

REGISTERED COMPANY NUMBER: 02274166 (England and Wales)
REGISTERED CHARITY NUMBER: 299690

**Report of the Trustees and
Financial Statements For The Year Ended 31 July 2016
for
The Knowl Hill Foundation**



Fuller Spurling
Statutory Auditors
Mill House
58 Guildford Street
Chertsey
Surrey
KT16 9BE

The Knowl Hill Foundation
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For The Year Ended 31 July 2016

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The Knowl Hill Foundation
Report of the Trustees
For The Year Ended 31 July 2016

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2016. The trustees have adopted the provisions of 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) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Aims

The company is a non-political, non-religious, British charity engaged in promoting and providing for the advancement of the education of dyslexic children, who for one reason or another have been failed by mainstream schools, and who need the specialist teaching in a small caring environment, which can be provided at the Knowl Hill School in Pirbright, Surrey.

In addition, the foundation aspires to help educate teachers from the mainstream of education to recognise, and help children in their schools who may be dyslexic.

There has been no change in the declared policy of the Foundation. The Foundation continues to attract pupils, to the Knowl Hill School, from both the private sector, and from different local authorities.

The Trustees have complied with the duty in section 4 of the 2011 Charities Act to have regard to guidance published by the Charity Commission on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The Knowl Hill School seeks to benefit the public through its stated aims. The school is committed to safeguarding and promoting the welfare of our pupils. Parents are given regular information about their children's social and academic progress through parents evenings. The School operates an 'open door' policy for parents.

Our school welcomes pupils from all backgrounds and we are an equal opportunity organisation committed to a working environment that is free from any form of discrimination.

Objectives

The key objectives for the year are:

- To provide continuing support of our pupils through our bursary fund
- To provide the academic curriculum each child needs to fulfil his/her full potential
- To continue and develop the pastoral care we provide for pupils
- To increase the range of GCSE and BTEC qualifications available for the children
- To invest in the infrastructure of our school to ensure a safe and pleasant environment for both pupils and staff
- To invest in new technology which will benefit the children whose learning difficulties make normal reading and writing difficult.

ACHIEVEMENT AND PERFORMANCE

In the academic year 2015/16 the school has continued to see changes to both the fabric of the school and the educational programme offered to the pupils.

During the year pupil numbers reached 46 places.

Administrative aspects required continued review of software licenses.

Mrs Janet Lusty took up the position of Head of Knowl Hill School from 1st May 2016.

Mrs Lusty and the Board have implemented many changes over the last academic year. Some have already made an impact.

GCSE results

There were nine pupils in year 11 in 2016. The GCSE results were around the predicted grades with several A*s in the Arts, good results in Science, and lower results in English and Maths. The lowest results were in Economics although there was one C grade, History and Humanities. These subjects have become more linear, so will be replaced with BTECs where possible so ensure the best possible outcome for future pupils, although GCSEs will still be available for the more academic.

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Report of the Trustees
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ACHIEVEMENT AND PERFORMANCE

The timetable has being rewritten to meet the needs of each individual pupil. As part of this pupils now have reading for 20 minutes 3 days a week.

All teaching staff continue to attend staff training which occurs on a weekly basis as well at out sourced training where applicable.

Grantmaking

The charity does not have a formal grant-making policy, except for bursaries, however assistance is given to local state schools wherever possible, such as enabling teachers / lecturers to spend time at the school to see how we cater for our children. University departments come to do research, case studies, and a copy of their reports / findings are sent to us, so that we can use them to develop our learning / teaching skills.

Charitable Activities

As in previous years, the school has continued to support a number of national or local charities and organisations

Other charities were helped by fund-raising activities, some of which form part of our community-cohesion programme. Several pupils were provided with some funding to enable them to take part in a residential trip.

FINANCIAL REVIEW

Financial position

The results for the year are shown in the attached Statement of Financial Activities. Income reduced from £1,005,195 in 2015 to £944,090 in 2016. Expenditure decreased from £1,144,866 to £979,678 after depreciation of £33,545 (2015: £40,281). Overall net outgoing resources decreased from £139,670 to £35,588 and total funds carried forward have reduced to £243,340 (2015: £278,928).

The policy of the school is to ensure we have funds available before any major expenditure is incurred.

Principal funding sources

Principal funding arises from School Fees collected each Term.

Investment policy and objectives

The School's major investment is in the Land and Buildings of the School and in its regular upkeep.

Reserves policy

The Trustees review the financial reports at each bi-monthly meeting to ensure sufficient reserves are maintained for the needs of the day to day running of the School. Any surpluses are retained within the Charity and utilised for School purposes. It is considered desirable to try to aim to retain sufficient cash reserves to cover at least one term's expenditure excluding depreciation. It is believed that cash reserves need to be increased in the coming year.

Market Value of Freehold Property

A covenant exists on the land on which the school resides, which states it may only be used for educational purposes. The trustees do not therefore consider it practicable to establish whether there is a significant difference between the market value and book value of the freehold property.

The Knowl Hill Foundation
Report of the Trustees
For The Year Ended 31 July 2016

FUTURE DEVELOPMENTS

Repairs and maintenance to the fabric of the building will continue. We have a regular maintenance schedule of improvement and re-decoration which continue year on year.

We will continue to invest in new technology to enable our students to realise their full potential.

Whilst we cannot increase the size of the school due to planning constraints we will continue to look at how best to use our existing space which may mean changes to the infrastructure of the school buildings.

The school is raising funds to re-fit a classroom (working kitchen) in order that BTEC Food can be taught on site rather than having to use outside facilities. The new kitchen will be installed before the start of the September 2016 term.

TEACHING & CURRICULUM FUTURE DEVELOPMENTS

A new language class will open for pupils with severe SLIs. This will be expected to grow to around 8 pupils and will run parallel to the main cohort. Pupils will integrate with the main cohort when they are considered to have developed the necessary communication skills in the language class.

One of the reading sessions each week will be replaced by a phonological awareness lesson with the SaLTs for all but a very few pupils.

The Head of Maths will be qualified to level 2 in dyscalculia, a BDA course.

Outdoor learning is now taking place in the Junior School every Friday afternoon and the Head of Juniors will be taking the level 3 Forest School course.

GCSE courses in the core subjects (English Maths and Science) will begin in year 9.

Alternative courses will be found for those unable to access GCSE in English and Maths, as functional skills exams are being phased out.

There will be additional options for pupils in Years 10 and 11 from September 2016. BTECs in enterprise skills, Learning for Life and Personal & Social Development

SIMS is now operational and we have also purchased software called Classcharts which integrates with SIMS and allows teachers to give positive and negative points for pupils, while providing a seating plan. This will be in use by October half term.

All staff will learn basic Makaton so that the school will become a signing rich environment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Organisation

The day to day management of the charity, as designated by the trustees, is undertaken by the Head.

The Trustees meet on a regular bi-monthly basis, in conjunction with the Head and parent and staff representatives. At the general meeting the Trustees review Head's report, the staff representative report and the parent representative report.

The Trustees also meet twice per terms in conjunction with the Head, Deputy Head and School Business Manager to discuss finances and capital expenditure and future developments of the school.

The Knowl Hill Foundation
Report of the Trustees
For The Year Ended 31 July 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

A potential Trustee is invited to become a Trustee and the aims of the Charity are explained in detail. Copies of annual reports and accounts and a copy of the governing trust deed and the Charity Commission's guidance, The Essential Trustee, are made available to potential trustees. The potential Trustee is then invited to a normal board meeting and introduced to the rest of the Trustees and unless there are any objections is invited to join the charity as a Trustee, after the meeting.

It is recommended that all Trustees read the relevant Charity Commission guidelines and the responsibilities of a Trustee are clearly defined under these guidelines. (ICSA guide 'Recruitment Appointment and Induction of Charity Trustees').

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have reviewed, identified and recorded the major risks to the charity.

The Trustees have identified the major risk to the charity as being a loss of pupils. This would be counteracted by a reduction in staff. The Trustees have agreed a minimum number of pupils that the school requires to cover overheads.

The School has adequate insurance cover for all risks, including public liability and it is reviewed yearly.

The Head is responsible for risk assessments connected with any school trip. These are reviewed by a Trustee who has previous experience in such matters.

Access Policy

Our school is not restricted to those who can afford our fees. As a school for children with specific learning difficulties it must only take children that would benefit from specialised teaching designed for an individual child's specific difficulties. Therefore a full Educational Psychologist's report is required prior to admission as well as a report from the child's previous school. The child is then invited to spend 1 or 2 days at the school where they can be assessed by the staff in a class environment.

The Head will then discuss with the parents the suitability of the school and the fee structure. A bursary place may be offered if it is available and the parents financial situation merits it. If the child has a Statement of Educational Needs given by the Local Educational Authority then that Authority will be invited to meet with the Head for discussion as to how that child's need can be fulfilled.

Speech and Language Therapy, Occupational Therapy and a School Counsellor are available to all pupils who need their services. Funding is provided by their Local Authorities for this or by the parents of the pupil if they are private. The SPLAT programme - specific language and teaching where all pupils from Year 3 to Year 9 have very specific aspects of their learning difficulties targeted is continuing.

It should be noted that approximately 95% of our children are funded by the Local Education Authority as there is no other suitable educational establishment for them. Where necessary a representative of the school will attend Tribunals where parents are appealing against LA decisions. No child is rejected by the school if he / she meets the basic criterion of having a specific learning difficulty - unless there are simply no immediate places available. In those cases the child can be placed on a waiting list.

Bursary Policy

Bursaries are either full or half the cost of the school fees for a year. A bursary will usually run for two years and is reviewed yearly. In assessing a parents means of paying school fees we take into account their annual salary and expenses and any other family commitments. At present we offer the equivalent of up to 2 full bursaries which may be awarded as half bursaries. We also make arrangements for parents to pay monthly if the need is great.

This year our bursaries totalled £7,881.

The Knowl Hill Foundation
Report of the Trustees
For The Year Ended 31 July 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02274166 (England and Wales)

Registered Charity number
299690

Registered office
School Lane
Pirbright
Surrey
GU24 0JN

Trustees	
E A Dowlen	- resigned 1.8.15
R H Wallis	
A Bareford	
K Rowland-Doyle	
A M Rhodes	- appointed 1.4.16
N Todd	
C P Rogers	- appointed 17.12.15

Company Secretary
R H Wallis

Auditors
Fuller Spurling
Statutory Auditors
Mill House
58 Guildford Street
Chertsey
Surrey
KT16 9BE

Bankers
HSBC plc
6 Commercial Way
Woking
Surrey
GU21 1EZ

The Knowl Hill Foundation

**Report of the Trustees
For The Year Ended 31 July 2016**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Knowl Hill Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

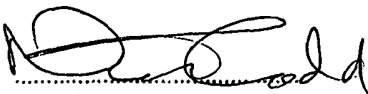
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Fuller Spurling, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 14/12/16 and signed on its behalf by:



N Todd - Trustee

Report of the Independent Auditors to the Members of The Knowl Hill Foundation

We have audited the financial statements of The Knowl Hill Foundation for the year ended 31 July 2016 on pages nine to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page six, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
The Knowl Hill Foundation**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Mark Harvey (Senior Statutory Auditor)
for and on behalf of Fuller Spurling
Statutory Auditors
Mill House
58 Guildford Street
Chertsey
Surrey
KT16 9BE



Date: 22/12/2016

The Knowl Hill Foundation

**Statement of Financial Activities
For The Year Ended 31 July 2016**

	Notes	Unrestricted funds £	Restricted fund £	31.7.16 Total funds £	31.7.15 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	5,551	5,974	11,525	7,530
Charitable activities	4				
School fees		932,466	-	932,466	996,780
Investment income	3	99	-	99	886
Total		<u>938,116</u>	<u>5,974</u>	<u>944,090</u>	<u>1,005,196</u>
EXPENDITURE ON					
Charitable activities	5				
School expenditure		979,678	-	979,678	1,147,526
Other		-	-	-	(2,660)
Total		<u>979,678</u>	<u>-</u>	<u>979,678</u>	<u>1,144,866</u>
NET INCOME/(EXPENDITURE)		<u>(41,562)</u>	<u>5,974</u>	<u>(35,588)</u>	<u>(139,670)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		278,928	-	278,928	418,598
TOTAL FUNDS CARRIED FORWARD		<u><u>237,366</u></u>	<u><u>5,974</u></u>	<u><u>243,340</u></u>	<u><u>278,928</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

The Knowl Hill Foundation

**Balance Sheet
At 31 July 2016**

	Notes	Unrestricted funds £	Restricted fund £	31.7.16 Total funds £	31.7.15 Total funds £
FIXED ASSETS					
Tangible assets	12	244,019	-	244,019	275,999
CURRENT ASSETS					
Stocks		3,000	-	3,000	3,000
Debtors	13	27,648	-	27,648	32,109
Cash at bank and in hand		38,942	5,974	44,916	69,279
		<u>69,590</u>	<u>5,974</u>	<u>75,564</u>	<u>104,388</u>
CREDITORS					
Amounts falling due within one year	14	(76,243)	-	(76,243)	(78,761)
NET CURRENT ASSETS/(LIABILITIES)		<u>(6,653)</u>	<u>5,974</u>	<u>(679)</u>	<u>25,627</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		237,366	5,974	243,340	301,626
CREDITORS					
Amounts falling due after more than one year	15	-	-	-	(22,698)
NET ASSETS		<u>237,366</u>	<u>5,974</u>	<u>243,340</u>	<u>278,928</u>
FUNDS	18				
Unrestricted funds				237,366	278,928
Restricted funds				5,974	-
TOTAL FUNDS				<u>243,340</u>	<u>278,928</u>

The notes form part of these financial statements

The Knowl Hill Foundation

**Balance Sheet - continued
At 31 July 2016**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on14 DEC 2016..... and were signed on its behalf by:



N Todd -Trustee



A Bareford -Trustee

The notes form part of these financial statements

The Knowl Hill Foundation
Cash Flow Statement
For The Year Ended 31 July 2016

	Notes	31.7.16 £	31.7.15 £
Cash flows from operating activities:			
Cash generated from operations	1	4,603	(89,429)
Net cash provided by (used in) operating activities		<u>4,603</u>	<u>(89,429)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,565)	(49,933)
Interest received		99	886
Net cash provided by (used in) investing activities		<u>(1,466)</u>	<u>(49,047)</u>
Cash flows from financing activities:			
New loans in year		-	55,000
Loan repayments in year		(27,500)	(14,802)
Net cash provided by (used in) financing activities		<u>(27,500)</u>	<u>40,198</u>
Change in cash and cash equivalents in the reporting period		<u>(24,363)</u>	<u>(98,278)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>69,279</u>	<u>167,557</u>
Cash and cash equivalents at the end of the reporting period		<u><u>44,916</u></u>	<u><u>69,279</u></u>

The notes form part of these financial statements

The Knowl Hill Foundation

**Notes to the Cash Flow Statement
For The Year Ended 31 July 2016**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.7.16	31.7.15
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(35,588)	(139,670)
Adjustments for:		
Depreciation charges	33,545	40,281
Interest received	(99)	(886)
Decrease in debtors	4,461	34,130
Increase/(decrease) in creditors	2,284	(23,284)
	<u>4,603</u>	<u>(89,429)</u>
Net cash provided by (used in) operating activities	<u><u>4,603</u></u>	<u><u>(89,429)</u></u>

The Knowl Hill Foundation

Notes to the Financial Statements For The Year Ended 31 July 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is not needed.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

School fees are stated inclusive of reimbursed travel, school trips, exam fees and other costs.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Charitable activities include expenditure associated with the operation of the school and include both the direct costs and support costs relating to these activities.

Governance costs

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Allocation and apportionment of costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g., allocating property costs by floor areas or per capita, staff costs by the time spent and other costs by their usage. 10% of overhead costs have been attributed to governance expenditure, with 90% attributable to the charitable activities of the Charity.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 5% on cost
Equipment & furniture	- 20% on cost
Computer equipment	- 33% on cost

Fixed Assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised.

The Knowl Hill Foundation

Notes to the Financial Statements - continued For The Year Ended 31 July 2016

1. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Debtors

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

Cash at bank and in hand

Cash at bank and cash in hand includes cash at bank and in hand, and demand deposits with banks.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Loans

Bank loans are stated at their original value, less repayments made to date, and interest charged at the agreed rate to date.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	31.7.16 Total funds £	31.7.15 Total funds £
Donations	<u>5,551</u>	<u>5,974</u>	<u>11,525</u>	<u>7,530</u>

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2016**

3. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.7.16 Total funds £	31.7.15 Total funds £
Deposit account interest	99	-	99	886
	<u>99</u>	<u>-</u>	<u>99</u>	<u>886</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.7.16 £	31.7.15 £
School Fees and Reimbursed charges	School fees	932,466	996,780
		<u>932,466</u>	<u>996,780</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6) £	Support costs (See note 7) £	Totals £
School expenditure	770,137	209,541	979,678
	<u>770,137</u>	<u>209,541</u>	<u>979,678</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.7.16 £	31.7.15 £
Staff costs	664,730	733,829
Educational supplies	23,209	18,795
School Trips	18,612	31,646
Daily travel cost of pupils	8,070	6,431
Other overheads	17,445	24,192
Bursary Awarded	7,881	31,524
Depreciation	30,190	36,253
	<u>770,137</u>	<u>882,670</u>

7. SUPPORT COSTS

	Overhead costs £	Governance costs £	Totals £
School expenditure	97,827	111,714	209,541
	<u>97,827</u>	<u>111,714</u>	<u>209,541</u>

Support costs, included in the above, are as follows:

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2016**

7. SUPPORT COSTS - continued

Overhead costs

	31.7.16 School expenditure £	31.7.15 Total activities £
Rents, Rates and Insurance	10,888	17,932
Light and heat	9,111	7,706
Telephone	5,136	2,990
Repairs and Renewals	27,689	29,994
Computer Expenses	25,685	36,129
Other Expenses	19,318	30,959
	<u>97,827</u>	<u>125,710</u>

Governance costs

	31.7.16 School expenditure £	31.7.15 Total activities £
Wages	68,577	82,214
Social security	5,017	6,098
Pensions	265	-
Auditors' remuneration	7,500	6,560
Rents, Rates and Insurance	1,210	1,992
Light and Heat	1,012	856
Telephone	571	332
Repairs and Renewals	3,076	3,333
Computer Expenses	2,854	4,014
Other Expenses	2,146	3,440
Accountancy and legal fees	16,131	26,279
Depreciation of tangible fixed assets	3,355	4,028
	<u>111,714</u>	<u>139,146</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.7.16 £	31.7.15 £
Auditors' remuneration	7,500	6,560
Depreciation - owned assets	<u>33,545</u>	<u>40,281</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2016 nor for the year ended 31 July 2015 .

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2016 nor for the year ended 31 July 2015 .

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2016**

10. STAFF COSTS

	31.7.16 £	31.7.15 £
Wages and salaries	685,773	761,165
Social security costs	50,171	60,976
Other pension costs	2,645	-
	<u>738,589</u>	<u>822,141</u>

The average monthly number of employees during the year was as follows:

	31.7.16	31.7.15
Teachers (Full and Part Time)	27	26
Admin & Bursary Staff	5	5
Trustees	5	5
	<u>37</u>	<u>36</u>

There were no employees with emolument or other benefits above £60,000 for the year ended 31 July 2016 or for the year ended 31 July 2015.

The key management personnel of the charity comprise the trustees and the Headteacher. The total employee benefits of the key management personnel of the Charity were £68,753 (2015: £60,000).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	7,530	-	7,530
Charitable activities			
School fees	996,780	-	996,780
Investment income	886	-	886
Total	<u>1,005,196</u>	<u>-</u>	<u>1,005,196</u>
EXPENDITURE ON			
Charitable activities			
School expenditure	1,147,526	-	1,147,526
Other	(2,660)	-	(2,660)
Total	<u>1,144,866</u>	<u>-</u>	<u>1,144,866</u>
NET INCOME/(EXPENDITURE)	<u>(139,670)</u>	<u>-</u>	<u>(139,670)</u>

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2016**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	418,598	-	418,598
TOTAL FUNDS CARRIED FORWARD	<u>278,928</u>	<u>-</u>	<u>278,928</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment & furniture £	Computer equipment £	Totals £
COST				
At 1 August 2015	873,014	316,087	413,523	1,602,624
Additions	-	1,565	-	1,565
At 31 July 2016	<u>873,014</u>	<u>317,652</u>	<u>413,523</u>	<u>1,604,189</u>
DEPRECIATION				
At 1 August 2015	613,266	309,469	403,890	1,326,625
Charge for year	19,499	5,543	8,503	33,545
At 31 July 2016	<u>632,765</u>	<u>315,012</u>	<u>412,393</u>	<u>1,360,170</u>
NET BOOK VALUE				
At 31 July 2016	<u>240,249</u>	<u>2,640</u>	<u>1,130</u>	<u>244,019</u>
At 31 July 2015	<u>259,748</u>	<u>6,618</u>	<u>9,633</u>	<u>275,999</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.16 £	31.7.15 £
Trade debtors	11,406	13,865
Other debtors	1,113	3,274
Prepayments	15,129	14,970
	<u>27,648</u>	<u>32,109</u>

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2016**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.16	31.7.15
	£	£
Bank loans and overdrafts (see note 16)	22,698	27,500
Trade creditors	17,203	5,453
Social security and other taxes	14,649	12,967
Other creditors	11,208	26,686
Accrued expenses	10,485	6,155
	<u>76,243</u>	<u>78,761</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.16	31.7.15
	£	£
Bank loans (see note 16)	<u>-</u>	<u>22,698</u>

16. LOANS

An analysis of the maturity of loans is given below:

	31.7.16	31.7.15
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>22,698</u>	<u>27,500</u>
Amounts falling between one and two years:		
Bank loans	<u>-</u>	<u>22,698</u>

The bank loan is secured by a fixed and floating charge over the assets of the Charity.

17. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid over the course of the leasing arrangements:

	31.7.16	31.7.15
	£	£
Other operating leases		
Expiring:		
Within one year	28,553	28,193
Between one and five years	15,394	-
	<u>43,947</u>	<u>28,193</u>

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2016**

18. MOVEMENT IN FUNDS

	At 1.8.15 £	Net movement in funds £	Transfers between funds £	At 31.7.16 £
Unrestricted funds				
General fund	243,928	(41,562)	10,000	212,366
Designated funds	35,000	-	(10,000)	25,000
	<u>278,928</u>	<u>(41,562)</u>	<u>-</u>	<u>237,366</u>
Restricted funds				
Restricted Funds	-	5,974	-	5,974
	<u>-</u>	<u>5,974</u>	<u>-</u>	<u>5,974</u>
TOTAL FUNDS	<u>278,928</u>	<u>(35,588)</u>	<u>-</u>	<u>243,340</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	938,116	(979,678)	(41,562)
Restricted funds			
Restricted Funds	5,974	-	5,974
	<u>944,090</u>	<u>(979,678)</u>	<u>(35,588)</u>
TOTAL FUNDS	<u>944,090</u>	<u>(979,678)</u>	<u>(35,588)</u>

The designated fund is made up of a bursary reserve for children in need of £25,000. The trustees agreed to transfer £10,000 from unrestricted designated funds to the general funds to reduce the bursary reserve. One half bursary was agreed for the whole year. Total bursaries awarded in the year were £7,881.

The restricted fund is made up of donations totalling £5,974 that were made specifically to improve the facilities by building a food technology room at the school. Various fundraising activities over the course of the year were undertaken to raise these funds. The food technology room was completed and opened in September 2016, after the year end.

19. RELATED PARTY DISCLOSURES

Mrs N Todd, Chair of Trustees, is also a board member of The Millennium Oak Trust, an unincorporated charity. The Millennium Oak Trust donated a total of £8,600 to the charity in the period (2015: £4,100).

20. TRANSITION TO FRS102

This is the first year that the company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 July 2015 and the date of transition to FRS 102 was 1 August 2014. There were no changes in accounting policies as a result of FRS102 adoption and therefore no need for any reconciliation statement.

Transitional relief

On transition to FRS 102, the charity has not needed to take advantage of any transitional reliefs.