfield Welwyn Garden City Hertfordshire AL8 7LW	
Independent auditor	Wilkins Kennedy Audit Services 5 Yeomans Court Ware Road Hertford Hertfordshire SG13 7HJ	
Bankers	Lloyds Bank 49 Howardsgate Welwyn Garden City Hertfordshire AL8 6BA	

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 10 to 18 who have hearing impairment as their primary special educational need. It serves a catchment area of Hertfordshire, surrounding counties and London boroughs. It has a pupil capacity of 55 and had a roll of 44 in the school census of January 2019.

Structure, governance and management

Constitution

The academy trust is a 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 purposes of company law.

The charitable company is known as Knightsfield School.

Details of the trustees who served during the year, and to the date these financial statements are approved, are included in the reference and administrative details on page 7.

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.

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 three community trustees, two staff trustees, two parent trustees, the Headteacher and one co-opted trustee.

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 will 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.

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 six months of appointment. The school subscribes to the 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 is reviewed on a regular basis at full trustee body meetings.

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The structure of the academy consists of three senior levels:

- The Trustees body
- The Headteacher
- The Senior Leadership Team (SLT)

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 the Strategy and Pupil Development and the Resources and Audit committees. The committees meet at least once per term. They each function under the direction of a committee chair who is 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. 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 an agenda, papers and minutes for the committees.

The Headteacher is the Accounting Officer.

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 and Pupil Development committee. The School Business Manager attends the trustee body meetings and meetings of the Resources and 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.

Arrangements for setting pay and remuneration of key management personnel

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

Related parties and other connected charities and organisations

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 4 courses 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), NVQ Certificate in Food Preparation & Cooking (L1) and Landmark.

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

Objects and aims

Knightsfield School is a specialist sensory academy for hearing-impaired pupils and students between the ages of 10-18. 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 having all staff and volunteers share this commitment.

Objectives, strategies and activities

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 commenced their Teacher of the Deaf training in 2018/2019.

Speech and 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.

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.

The academy has strong links with national services for hearing impaired people such as NDCS and BATOD, a local charity for deaf children, The Phoenix Group for Deaf Children as well as local services which 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 an academy selected charity each year which, in 2018/19, 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.

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

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 that their hearing loss has on their language, learning and therefore 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 2018/2019 academic year was 92% (excluding absence for medical appointments). 79% of students had above 92% attendance. Please note, those with below 92% attendance were due to additional medical needs.

Key performance indicators

Knightsfield School received a judgement of 'Outstanding' in the Ofsted inspection which took place from 12th to 13th November 2014. This included 'Outstanding' in Leadership and Management, 'Outstanding' in Behaviour and Safety of pupils, 'Outstanding' in Quality of Teaching, 'Outstanding' in Achievement of Pupils and 'Outstanding' in our Sixth Form provision.

Knightsfield School was again judged 'Outstanding' when visited by Ofsted at the short inspection on 12th December 2018. This achieves the key performance indicator set by the trustee body.

The trustee body has delegated financial management to the Resources and Audit committee. Actual expenditure is monitored against budget target as a key performance indicator.

Financially the values set as key performance targets were achieved as the final outturn for 2018/19 was more favourable than that set as a projected outturn.

The Headteacher continues to market the school and several pupils came on-roll in the 2018/19 academic year. The performance objective is to aim to maintain current pupil numbers or to increase given the specialist nature of the school.

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.

Financial review

Reserves policy

The reserves policy is reviewed on an annual basis by the Resources and 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 5 March 2019. 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 £580,000.

KNIGHTSFIELD SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Principal risks and uncertainties

The principal risk to the academy in 2019 is the continued recruitment and retention of pupils. The Headteacher of the Academy has raised the profile of the academy during 2019 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.

Additional risks continue to be national school funding budget cuts which may directly impact the school:

- Principal uncertainties are increased in teacher pension scheme employer contributions which if not fully funded will directly impact the finances of the school. Also, the recently announced teacher pay rise of 2.75% will have a direct impact on finances if not funded in full by central government.
- In addition, the government announcement to raise teacher salaries to a minimum of £30,000 p.a for new teachers will be challenging if not fully funded by central government without reducing other areas of funding such as high needs funding and pupil premium.

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 2018/2019 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. Knightsfield School Charity has been re-established for the 2019-20 academic year.

Plans for future periods

The school hopes for local authority support to enable it to fundraise to build a small sports facility in the next five years. This is necessary as our pupils are not able to use the playground in wet weather as they wear cochlear implants and hearing aids. The current school hall is too small for play.

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10.12.19 and signed on its behalf by:



L Carter

Chair of Trustees

KNIGHTSFIELD SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

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 four times during the year. Attendance during the year at meetings of the trustee body was as follows:

Trustees	Meetings attended	Out of possible
L Carter (Chair of Trustees)	4	4
C Crede	3	4
C Kinnaird	3	4
H Mellor	4	4
A Pearson	4	4
S Sharma	4	4
S J Thrower	4	4
D Bidwell (Appointed 11 September 2018)	4	4
A P L Kemp	4	4

KNIGHTSFIELD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Resources and 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 and 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	3	3
L Carter	3	3
H Mellor	3	3
S J Thrower (Headteacher & Accounting Officer)	3	3

The Strategy and Pupil Development 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 curriculum.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Pearson	3	3
A P L Kemp	3	3
C Kinnaird	3	3
S Sharma	3	3
D Bidwell (Deputy Headteacher)	3	3

There have been no significant key changes in the composition of the trustee body. The only change has been the recruitment of Danny Bidwell from 1st September 2018 as a staff trustee and Deputy Headteacher. The trustee body's two committees annually review their terms of reference and adhere to their schemes of work to ensure all areas of responsibility are reviewed.

The trustee body undertook a skills audit in the autumn term 2018 to ensure they continue to lead effectively and highlight training requirements. The area that the trustee body felt was weaker was HR and as a result whole board training was undertaken on 10th September 2019.

If the trustee body is not satisfied with the quality of any data presented, they will supportively request more information. This was requested in the 2018/19 financial year to allow them to clearly compare the 2019/20 budget to that set in 2018/19.

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:

- Health and Safety
- Behaviour
- Safeguarding
- Child Looked After
- Sixth Form
- Teaching for Hearing Impairment
- PE & Sport
- Pupil Premium
- Website

KNIGHTSFIELD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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;
- Undertaking a review of the speech and language therapy 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 1st September 2018 to 31st August 2019 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 1st September 2018 to 31st August 2019 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 and 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 re-appoint an independent Responsible Officer as internal auditor.

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:

- review of sample of VAT records;
- depreciation rates of fixed assets.

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

On an annual basis, the internal 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's financial responsibilities.

KNIGHTSFIELD SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 board of trustees on 10.12.19 and signed on its behalf by:



L Carter

Chair of Trustees

KNIGHTSFIELD SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018.

I confirm that I and the academy trust's 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 2018.

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 J Thrower
Accounting Officer



10.12.19

KNIGHTSFIELD SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Knightsfield School for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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 in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 that 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 board of trustees on 16.12.19 and signed on its behalf by:



L Carter
Chair of Trustees

KNIGHTSFIELD SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KNIGHTSFIELD SCHOOL FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of Knightsfield School for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information, which 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 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.

KNIGHTSFIELD SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KNIGHTSFIELD SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

KNIGHTSFIELD SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KNIGHTSFIELD SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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

Wilkins Kennedy Audit Services

**Mandy Wilson FCA (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services**

16 December 2019
.....

Statutory Auditor

**5 Yeomans Court
Ware Road
Hertford
Hertfordshire
SG13 7HJ**

KNIGHTSFIELD SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 14 May 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Knightsfield School during the period 1 September 2018 to 31 August 2019 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Knightsfield School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Knightsfield School and 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 12 May 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

As a firm we have taken the decision to use the Mercia work programme as approved by the ICAEW.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

KNIGHTSFIELD SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KNIGHTSFIELD SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy Audit Services

Reporting Accountant

Wilkins Kennedy Audit Services
5 Yeomans Court
Ware Road
Hertford
Hertfordshire
SG13 7HJ

Dated: *16 December 2019*

KNIGHTSFIELD SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £	Total 2018 as restated £
Income and endowments from:						
Donations and capital grants	3	1,016	3,944	12,004	16,964	6,397
Charitable activities:						
- Funding for educational operations	4	-	1,173,135	-	1,173,135	973,460
Other trading activities	5	4,972	-	-	4,972	3,725
Investments	6	141	-	-	141	129
Total		6,129	1,177,079	12,004	1,195,212	983,711
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	1,157,426	75,953	1,233,379	1,096,478
Total	7	-	1,157,426	75,953	1,233,379	1,096,478
Net income/(expenditure)		6,129	19,653	(63,949)	(38,167)	(112,767)
Transfers between funds	17	-	(24,587)	24,587	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(171,000)	-	(171,000)	59,000
Net movement in funds		6,129	(175,934)	(39,362)	(209,167)	(53,767)
Reconciliation of funds						
Total funds brought forward		171,804	(344,035)	2,438,526	2,266,295	2,320,062
Total funds carried forward		177,933	(519,969)	2,399,164	2,057,128	2,266,295

KNIGHTSFIELD SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018 As restated	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset		Total 2018 £
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	4,763	(3,682)	5,316	6,397
Charitable activities:					
- Funding for educational operations	4	-	973,460	-	973,460
Other trading activities	5	3,725	-	-	3,725
Investments	6	129	-	-	129
Total		<u>8,617</u>	<u>969,778</u>	<u>5,316</u>	<u>983,711</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	2,519	1,028,125	65,834	1,096,478
Total	7	<u>2,519</u>	<u>1,028,125</u>	<u>65,834</u>	<u>1,096,478</u>
Net income/(expenditure)		6,098	(58,347)	(60,518)	(112,767)
Transfers between funds	17	(5,534)	-	5,534	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	59,000	-	59,000
Net movement in funds		564	653	(54,984)	(53,767)
Reconciliation of funds					
Total funds brought forward		<u>171,240</u>	<u>(344,688)</u>	<u>2,493,510</u>	<u>2,320,062</u>
Total funds carried forward		<u>171,804</u>	<u>(344,035)</u>	<u>2,438,526</u>	<u>2,266,295</u>

KNIGHTSFIELD SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		2,399,164		2,438,526
Investments	13		25		25
			<u>2,399,189</u>		<u>2,438,551</u>
Current assets					
Debtors	14	11,566		10,777	
Cash at bank and in hand		289,915		248,636	
			<u>301,481</u>	<u>259,413</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(63,542)		(70,669)	
Net current assets			<u>237,939</u>	<u>188,744</u>	
Net assets excluding pension liability			<u>2,637,128</u>	<u>2,627,295</u>	
Defined benefit pension scheme liability	19		(580,000)		(361,000)
Total net assets			<u><u>2,057,128</u></u>	<u><u>2,266,295</u></u>	
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			2,399,164		2,438,526
- Restricted income funds			60,031		16,965
- Pension reserve			(580,000)		(361,000)
Total restricted funds			<u>1,879,195</u>		<u>2,094,491</u>
Unrestricted income funds	17		<u>177,933</u>		<u>171,804</u>
Total funds			<u><u>2,057,128</u></u>		<u><u>2,266,295</u></u>

The financial statements on pages 18 to 41 were approved by the trustees and authorised for issue on ~~10.12.19~~ and are signed on their behalf by:



L Carter
Chair of Trustees

Company Number 08130253

KNIGHTSFIELD SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	20		65,725		18,210
Cash flows from investing activities					
Dividends, interest and rents from investments		141		132	
Capital grants from DfE Group		12,004		5,316	
Purchase of tangible fixed assets		(36,591)		(20,000)	
Net cash used in investing activities			<u>(24,446)</u>		<u>(14,552)</u>
Net increase in cash and cash equivalents in the reporting period			41,279		3,658
Cash and cash equivalents at beginning of the year			<u>248,636</u>		<u>244,978</u>
Cash and cash equivalents at end of the year			<u><u>289,915</u></u>		<u><u>248,636</u></u>

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

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 financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Knightsfield School meets the definition of a public benefit entity under FRS 102.

1.2 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 charitable company 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.

1.3 Income

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

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

Other income

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

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

Land and buildings	2% straight line
Audiology equipment	20% straight line
Computer equipment	20% straight line
Fixtures, fittings & equipment	10% 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.

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Investments

Fixed asset investments are stated at market value.

1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 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.

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and Department for Education.

2 Critical accounting estimates and areas of judgement

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

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical conditions of the assets. See note 12 for the carrying useful economic lives of each class of assets.

LGPS

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2019. 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 judgement

There are no critical areas of judgement.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	12,004	12,004	5,316
Other donations	1,016	3,944	4,960	1,081
	<u>1,016</u>	<u>15,948</u>	<u>16,964</u>	<u>6,397</u>

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	446,344	446,344	455,460
Other DfE group grants	-	15,870	15,870	5,995
	-	462,214	462,214	461,455
Other government grants				
Local authority grants	-	710,921	710,921	512,005
Total funding	-	1,173,135	1,173,135	973,460

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Catering income	544	-	544	135
Other income	4,428	-	4,428	3,590
	4,972	-	4,972	3,725

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Other investment income	141	-	141	129

7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2019 £	Total 2018 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	769,450	-	73,163	842,613	670,973
- Allocated support costs	192,526	108,278	89,962	390,766	425,505
	961,976	108,278	163,125	1,233,379	1,096,478

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure	(Continued)	
Net income/(expenditure) for the year includes:	2019	2018
	£	£
Fees payable to auditor for:		
- Audit	5,100	5,700
- Other services	2,200	2,100
Depreciation of tangible fixed assets	75,953	65,834
Net interest on defined benefit pension liability	10,000	10,000
	<u> </u>	<u> </u>
8 Charitable activities	2019	2018
	£	£
All from restricted funds:		
Direct costs		
Educational operations	842,613	670,973
Support costs		
Educational operations	390,766	425,505
	<u> </u>	<u> </u>
	1,233,379	1,096,478
	<u> </u>	<u> </u>
Analysis of costs	2019	2018
	£	£
Direct costs		
Teaching and educational support staff costs	769,450	610,721
Staff development	7,339	7,410
Educational supplies and services	17,146	16,248
Examination fees	2,135	3,883
Educational consultancy	41,506	31,956
Other direct costs	5,037	755
	<u> </u>	<u> </u>
	842,613	670,973
	<u> </u>	<u> </u>
Support costs		
Support staff costs	192,526	273,622
Depreciation	75,953	65,834
Technology costs	12,437	13,021
Recruitment and support	163	1,327
Maintenance of premises and equipment	18,821	5,947
Cleaning	3,981	3,826
Energy costs	7,414	12,179
Rent, rates and other occupancy costs	1,301	1,891
Security and transport	808	1,641
Catering	-	50
Finance costs	10,000	10,000
Other support costs	49,784	13,933
Governance costs	17,578	22,234
	<u> </u>	<u> </u>
	390,766	425,505
	<u> </u>	<u> </u>

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	743,881	657,519
Social security costs	58,847	43,006
Pension costs	151,886	132,240
	<hr/>	<hr/>
Amounts paid to employees	954,614	832,765
Agency staff costs	7,362	31,578
Staff restructuring costs	-	20,000
	<hr/>	<hr/>
Amounts paid to staff	961,976	884,343
Staff development and other staff costs	7,339	7,410
	<hr/>	<hr/>
Total staff expenditure	969,315	891,753
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Severance payments	-	20,000
	<hr/> <hr/>	<hr/> <hr/>

Non statutory/non-contractual staff severance payments

Included in staff restructuring are redundancy payments totalling £Nil made during the year to 31 August 2019. Individually the payments were £Nil. In 2018, non-statutory compensation payments of £20,000 were paid during the year.

Staff numbers

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

	2019 Number	2018 Number
Teachers	12	13
Administration and support	19	16
Management	1	1
	<hr/>	<hr/>
	32	30
	<hr/> <hr/>	<hr/> <hr/>

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £228,894 (2018: £269,709).

10 Trustees' remuneration and expenses

One or more of the 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 staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

S J Thrower (Headteacher)

Remuneration £70,000 - £75,000 (2018: £65,000 - £70,000)

Employers pension contributions paid £10,000 - £15,000 (2018: £10,000 - £15,000)

S Sharma (Staff Trustee)

Remuneration £40,000 - £45,000 (2018: £40,000 - £45,000)

Employers pension contributions paid £5,000 - £10,000 (2018: £5,000 - £10,000)

D Bidwell (Deputy Headteacher)

Remuneration £55,000 - £60,000

Employers pension contributions paid £5,000 - £10,000

During the year ended 31 August 2019, no Trustees received any reimbursement of expenses (2018 - £NIL)

11 Trustees and officers Insurance

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 trustees 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 trustees and officers indemnity element from the overall cost of the RPA scheme.

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Land and buildings	Audiology equipment	Computer equipment	Fixtures, fittings & equipment		Total
	£	£	£	£	£	£
Cost						
At 1 September 2018	2,637,415	20,257	85,633	59,358	8,250	2,810,913
Additions	-	9,110	16,638	10,843	-	36,591
At 31 August 2019	2,637,415	29,367	102,271	70,201	8,250	2,847,504
Depreciation						
At 1 September 2018	277,141	8,165	47,816	31,015	8,250	372,387
Charge for the year	46,190	5,873	16,870	7,020	-	75,953
At 31 August 2019	323,331	14,038	64,686	38,035	8,250	448,340
Net book value						
At 31 August 2019	2,314,084	15,329	37,585	32,166	-	2,399,164
At 31 August 2018	2,360,274	12,092	37,817	28,343	-	2,438,526

13 Fixed asset investments

	£
Market value	
At 1 September 2018 and at 31 August 2019	25
Historical cost:	
At 31 August 2019	25
At 31 August 2018	25

14 Debtors

	2019 £	2018 £
Trade debtors	1,099	3,378
VAT recoverable	4,401	4,159
Other debtors	-	17
Prepayments and accrued income	6,066	3,223
	11,566	10,777

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Creditors: amounts falling due within one year	2019	2018
	£	£
Other taxation and social security	14,558	13,036
Other creditors	23,752	24,753
Accruals and deferred income	25,232	32,880
	<u>63,542</u>	<u>70,669</u>
	<u><u>63,542</u></u>	<u><u>70,669</u></u>
16 Deferred income	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	4,481	15,705
	<u>4,481</u>	<u>15,705</u>
	<u><u>4,481</u></u>	<u><u>15,705</u></u>
Deferred income at 1 September 2018	15,705	7,453
Released from previous years	(15,705)	(7,453)
Resources deferred in the year	4,481	15,705
	<u>4,481</u>	<u>15,705</u>
Deferred income at 31 August 2019	4,481	15,705
	<u><u>4,481</u></u>	<u><u>15,705</u></u>

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	647	446,344	(422,404)	(24,587)	-
Other DfE / ESFA grants	-	15,870	(15,870)	-	-
Other government grants	-	710,921	(670,890)	-	40,031
Specialist school - private funds	20,000	-	-	-	20,000
Other restricted funds	(3,682)	3,944	(262)	-	-
Pension reserve	(361,000)	-	(48,000)	(171,000)	(580,000)
	<u>(344,035)</u>	<u>1,177,079</u>	<u>(1,157,426)</u>	<u>(195,587)</u>	<u>(519,969)</u>
Restricted fixed asset funds					
DfE group capital grants	-	12,004	(12,004)	-	-
Capital expenditure from GAG	2,438,526	-	(63,949)	24,587	2,399,164
	<u>2,438,526</u>	<u>12,004</u>	<u>(75,953)</u>	<u>24,587</u>	<u>2,399,164</u>
Total restricted funds	<u>2,094,491</u>	<u>1,189,083</u>	<u>(1,233,379)</u>	<u>(171,000)</u>	<u>1,879,195</u>
Unrestricted funds					
General funds	<u>171,804</u>	<u>6,129</u>	<u>-</u>	<u>-</u>	<u>177,933</u>
Total funds	<u>2,266,295</u>	<u>1,195,212</u>	<u>(1,233,379)</u>	<u>(171,000)</u>	<u>2,057,128</u>

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

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.

Other DfE/ ESFA grants: This includes the Pupil Premium. 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.

Other government grants: 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 Educational Health Care Plan.

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

The pension reserve represents represents the Academy's share of the deficit of the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from being a state controlled school.

The restricted fixed asset fund includes the long leasehold land and buildings and all material items of fixtures, fittings and equipment. Depreciation charge 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 2019.

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	5,312	455,460	(460,125)	-	647
Other DfE / ESFA grants	-	5,995	(5,995)	-	-
Other government grants	-	512,005	(512,005)	-	-
Specialist school - private funds	20,000	-	-	-	20,000
Other restricted funds	-	(3,682)	-	-	(3,682)
Pension reserve	(370,000)	-	(50,000)	59,000	(361,000)
	<u>(344,688)</u>	<u>969,778</u>	<u>(1,028,125)</u>	<u>59,000</u>	<u>(344,035)</u>
Restricted fixed asset funds					
DfE group capital grants	9,150	5,316	-	(14,466)	-
Capital expenditure from GAG	2,484,360	-	(65,834)	20,000	2,438,526
	<u>2,493,510</u>	<u>5,316</u>	<u>(65,834)</u>	<u>5,534</u>	<u>2,438,526</u>
Total restricted funds	<u>2,148,822</u>	<u>975,094</u>	<u>(1,093,959)</u>	<u>64,534</u>	<u>2,094,491</u>
Unrestricted funds					
General funds	<u>171,240</u>	<u>8,617</u>	<u>(2,519)</u>	<u>(5,534)</u>	<u>171,804</u>
Total funds	<u>2,320,062</u>	<u>983,711</u>	<u>(1,096,478)</u>	<u>59,000</u>	<u>2,266,295</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	2,399,164	2,399,164
Fixed asset investments	-	25	-	25
Current assets	241,475	60,006	-	301,481
Creditors falling due within one year	(63,542)	-	-	(63,542)
Defined benefit pension liability	-	(580,000)	-	(580,000)
Total net assets	<u>177,933</u>	<u>(519,969)</u>	<u>2,399,164</u>	<u>2,057,128</u>

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	2,438,526	2,438,526
Fixed asset investments	-	25	-	25
Current assets	182,442	76,971	-	259,413
Creditors falling due within one year	(10,638)	(60,031)	-	(70,669)
Defined benefit pension liability	-	(361,000)	-	(361,000)
Total net assets	171,804	(344,035)	2,438,526	2,266,295

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £15,745 were payable to the schemes at 31 August 2019 (2018: £14,135) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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

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

The employer's pension costs paid to the TPS in the period amounted to £71,508 (2018: £58,637).

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.3% 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.

Total contributions made	2019 £	2018 £
Employer's contributions	70,000	58,000
Employees' contributions	16,000	14,000
Total contributions	86,000	72,000

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations (Continued)

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.4	2.5
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019 Years	2018 Years
Retiring today		
- Males	21.5	22.5
- Females	23.7	24.9
Retiring in 20 years		
- Males	22.3	24.1
- Females	25.0	26.7

Scheme liabilities would have been affected by changes in assumptions as follows:

The academy trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	257,740	219,950
Debt instruments	205,140	145,250
Cash	21,040	16,600
Property	42,080	33,200
Total market value of assets	526,000	415,000

The actual return on scheme assets was £39,000 (2018: £6,000).

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	107,000	40,000
Past service cost	1,000	-
Interest income	(13,000)	(9,000)
Interest cost	23,000	19,000
Total operating charge	118,000	50,000

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2019 £	2018 £
At 1 September 2018	776,000	720,000
Current service cost	107,000	98,000
Interest cost	23,000	19,000
Employee contributions	16,000	14,000
Actuarial loss/(gain)	197,000	(62,000)
Benefits paid	(14,000)	(13,000)
Past service cost	1,000	-
At 31 August 2019	<u>1,106,000</u>	<u>776,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2019 £	2018 £
At 1 September 2018	415,000	350,000
Interest income	13,000	9,000
Actuarial (gain)/loss	26,000	(3,000)
Employer contributions	70,000	58,000
Employee contributions	16,000	14,000
Benefits paid	-	(13,000)
Effect of non-routine settlements	(14,000)	-
At 31 August 2019	<u>526,000</u>	<u>415,000</u>
20 Reconciliation of net expenditure to net cash flow from operating activities	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)	(38,167)	(112,767)
Adjusted for:		
Capital grants from DfE and other capital income	(12,004)	(5,316)
Investment income receivable	(141)	(129)
Defined benefit pension costs less contributions payable	38,000	40,000
Defined benefit pension scheme finance cost	10,000	10,000
Depreciation of tangible fixed assets	75,953	65,834
(Increase) in debtors	(789)	(1,342)
(Decrease)/increase in creditors	(7,127)	21,930
Net cash provided by operating activities	<u>65,725</u>	<u>18,210</u>

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	3,950	789
Amounts due in two and five years	13,564	2,169
	<u>17,514</u>	<u>2,958</u>

22 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.

23 Members' liability

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

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 2019 the trust received £858 (2018: £1,039) and disbursed £3,491 (2018: £Nil) from the fund. An amount of £3,682 was brought forward from the previous year resulting in a balance of £1,049 included in other creditors relating to undistributed funds that are repayable to the ESFA.

25 Prior period adjustment

	Notes	1 September 2017 £	31 August 2018 £
Reconciliation of funds			
Funds as previously reported		2,326,998	2,273,231
Adjustments arising:			
PTA reclassification		(6,936)	(6,936)
Funds as restated		<u>2,320,062</u>	<u>2,266,295</u>

KNIGHTSFIELD SCHOOL

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

25	Prior period adjustment	(Continued)
		2018
	Reconciliation of net income/(expenditure) for the previous financial period	£
	Net expenditure as reported - not affected by restatement	(112,767)

Notes to restatement

A prior year adjustment has been processed with regards to PTA funds being included in the financial accounts which are to be held by a separate entity.

The adjustment resulted in there being a reduction of £6,936 to the brought forward unrestricted reserves as at 1 September 2017. Other creditors have increased by £6,936 to reflect the funds held on behalf of the organisation.