

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

**Report of the Trustees and
Financial Statements For The Year Ended 31 July 2018
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 2018

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The Knowl Hill Foundation

Report of the Trustees For The Year Ended 31 July 2018

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 2018. 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.

To provide support to children with speech and language difficulties associated with their specific learning difficulties

ACHIEVEMENT AND PERFORMANCE

In the academic year 2017/18 the school has continued to see changes to both the fabric of the school and the educational programme offered to the pupils.

The successful Ofsted inspection in November 2017 led to the school being graded as 'Good' in all areas.

During this year pupil numbers reached 53 places.

The GCSE results were better than expected this year. There were only 5 pupils in year 11. Out of the 24 GCSEs, four were at grade 5 equivalent to a B, and 5 at grade 4, equivalent to a C. There was also a grade 8 in Photography, equivalent to an A*.

All pupils achieved a pass in the level 2 in Home Cooking, which is equivalent to a GCSE grade C.

The replacement of Business and Economics GCSEs with Home Cooking, Sport and ICT, has led to better grades overall. All pupils went on to college places of their choosing.

The school has been given 30 new laptops and the faster broadband and Wifi mean that there is better access to the internet and educational software. The 32 Mac Minis which are now very slow are being upgraded with new operating systems.

The Knowl Hill Foundation
Report of the Trustees
For The Year Ended 31 July 2018

ACHIEVEMENT AND PERFORMANCE

The language unit has continued to grow with 5 pupils this year and another 4 due to start next year taking us to the maximum of 9. Another Speech and Language Therapist has been employed for 4 days a week in order to meet the growing need. The higher fee level for the pupils in the unit makes provision for this. The Quiet Room which was used for pupils with difficult behavior has now been turned into another room for senior language unit pupils.

There has been a huge upturn in the number of parents showing interest in the school this year and we already have a waiting list, and predict at least 60 pupils by Christmas 2018.

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.

FINANCIAL REVIEW

Financial position

The results for the year are shown in the attached Statement of Financial Activities. Income increased from £968,255 in 2017 to £1,029,394. Expenditure increased from £984,959 to £1,018,244 after depreciation of £26,165 (2017: £22,455). There were net incoming resources of £11,150 this year compared to net outgoing resources of £16,704 last year. Total funds carried forward have increased to £237,786 (2017: £226,636).

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 2018

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.

A dedicated workspace is being built in October 2018 to facilitate a quieter room for the School Councillor.

TEACHING & CURRICULUM FUTURE DEVELOPMENTS

The language unit has continued to grow with 5 pupils this year and another 4 due to start next year taking us to the maximum of 9. Another Speech and Language Therapist has been employed for 4 days a week in order to meet the growing need. The higher fee level for the pupils in the unit makes provision for this. The Quiet Room which was used for pupils with difficult behavior has now been turned into another room for senior language unit pupils. On Tuesdays the language unit pupils have functional skills practical sessions, such as shopping at a supermarket, or catching a train.

The Head of Juniors has taken the level 3 Forest School course.

Year 10 pupils will be offered courses being run for 14-16s at Farnborough Technical College, providing a useful link with another provider in the area, and giving pupils the opportunity for an enriched curriculum, with subjects such as Digital Media and Social Care being available.

7 pupils will attending Skillway in Godalming one day a week to take level 1 BTEC in metalwork and woodwork. A BTEC in animal care will be offered to pupils in year 10.

Surrey arts are providing instrumental lessons to any pupils wanting to learn a musical instrument. Pupils are learning the piano, the Tenor Horn, the drums and the Flugel Horn.

In addition to PSHE which is a statutory subject, year 10s are also having lessons on relationships and sex (RES).

The school day will be divided differently, with pupils have a 15 minute break in the morning with supervised free play, followed by 15 minutes of more structured tutor led activities.

The reading groups will continue every morning for 20 minutes, with a whole school assembly on Mondays, covering a variety of topics e.g. harvest, anti-bullying, healthy eating.

The SaLT department will also run self-esteem sessions during the reading time, as a result of the increasing number of pupils with mental health issues. The counsellor now comes for 2 days per week instead of one.

The OT department will run a 'sensory explorer' club to help pupils with sensory difficulties to try new tastes and textures.

Phonological sessions will also run in reading time for particular pupils who need this intervention. Not all pupils have SaLT on their EHCPs, so this ensures that all pupils who need it, can benefit from the onsite therapy available.

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.

The Knowl Hill Foundation

Report of the Trustees For The Year Ended 31 July 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

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.

The Knowl Hill Foundation

Report of the Trustees For The Year Ended 31 July 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 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. We also make arrangements for parents to pay monthly if the need is great.

This year our bursaries totalled £400.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02274166 (England and Wales)

Registered Charity number
299690

Registered office
School Lane
Pirbright
Surrey
GU24 0JN

Trustees
R H Wallis
A Bareford
K Rowland-Doyle
A M Rhodes
N Todd
C P Rogers - resigned 1.9.18

Company Secretary
R H Wallis

The Knowl Hill Foundation

**Report of the Trustees
For The Year Ended 31 July 2018**

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

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

Bankers

HSBC plc
6 Commercial Way
Woking
Surrey
GU21 1EZ

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.

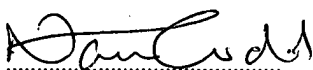
In so far as the trustees are aware:

- 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 on22-1-19..... and signed on its behalf by:



N Todd - Trustee

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

Opinion

We have audited the financial statements of The Knowl Hill Foundation (the 'charitable company') for the year ended 31 July 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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, 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 charitable company'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 to cease operations, or have no realistic alternative but to do so.

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

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

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 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.

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



Date: 28/3/2019

The Knowl Hill Foundation
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For The Year Ended 31 July 2018

	Notes	Unrestricted funds £	Restricted fund £	31.7.18 Total funds £	31.7.17 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	8,981	1,220	10,201	13,024
Charitable activities	4				
School fees		1,019,183	-	1,019,183	955,198
Investment income	3	10	-	10	33
Total		1,028,174	1,220	1,029,394	968,255
EXPENDITURE ON					
Charitable activities	5				
School fees		400	-	400	-
School expenditure		1,016,804	-	1,016,804	984,959
Total		1,017,204	-	1,017,204	984,959
NET INCOME/(EXPENDITURE)		10,970	1,220	12,190	(16,704)
RECONCILIATION OF FUNDS					
Total funds brought forward		226,636	-	226,636	243,340
TOTAL FUNDS CARRIED FORWARD		237,606	1,220	238,826	226,636

The notes form part of these financial statements

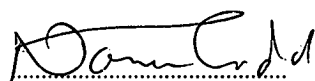
The Knowl Hill Foundation

**Balance Sheet
At 31 July 2018**

	Notes	Unrestricted funds £	Restricted fund £	31.7.18 Total funds £	31.7.17 Total funds £
FIXED ASSETS					
Tangible assets	12	215,839	1,220	217,059	225,665
CURRENT ASSETS					
Stocks	13	3,000	-	3,000	3,000
Debtors	14	11,874	-	11,874	33,751
Cash at bank and in hand		69,048	-	69,048	14,564
		<u>83,922</u>	<u>-</u>	<u>83,922</u>	<u>51,315</u>
CREDITORS					
Amounts falling due within one year	15	(62,155)	-	(62,155)	(50,344)
NET CURRENT ASSETS		<u>21,767</u>	<u>-</u>	<u>21,767</u>	<u>971</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>237,606</u>	<u>1,220</u>	<u>238,826</u>	<u>226,636</u>
NET ASSETS		<u><u>237,606</u></u>	<u><u>1,220</u></u>	<u><u>238,826</u></u>	<u><u>226,636</u></u>
FUNDS	17				
Unrestricted funds				237,606	226,636
Restricted funds				<u>1,220</u>	<u>-</u>
TOTAL FUNDS				<u><u>238,826</u></u>	<u><u>226,636</u></u>

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

The financial statements were approved by the Board of Trustees on 22-1-19 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 2018

	Notes	31.7.18 £	31.7.17 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>72,033</u>	<u>(3,586)</u>
Net cash provided by (used in) operating activities		<u>72,033</u>	<u>(3,586)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(17,559)	(4,101)
Interest received		<u>10</u>	<u>33</u>
Net cash provided by (used in) investing activities		<u>(17,549)</u>	<u>(4,068)</u>
Cash flows from financing activities:			
Loan repayments in year		<u>-</u>	<u>(22,698)</u>
Net cash provided by (used in) financing activities		<u>-</u>	<u>(22,698)</u>
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		54,484	(30,352)
Cash and cash equivalents at the beginning of the reporting period		<u>14,564</u>	<u>44,916</u>
Cash and cash equivalents at the end of the reporting period		<u><u>69,048</u></u>	<u><u>14,564</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 2018**

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

	31.7.18	31.7.17
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	12,190	(16,704)
Adjustments for:		
Depreciation charges	26,165	22,455
Interest received	(10)	(33)
Decrease/(increase) in debtors	21,877	(6,103)
Increase/(decrease) in creditors	11,811	(3,201)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	<u>72,033</u>	<u>(3,586)</u>

The Knowl Hill Foundation

Notes to the Financial Statements For The Year Ended 31 July 2018

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.

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.

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.

The Knowl Hill Foundation

Notes to the Financial Statements - continued For The Year Ended 31 July 2018

1. ACCOUNTING POLICIES - continued

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.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	31.7.18 Total funds £	31.7.17 Total funds £
Donations	8,981	1,220	10,201	13,024

3. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.7.18 Total funds £	31.7.17 Total funds £
Deposit account interest	10	-	10	33

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.7.18 £	31.7.17 £
School Fees and Reimbursed charges	School fees	1,019,183	955,198

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2018**

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6)	Support costs (See note 7)	Totals
	£	£	£
School fees	400	-	400
School expenditure	826,190	190,614	1,016,804
	<u>826,590</u>	<u>190,614</u>	<u>1,017,204</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.7.18	31.7.17
	£	£
Staff costs	750,500	699,047
Educational supplies	10,970	9,665
School Trips	13,091	2,865
Daily travel cost of pupils	8,039	6,572
Other overheads	20,042	20,107
Bursary Awarded	400	15,960
Depreciation	23,548	20,209
	<u>826,590</u>	<u>774,425</u>

7. SUPPORT COSTS

	Overhead costs	Governance costs	Totals
	£	£	£
School expenditure	<u>84,310</u>	<u>106,304</u>	<u>190,614</u>

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

Overhead costs

	31.7.18 School expenditure	31.7.17 Total activities
	£	£
Rents, Rates and Insurance	13,613	12,488
Light and heat	9,842	11,881
Telephone	3,531	3,308
Repairs and Renewals	32,612	33,989
Computer Expenses	12,272	29,138
Other Expenses	12,440	17,249
	<u>84,310</u>	<u>108,053</u>

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2018**

7. SUPPORT COSTS - continued

Governance costs

	31.7.18 School expenditure £	31.7.17 Total activities £
Wages	76,662	71,466
Social security	6,021	5,711
Pensions	706	494
Auditors' remuneration	7,000	7,000
Rents, Rates and Insurance	1,513	1,388
Light and Heat	1,094	1,320
Telephone	392	367
Repairs and Renewals	3,623	3,777
Computer Expenses	1,363	3,237
Other Expenses	1,382	1,916
Accountancy and legal fees	3,932	3,559
Depreciation of tangible fixed assets	2,616	2,246
	<u>106,304</u>	<u>102,481</u>

8. NET INCOME/(EXPENDITURE)

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

	31.7.18 £	31.7.17 £
Auditors' remuneration	7,000	7,000
Depreciation - owned assets	<u>26,165</u>	<u>22,455</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2018 nor for the year ended 31 July 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2018 nor for the year ended 31 July 2017.

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2018**

10. STAFF COSTS

	31.7.18 £	31.7.17 £
Wages and salaries	766,625	714,664
Social security costs	60,205	57,110
Other pension costs	7,059	4,944
	<u>833,889</u>	<u>776,718</u>

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

	31.7.18	31.7.17
Teachers (Full and Part Time)	31	30
Admin & Bursary Staff	6	5
Trustees	6	6
	<u>43</u>	<u>41</u>

There were no employees with emolument or other benefits above £60,000 for the year ended 31 July 2018 or for the year ended 31 July 2017.

The key management personnel of the charity comprise the trustees, the Headteacher, the Business manager and the bookkeeper. The total employee benefits of the key management personnel of the Charity were £85,992 (2017: £81,885).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	13,024	-	13,024
Charitable activities			
School fees	955,198	-	955,198
Investment income	33	-	33
Total	<u>968,255</u>	<u>-</u>	<u>968,255</u>
EXPENDITURE ON			
Charitable activities			
School expenditure	978,985	5,974	984,959
Total	<u>978,985</u>	<u>5,974</u>	<u>984,959</u>
NET INCOME/(EXPENDITURE)	<u>(10,730)</u>	<u>(5,974)</u>	<u>(16,704)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	237,366	5,974	243,340
TOTAL FUNDS CARRIED FORWARD	<u>226,636</u>	<u>-</u>	<u>226,636</u>

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2018**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

Unrestricted funds £	Restricted fund £	Total funds £
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12. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment & furniture £	Computer equipment £	Totals £
COST				
At 1 August 2017	873,014	321,753	413,523	1,608,290
Additions	-	6,067	11,492	17,559
	<u>873,014</u>	<u>327,820</u>	<u>425,015</u>	<u>1,625,849</u>
DEPRECIATION				
At 1 August 2017	652,264	316,838	413,523	1,382,625
Charge for year	19,499	2,835	3,831	26,165
	<u>671,763</u>	<u>319,673</u>	<u>417,354</u>	<u>1,408,790</u>
NET BOOK VALUE				
At 31 July 2018	<u>201,251</u>	<u>8,147</u>	<u>7,661</u>	<u>217,059</u>
At 31 July 2017	<u>220,750</u>	<u>4,915</u>	<u>-</u>	<u>225,665</u>

13. STOCKS

	31.7.18 £	31.7.17 £
Stocks	<u>3,000</u>	<u>3,000</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.18 £	31.7.17 £
Trade debtors	4,712	22,155
Other debtors	3,497	3,094
Prepayments	3,665	8,502
	<u>11,874</u>	<u>33,751</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.18 £	31.7.17 £
Trade creditors	8,094	16,204
Social security and other taxes	16,821	16,108
Other creditors	16,489	7,005
Accrued expenses	20,751	11,027
	<u>62,155</u>	<u>50,344</u>

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2018**

16. LEASING AGREEMENTS

At 31st July 2018 the charity had total commitments under non-cancellable operating leases over the remaining life of the leases of ££25,077 (2017 £41,185)

17. MOVEMENT IN FUNDS

	At 1.8.17 £	Net movement in funds £	At 31.7.18 £
Unrestricted funds			
General fund	201,636	10,970	212,606
Designated funds	25,000	-	25,000
	<u>226,636</u>	<u>10,970</u>	<u>237,606</u>
Restricted funds			
Playground equipment	-	1,220	1,220
	<u>-</u>	<u>1,220</u>	<u>1,220</u>
TOTAL FUNDS	<u>226,636</u>	<u>12,190</u>	<u>238,826</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,028,174	(1,017,204)	10,970
Restricted funds			
Playground equipment	1,220	-	1,220
	<u>1,029,394</u>	<u>(1,017,204)</u>	<u>12,190</u>
TOTAL FUNDS	<u>1,029,394</u>	<u>(1,017,204)</u>	<u>12,190</u>

Comparatives for movement in funds

	At 1.8.16 £	Net movement in funds £	At 31.7.17 £
Unrestricted Funds			
General fund	212,366	(10,730)	201,636
Designated funds	25,000	-	25,000
	<u>237,366</u>	<u>(10,730)</u>	<u>226,636</u>
Restricted Funds			
Playground equipment	5,974	(5,974)	-
	<u>5,974</u>	<u>(5,974)</u>	<u>-</u>
TOTAL FUNDS	<u>243,340</u>	<u>(16,704)</u>	<u>226,636</u>

The Knowl Hill Foundation

**Notes to the Financial Statements - continued
For The Year Ended 31 July 2018**

17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	968,255	(978,985)	(10,730)
Restricted funds			
Playground equipment	-	(5,974)	(5,974)
TOTAL FUNDS	<u>968,255</u>	<u>(984,959)</u>	<u>(16,704)</u>

The restricted fund relates to donations received specifically for the purchase of playground equipment. Total funds received were £1,220 and these were used to purchase equipment (with additional funds used from general funds). The element received is shown as restricted funds and restricted fixed assets. The amount will reduce each year as the equipment is depreciated. No amount is shown in 2018 for depreciation as the equipment came into use after the year end.

The designated fund is made up of a bursary reserve for children in need of £25,000. No bursaries for teaching fees were awarded in the year, however £400 was used to cover school trip fees. This is shown as a reduction in income receivable from School fees. The fund brought forward continues to be carried forward.

18. 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 £3,850 to the charity in the period (2017: £4,100).