

Company Registration Number: 07900248 (England & Wales)

**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**Mayfield Grammar School, Gravesend  
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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Trustees**

V A Green (Chair) \*,\*\*

M Fielder-White \*\*

E D Wilson \*,\*\*

D P Holton \*,\*\*

D M Foulger \*\*

P K Patel \*

A E Sewell

R D Wickens \*

D J Wesley\*

M Weston (appointed 1 January 2019)

\* Members of the Finance and Premises Committee

\*\* Members

**Senior Management Team**

Mrs E Wilson (Headteacher)

Mrs C Kemp (Deputy Headteacher)

Mrs L Absolon (Assistant Headteacher)

Mr R Boyce (Assistant Headteacher)

Mrs J Campbell-Dunlop (Assistant Headteacher)

**Company Name**

Mayfield Grammar School, Gravesend

**Principal and Registered Office**

Pelham Road

Gravesend

Kent

DA11 0JE

**Company Registered Number**

07900248 (England & Wales)

**Independent Auditor**

MHA MacIntyre Hudson, 71 New Dover Road, Canterbury, Kent, CT1 3DZ

**Bankers**

Lloyds Bank Plc, 78 New Road, Gravesend, Kent, DA11 0AR

**Solicitors**

Kent Legal Services, Kent County Council, County Hall, Maidstone, Kent, ME14 1X

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1<sup>st</sup> 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 Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Gravesend. It has a pupil capacity of 1015 and had a roll of 1126 in the school census on 16 May 2019. There is an ongoing building programme to meet increasing pupil numbers.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Mayfield Grammar School, Gravesend are also the directors of the charitable company for the purposes of company law. The charitable company operates as Mayfield Grammar School, Gravesend (MGSG).

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on pages.

#### **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 £10.00, for the debts and liabilities contracted before they ceased to be a member.

#### **Trustees' Indemnities**

The Academy Trust has purchased insurance to protect officers and Trustees from claims arising from negligent acts, errors or omission occurring whilst on academy business. The insurance provides cover up to £1m on any one claim.

#### **Method of Recruitment and Appointment or Election of Trustees**

Governors are recruited as per the categories outlined in the Articles of Association. Parent and Staff governor elections are held when required. Community governors are appointed taking into consideration their experience and expertise.

#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

All governors are expected to complete an initial governor training programme and subsequent training is provided as appropriate.

#### **Organisational Structure**

The governing body operates through the following sub-committees

- (a) Finance and Premises Committee
- (b) Curriculum and Staffing Committee
- (c) Student Affairs, Community and Admissions Committee

#### **Arrangements for setting pay and remuneration of key management personnel**

The academy has arrangements in place via its' pay policy which is supported by all professional associations within the school and in line with the recommendations of the STPRB. A robust system of appraisal operates across the school for all staff, including senior staff, which supports progression through the school's agreed paycales.

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**Mayfield Grammar School, Gravesend  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Trade union facility time**

No trade union time was requested to attend official union business. MGS do not have any relevant employees

**Related Parties and other Connected Charities and Organisations**  
No current federation / consortium exists.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The Objects of the school are specifically restricted to:

- to provide public benefit education by offering a broad and balanced curriculum
- the provision of facilities for recreation and leisure to affiliated sports, clubs and associations

The Aims of the school:

- to stimulate and challenge the minds of our students in order for them to attain the highest possible academic and personal standards
- for our students to succeed at the highest level possible in public examinations at GCSE and A-level
- for all students to successfully access the next stage of their career on leaving school

**Objectives, Strategies and Activities**

- achieve a successful pass rate (in excess of Government National floor targets) at GCSE and A-level examinations
- to continue to develop our personal education programme i.e. via Adventure Service Challenge
- develop our Virtual Learning Environment

**Public Benefit**

The Academy Trust Governors have referred to the guidance contained in the Charities Commission's general guidance on public benefit when reviewing the Academy's aims and objectives and in planning future activities. The Governors believe that the Academy's educational objective in operating Mayfield Grammar School is demonstrably to the public benefit.

**STRATEGIC REPORT**

**Achievements and Performance**

**Summer Examination results 2019**

The overall pass rate at A Level was 97.3% and the percentage of A\*/A grades was 9.0%. The Average Point Score achieved was 28.71. The proportion of A\*/B grades was 32.8% and A\*/C grades was 61.4%.

At GCSE students achieved 26.9% 9 to 8 (or A\*). The proportion of 9 to 7 (or A\*/A) grades was 47.8%, 9 to 6 (A\*/B) grades was 72.4% and the proportion of students achieving 5 or more grades at 9 to 4 (A\* to C) including English and Mathematics was 99%.

The performance in Mathematics, English Language and English Literature was very good. Improvement was demonstrated in the outcomes for Mathematics 44.8% of students achieved grades at 9 to 7. In English Language this figure was 43.4% of grades 9 to 7 and in English Literature it was 52.1%. All figures for Mathematics and English were far in excess of the National Average figures.

The new performance measures of Attainment 8 and Progress 8 were very pleasing and an improvement on the last 3 years. The provisional Attainment 8 score is maintained at 6.6, which indicates that staff have maintained performance within their subjects. However, the provisional Progress 8 figure of +0.42 (up from +0.33) shows how much progress we have made with the students in this cohort. Our students are making

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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significantly better progress each year thanks to the continued efforts of all staff, students and parents.

**Key Performance Indicators**

Exam results are as stated above.

The school continues to be a popular and over-subscribed school. In collaboration with the Local Authority, the school has agreed to expand pupil numbers to accommodate increasing demand for places.

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust 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 Statement of Accounting Policies.

**FINANCIAL REVIEW**

**Reserves Policy**

At 31 August 2019 the total funds comprised:

Unrestricted		£0
Restricted:	Fixed asset funds	£11,513,499
	Pension reserve	(£1,474,000)
	Other	£29,627
		<u>£10,069,126</u>

The school does not currently operate a reserves policy but operates on the principle that funds should be deployed for the support of students within the financial year monies have been received. The school has operated close control on the budget and is pleased to report that the technical deficit has now been eradicated and a positive balance restored.

**Investment Policy**

The academy is not in a position to make investments whilst fulfilling its' main objective of providing an outstanding education with current government funding levels.

**Principal Risks and Uncertainties**

The principal risk faced by the school is financial risk due to reductions and uncertainties in funding from the Education and Skills Funding Agency (ESFA) heightened by increases in NI and pension contributions. This risk will be mitigated by recent assurances from the Government on increases to school/academy funding but these have not been confirmed or guaranteed and have been made in an uncertain political climate. The school is aware that Brexit and/or a change in Government may affect funding.

Improvements have been made to the fabric of the school which mitigates the risk of deterioration in the school buildings and the risk of additional funding being needed to repair buildings which are no longer watertight or fit for purpose.

**FUNDRAISING**

MGSG has an active parents' association who raise additional income for the school in order to provide additional resources. In 2018/2019 this has included student awards for achievement and effort, contributions towards English and Learning Resource Centre events and running costs for the school minibus. The PA have also contributed toward musical instruments for the orchestra. The Academy Trust does not work with professional fundraisers.

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**Mayfield Grammar School, Gravesend  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**PLANS FOR FUTURE PERIODS**

The academy will continue with its aim of delivering an outstanding education for students in the local community and to meet the increasing demand for places.

The school is working with both the Local Authority and ESFA to implement a phased plan of capital investment and development of new facilities to meet the needs of students within the local community.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

There are no such funds.

**AUDITOR**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

MacIntyre Hudson were appointed as auditors in 2018. The school finance policy requires a review for best value every three years.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 2 December 2019 and signed on the board's behalf by:

  
.....  
**V A Green**  
**Chair of Trustees**

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**Mayfield Grammar School, Gravesend  
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**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**SCOPE OF RESPONSIBILITY**

As trustees we acknowledge we have overall responsibility for ensuring that MSGS 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 board of trustees 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 MSGS Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees 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 board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
V A Green (Chair)	3	3
M Fielder White	3	3
D P Holton	3	3
D M Foulger	2	3
P K Patel	2	3
A E Sewell	2	3
R D Wickens (staff trustee)	2	3
M Weston (staff trustee from 4 February 2019)	2	2
D J Wesley	3	3
E D Wilson (Headteacher and Accounting Officer)	3	3

M Collin retired on 31 August 2018 and resigned as a staff trustee at the same time. Ms M Weston was appointed as a staff trustee on 4 February 2019.

The Board of Trustees oversees all aspects of the school's work including curriculum, staffing, finance, premises, student welfare, admissions and school policies and procedures. An annual skills audit is undertaken by all trustees and regular training sessions are provided as necessary. Trustees are provided with data on all aspects of school life from external as well as internal data sources.

The **Finance and Premises Committee** is a sub-committee of the main board of trustees. Its purpose is to receive, consider and approve the allocation of the school's delegated budget and the annual end of academic year statements and report to the full governing body.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
V A Green	4	4
P K Patel	2	4
D P Holton (chair)	3	4
D J Wesley	3	4
R D Wickens	4	4
E D Wilson	4	4

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**REVIEW OF VALUE FOR MONEY**

As accounting officer the Headteacher has responsibility for ensuring that the Academy Trust 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

Examples of costs savings and value for money

- Insurance renegotiated with Zurich with a significant saving from RPA cover
- Consideration given to energy efficiency around the school resulting in successful CIF funding bids for double glazing and energy efficient boilers ensuring the school will benefit from reductions in energy costs in subsequent years
- A new canteen installed with up-to-date efficient and economical equipment

**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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust 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 MSGS for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Academy Trust is exposed, including the undetermined changes which may impact the school as a result of Brexit, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

The Academy Trust'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 board of trustees
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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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- regular reviews by the Finance and Premises 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 board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint MHA MacIntyre Hudson as internal auditor

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

- testing of payroll systems
- testing of banking systems
- testing of income controls
- testing of expenditure controls
- testing of Academy governance
- testing of academy financial reporting

MHA MacIntyre Hudson, the auditors report to the board of trustees, through the Finance and Premises Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

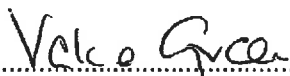
#### **REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust 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 external auditor and, whilst there were no weaknesses or recommendations the Academy regularly reviews all systems and controls to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 2 December 2019 and signed on its behalf by:

  
.....  
**V A Green**  
Trustee

  
.....  
**E D Wilson**  
Accounting Officer

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Mayfield Grammar School, Gravesend 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 Board of Trustees are able to identify any material irregular or improper use of all 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.

  
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**E D Wilson**  
Accounting Officer  
Date: 2.12.19

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 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 of 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

  
.....  
**V A Green**  
Chair of Trustees

Date: 2/12/19

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
MAYFIELD GRAMMAR SCHOOL, GRAVESEND**

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**Opinion**

We have audited the financial statements of Mayfield Grammar School, Gravesend (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
  - the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy 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.
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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
MAYFIELD GRAMMAR SCHOOL, GRAVESEND (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative details, Trustees' Report, incorporating the Strategic Report and the Directors' Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees' Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements and.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
  - the financial statements are not in agreement with the accounting records and returns; or
  - certain disclosures of Trustees' remuneration specified by law are not made; or
  - we have not received all the information and explanations we require for our audit.
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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
MAYFIELD GRAMMAR SCHOOL, GRAVESEND (CONTINUED)**

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**Responsibilities of trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

*Alyson Howard*

**Alyson Howard FCCA DChA CF (Senior Statutory Auditor)**  
for and on behalf of  
**MHA MacIntyre Hudson**  
Chartered Accountants  
Statutory Auditors  
71 New Dover Road  
Canterbury  
Kent  
CT1 3DZ

Date: *13 Dec 2019*

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
(A Company Limited by Guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MAYFIELD GRAMMAR SCHOOL, GRAVESEND AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 14 May 2018 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 Mayfield Grammar School, Gravesend during the year 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 Mayfield Grammar School, Gravesend and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Mayfield Grammar School, Gravesend 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 Mayfield Grammar School, Gravesend and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Mayfield Grammar School, Gravesend's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Mayfield Grammar School, Gravesend's funding agreement with the Secretary of State for Education dated 1 February 2012 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 year 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.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
(A Company Limited by Guarantee)

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MAYFIELD GRAMMAR SCHOOL, GRAVESEND AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**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.

The work undertaken to draw our conclusions include:

- Reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- Testing a sample of payroll payments to staff;
- Testing a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Consideration of governance issues; and
- Evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 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.

*MHA MacIntyre Hudson*

**Reporting Accountant**

**MHA MacIntyre Hudson**

71 New Dover Road  
Canterbury  
Kent  
CT1 3DZ

Date: *18 December 2019*

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	4	10,000	-	1,399,311	1,409,311	22,315
Charitable activities	5	-	5,050,160	-	5,050,160	4,674,934
Other trading activities	6	57,408	200,763	-	258,171	279,033
Investments	7	2,265	-	-	2,265	159
<b>Total income</b>		<b>69,673</b>	<b>5,250,923</b>	<b>1,399,311</b>	<b>6,719,907</b>	<b>4,976,441</b>
<b>Expenditure on:</b>						
Raising funds		3,779	-	-	3,779	4,408
Charitable activities	9	65,894	5,363,385	217,630	5,646,909	5,268,234
<b>Total expenditure</b>	8	<b>69,673</b>	<b>5,363,385</b>	<b>217,630</b>	<b>5,650,688</b>	<b>5,272,642</b>
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>-</b>	<b>(112,462)</b>	<b>1,181,681</b>	<b>1,069,219</b>	<b>(296,201)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(284,000)	-	(284,000)	324,000
<b>Net movement in funds</b>		<b>-</b>	<b>(396,462)</b>	<b>1,181,681</b>	<b>785,219</b>	<b>27,799</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		-	(1,047,911)	10,331,818	9,283,907	9,256,108
Net movement in funds		-	(396,462)	1,181,681	785,219	27,799
<b>Total funds carried forward</b>		<b>-</b>	<b>(1,444,373)</b>	<b>11,513,499</b>	<b>10,069,126</b>	<b>9,283,907</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 48 form part of these financial statements.

**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07900248**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	15		<u>11,312,255</u>		<u>10,331,818</u>
			<u>11,312,255</u>		<u>10,331,818</u>
<b>Current assets</b>					
Stocks	16	3,200		3,934	
Debtors	17	89,228		39,703	
Cash at bank and in hand	23	<u>506,246</u>		<u>151,681</u>	
		598,674		195,318	
Creditors: amounts falling due within one year	18	<u>(367,803)</u>		<u>(207,229)</u>	
<b>Net current assets / liabilities</b>			<u>230,871</u>		<u>(11,911)</u>
<b>Total assets less current liabilities</b>			<u>11,543,126</u>		<u>10,319,907</u>
<b>Net assets excluding pension liability</b>			<u>11,543,126</u>		<u>10,319,907</u>
Defined benefit pension scheme liability	24		<u>(1,474,000)</u>		<u>(1,036,000)</u>
<b>Total net assets</b>			<u><u>10,069,126</u></u>		<u><u>9,283,907</u></u>
<b>Funds of the Academy Trust</b>					
<b>Restricted funds:</b>					
Restricted fixed asset funds	19	11,513,499		10,331,818	
Restricted general funds	19	<u>29,627</u>		<u>(11,911)</u>	
Restricted funds excluding pension liability	19	11,543,126		10,319,907	
Restricted general funds - Pension reserve	19	<u>(1,474,000)</u>		<u>(1,036,000)</u>	
<b>Total restricted funds</b>	19		<u><u>10,069,126</u></u>		<u><u>9,283,907</u></u>
<b>Unrestricted funds</b>	19		<u>-</u>		<u>-</u>
<b>Total funds</b>			<u><u>10,069,126</u></u>		<u><u>9,283,907</u></u>

The financial statements on pages 16 to 48 were approved by the Trustees, and authorised for issue on and are signed on their behalf by:

*V A Green*

V A Green

Chair of Trustees

Date:

19 Dec 2019

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	151,056	92,181
<b>Cash flows from investing activities</b>	22	203,509	17,782
<b>Change in cash and cash equivalents in the year</b>		<b>354,565</b>	<b>109,963</b>
Cash and cash equivalents at the beginning of the year		151,681	41,718
<b>Cash and cash equivalents at the end of the year</b>	23	<b>506,246</b>	<b>151,681</b>

The notes on pages 19 to 48 form part of these financial statements

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. General information**

Mayfield Grammar School, Gravesend is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation is detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

**2. 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.

**2.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Mayfield Grammar School, Gravesend constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and rounded to the nearest pound.

**2.2 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 Academy Trust 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.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. Accounting policies (continued)**

**2.3 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 year for which it is receivable and any abatement in respect of the year 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.

• **Sponsorship Income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **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 year it is receivable and to the extent the Academy Trust has provided the goods or services.

**2.4 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 allocated on the portion of the asset's use.

• **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.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

• **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.

All resources expended are inclusive of irrecoverable VAT.

**2.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.6 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 Part 11, chapter 3 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.

**2.7 Tangible fixed assets**

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 requiring 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, a transfer is made to reflect these assets in the Restricted Fixed Asset fund.

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

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. Accounting policies (continued)**

**2.7 Tangible fixed assets (continued)**

Depreciation is provided on the following basis:

Freehold property	-	2%	Straight line
Fixtures and fittings	-	10%	Straight line
Computer equipment	-	20%	Straight line
Motor vehicles	-	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.

**2.8 Stocks**

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

**2.9 Debtors**

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

**2.10 Cash at bank and in hand**

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

**2.11 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 payments for the goods or services it must provide.

**2.12 Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. Accounting policies (continued)**

**2.13 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 bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 as detailed in note 18. 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.

**2.14 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**2.15 Pensions**

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.

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. 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 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.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. Accounting policies (continued)**

**2.16 Agency arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 29.

**2.17 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**3. Critical accounting estimates and areas of judgement**

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.

**Critical accounting estimates and assumptions:**

The Academy Trust trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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.

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 re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**4. Income from donations and capital grants**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Donations	10,000	800,000	810,000
Capital grants	-	599,311	599,311
<b>Total 2019</b>	<b>10,000</b>	<b>1,399,311</b>	<b>1,409,311</b>

	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Capital grants	22,315	22,315
<b>Total 2018</b>	<b>22,315</b>	<b>22,315</b>

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**5. Charitable activities - Funding for the Academy Trust's educational operations**

	<b>Restricted general funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	4,662,170	4,662,170	4,252,708
Pupil Premium	74,469	74,469	74,369
Other DfE / ESFA revenue grants	97,010	97,010	10,159
	<u>4,833,649</u>	<u>4,833,649</u>	<u>4,337,236</u>
<b>Other government grants</b>			
Local Authority revenue grants	-	-	200,914
Other Government revenue grants	216,511	216,511	136,784
	<u>216,511</u>	<u>216,511</u>	<u>136,784</u>
<b>Total 2019</b>	<u><u>5,050,160</u></u>	<u><u>5,050,160</u></u>	<u><u>4,674,934</u></u>

In 2018, all income from charitable activities was allocated to Restricted general funds.

There are no unfulfilled conditions or other contingencies attached to the government grants above.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**6. Income from other trading activities**

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Total funds 2019 £
Hire of facilities	19,326	-	19,326
Catering	-	183,090	183,090
Receipts from supply teacher insurance claims	100	-	100
Other income	37,982	17,673	55,655
<b>Total 2019</b>	<b>57,408</b>	<b>200,763</b>	<b>258,171</b>

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £
Hire of Facilities	21,506	-	21,506
Catering	-	172,550	172,550
Other income	19,015	65,962	84,977
<b>Total 2018</b>	<b>40,521</b>	<b>238,512</b>	<b>279,033</b>

**7. Investment Income**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	2,265	2,265	159

In 2018, all income from investments was allocated to Unrestricted funds.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Total expenditure**

	Staff costs 2019 £	Premises costs 2019 £	Other costs 2019 £	Total 2019 £
<b>Expenditure on raising funds:</b>				
Support costs	-	-	3,779	3,779
<b>Educational operations:</b>				
Direct costs	3,404,546	-	272,457	3,677,003
Support costs	1,093,270	233,191	643,445	1,969,908
<b>Total 2019</b>	<b>4,497,816</b>	<b>233,191</b>	<b>919,881</b>	<b>5,650,688</b>

	Staff costs 2018 £	Premises costs 2018 £	Other costs 2018 £	Total 2018 £
<b>Expenditure on raising funds:</b>				
Direct costs	-	-	3,779	3,779
Support costs	-	-	4,408	4,408
<b>Educational operations:</b>				
Direct costs	3,149,472	-	277,097	3,426,569
Support costs	993,349	215,688	632,828	1,841,665
<b>Total 2018</b>	<b>4,142,821</b>	<b>215,688</b>	<b>917,912</b>	<b>5,276,421</b>

In 2018, of the total expenditure of £5,272,642, £16,853 was from Unrestricted funds, £5,036,329 was from Restricted general funds and £219,460 was from Restricted fixed asset funds.

**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**9. Analysis of expenditure by charitable activities**

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	3,677,003	1,969,906	5,646,909
<b>Total 2019</b>	<b>3,677,003</b>	<b>1,969,906</b>	<b>5,646,909</b>

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Educational operations	3,426,569	1,841,665	5,268,234
<b>Total 2018</b>	<b>3,426,569</b>	<b>1,841,665</b>	<b>5,268,234</b>

**Analysis of support costs**

	Educational operations 2019 £	Total funds 2019 £	Total funds 2018 £
Defined benefit pension scheme finance cost	27,000	27,000	31,000
Staff costs	1,066,270	1,066,270	962,349
Depreciation	217,630	217,630	219,460
Technology costs	73,210	73,210	46,286
Premises costs	233,191	233,191	215,688
Other costs	324,785	324,785	346,430
Governance costs	27,820	27,820	20,452
<b>Total 2019</b>	<b>1,969,906</b>	<b>1,969,906</b>	<b>1,841,665</b>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. Governance costs**

	2019 £	2018 £
Auditors' remuneration - Audit of the financial statements	16,345	12,395
Auditors' remuneration - Other Services	6,275	1,870
Legal and professional fees	5,200	6,187
	<u>27,820</u>	<u>20,452</u>

**11. Net (expenditure)/Income**

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	25,896	31,884
Depreciation of tangible fixed assets	217,630	219,460
Fees paid to auditors for:		
- Audit of the financial statements	16,345	9,095
- Other services	6,275	1,870
	<u>246,146</u>	<u>472,709</u>

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**12. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	3,470,260	3,045,615
Social security costs	322,761	273,706
Pension costs	659,856	586,923
	<u>4,452,877</u>	<u>3,906,244</u>
Agency staff costs	17,939	185,577
Staff restructuring costs	-	20,000
Defined benefit pension scheme finance cost	27,000	31,000
	<u>4,497,816</u>	<u>4,142,821</u>

Staff restructuring costs comprise:

	2019	2018
	£	£
Severance payments	-	20,000
	<u>-</u>	<u>20,000</u>

**b. Staff numbers**

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

	2019	2018
	No.	No.
Teaching Staff	67	58
Administration and Support Staff	65	72
Management	5	5
	<u>137</u>	<u>135</u>

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**15. Tangible fixed assets**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	11,543,625	120,153	177,625	15,000	11,856,403
Additions	1,187,704	10,363	-	-	1,198,067
At 31 August 2019	<u>12,731,329</u>	<u>130,516</u>	<u>177,625</u>	<u>15,000</u>	<u>13,054,470</u>
<b>Depreciation</b>					
At 1 September 2018	1,269,761	76,948	168,000	9,876	1,524,585
Charge for the year	200,738	12,274	3,118	1,500	217,630
At 31 August 2019	<u>1,470,499</u>	<u>89,222</u>	<u>171,118</u>	<u>11,376</u>	<u>1,742,215</u>
<b>Net book value</b>					
At 31 August 2019	<u>11,260,830</u>	<u>41,294</u>	<u>6,507</u>	<u>3,624</u>	<u>11,312,255</u>
At 31 August 2018	<u>10,273,864</u>	<u>43,205</u>	<u>9,625</u>	<u>5,124</u>	<u>10,331,818</u>

Freehold property includes the land of £1,899,858 (2018 - £1,899,858) which is not depreciated.

**16. Stocks**

	2019 £	2018 £
Books, uniform and catering stock	<u>3,200</u>	<u>3,934</u>

**17. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	52,795	883
Other debtors	17,769	13,598
Prepayments and accrued Income	18,664	25,222
	<u>89,228</u>	<u>39,703</u>

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**18. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	144,000	2,967
Other taxation and social security	78,847	71,502
Other creditors	115,584	74,699
Accruals and deferred income	29,372	58,061
	<u>367,803</u>	<u>207,229</u>
	2019 £	2018 £
<b>Deferred income</b>		
Deferred income at 1 September	13,315	9,500
Resources deferred during the year	11,757	13,315
Amounts released from previous periods	(13,315)	(9,500)
<b>Deferred income at 31 August</b>	<u>11,757</u>	<u>13,315</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance of the 2019-20 academic year for rates relief from the ESFA.

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**19. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Unrestricted general funds	-	69,673	(69,673)	-	-	-
<b>Restricted general funds</b>						
General Annual Grant (GAG)	(11,911)	4,662,170	(4,620,632)	-	-	29,627
Pupil Premium	-	74,469	(74,469)	-	-	-
Other DfE / ESFA revenue grants	-	97,010	(97,010)	-	-	-
Other Government revenue grants	-	216,511	(216,511)	-	-	-
Other activities	-	200,763	(200,763)	-	-	-
Pension reserve	(1,036,000)	-	(154,000)	-	(284,000)	(1,474,000)
	<u>(1,047,911)</u>	<u>5,250,923</u>	<u>(5,363,385)</u>	<u>-</u>	<u>(284,000)</u>	<u>(1,444,373)</u>
<b>Restricted fixed asset funds</b>						
NBV of fixed assets	10,331,818	800,000	(217,630)	398,067	-	11,312,255
DfE / ESFA capital grants	-	599,311	-	(398,067)	-	201,244
	<u>10,331,818</u>	<u>1,399,311</u>	<u>(217,630)</u>	<u>-</u>	<u>-</u>	<u>11,513,499</u>
<b>Total Restricted funds</b>	<u>9,283,907</u>	<u>6,650,234</u>	<u>(5,581,015)</u>	<u>-</u>	<u>(284,000)</u>	<u>10,069,126</u>
<b>Total funds</b>	<u>9,283,907</u>	<u>6,719,907</u>	<u>(5,650,688)</u>	<u>-</u>	<u>(284,000)</u>	<u>10,069,126</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. Statement of funds (continued)**

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

The General Fund has been created to recognise the income and expenditure in respect of activities undertaken by the Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Trust via the Education and Skills Funding Agency (ESFA) by the Department for Education (DfE). The GAG fund has been established because the GAG must be used for the normal running costs of the Trust.

The Pupil Premium fund has been established to recognise the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE/ESFA Grants fund has been created to recognise the restricted funding received from the Department for Education/Education and Skills Funding Agency which fall outside the scope of core funding.

The Local Authority Grants fund has been set up to recognise the income received from Kent Council as a contribution towards the Academy Trust's revenue expenditure.

The Other Government Grants fund has been established to recognise grants from Government bodies other than the DfE/ESFA and Local Authorities that fall outside the scope of core funding.

The Other Activities fund has been established to recognise all other restricted income and expenditure which falls outside the scope of the Academy Trust's core funding.

The Pension reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The NBV of fixed asset fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is charged through this fund. A transfer into this fund of £398,067 represents fixed asset additions in the year.

The DfE/ESFA Capital Grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of fixed asset funds. A transfer from this fund into the NBV of fixed asset fund of £398,067 represents fixed assets purchased with capital funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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**19. Statement of funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General funds	-	40,680	(16,853)	(23,827)	-	-
<b>Restricted general funds</b>						
General Annual Grant (GAG)	(86,451)	4,252,708	(4,219,618)	41,450	-	(11,911)
Pupil Premium	-	74,369	(74,369)	-	-	-
Other DfE / ESFA revenue grants	-	10,159	(10,159)	-	-	-
Local Authority revenue grants	-	200,914	(200,914)	-	-	-
Other Government revenue grants	-	136,784	(136,784)	-	-	-
Other activities	5,973	238,512	(244,485)	-	-	-
Pension reserve	(1,210,000)	-	(150,000)	-	324,000	(1,036,000)
	<u>(1,290,478)</u>	<u>4,913,446</u>	<u>(5,036,329)</u>	<u>41,450</u>	<u>324,000</u>	<u>(1,047,911)</u>
<b>Restricted fixed asset funds</b>						
NBV of fixed assets	10,546,586	-	(219,460)	4,692	-	10,331,818
DfE / ESFA capital grants	-	22,315	-	(22,315)	-	-
	<u>10,546,586</u>	<u>22,315</u>	<u>(219,460)</u>	<u>(17,623)</u>	<u>-</u>	<u>10,331,818</u>
<b>Total Restricted funds</b>	<u>9,256,108</u>	<u>4,935,761</u>	<u>(5,255,789)</u>	<u>23,827</u>	<u>324,000</u>	<u>9,283,907</u>
<b>Total funds</b>	<u>9,256,108</u>	<u>4,976,441</u>	<u>(5,272,642)</u>	<u>-</u>	<u>324,000</u>	<u>9,283,907</u>

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**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Restricted general funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	11,312,255	11,312,255
Current assets	397,430	201,244	598,674
Creditors due within one year	(367,803)	-	(367,803)
Defined benefit pension scheme liability	(1,474,000)	-	(1,474,000)
<b>Total</b>	<b>(1,444,373)</b>	<b>11,513,499</b>	<b>10,069,126</b>

**Analysis of net assets between funds - prior year**

	<b>Restricted general funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	-	10,331,818	10,331,818
Current assets	195,318	-	195,318
Creditors due within one year	(207,229)	-	(207,229)
Defined benefit pension scheme liability	(1,036,000)	-	(1,036,000)
<b>Total</b>	<b>(1,047,911)</b>	<b>10,331,818</b>	<b>9,283,907</b>

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**21. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	<u>1,069,219</u>	<u>(296,201)</u>
<b>Adjustments for:</b>		
Depreciation	217,630	219,460
Capital grants from DfE and other capital income	(1,399,311)	(22,315)
Investment income	(2,265)	(159)
Defined benefit pension scheme cost less contributions payable	127,000	119,000
Defined benefit pension scheme finance cost	27,000	31,000
Decrease/(increase) in stocks	734	(3,934)
Decrease/(increase) in debtors	(49,525)	(8,042)
Increase in creditors	160,574	53,372
<b>Net cash provided by operating activities</b>	<u><u>151,056</u></u>	<u><u>92,181</u></u>

**22. Cash flows from investing activities**

	2019 £	2018 £
Investment income	2,265	159
Purchase of tangible fixed assets	(1,198,067)	(4,692)
Capital grants from DfE Group	599,311	22,315
Capital funding received from sponsors and others	800,000	-
<b>Net cash provided by investing activities</b>	<u><u>203,509</u></u>	<u><u>17,782</u></u>

**23. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<u>506,246</u>	<u>151,681</u>
<b>Total cash and cash equivalents</b>	<u><u>506,246</u></u>	<u><u>151,681</u></u>

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**24. Pension commitments**

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**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.

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**24. Pension commitments (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 0.8%). 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%.

**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.

The employer's pension costs paid to TPS in the year amounted to £199,000 (2018 - £171,707).

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.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £149,000 (2018 - £136,000), of which employer's contributions totalled £116,000 (2018 - £105,000) and employees' contributions totalled £ 33,000 (2018 - £31,000). The agreed contribution rates for future years are 20.0 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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**24. Pension commitments (continued)**

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.75	3.80
Rate of increase for pensions in payment/inflation	2.25	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.25	2.30
Commutation of pensions to lump sums	50.00	50.00
Inflation assumption (RPI)	3.25	3.30

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	22.1	23.1
Females	24.0	25.2
<i>Retiring in 20 years</i>		
Males	23.7	25.3
Females	25.8	27.5

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	(71)	(58)
Discount rate -0.1%	72	60
Mortality assumption - 1 year increase	133	99
Mortality assumption - 1 year decrease	(128)	(96)

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**24. Pension commitments (continued)**

The Academy Trust's share of the assets in the scheme was:

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,422,000	1,314,000
Gilts	15,000	15,000
Other bonds	188,000	171,000
Property	243,000	239,000
Cash and other liquid assets	56,000	59,000
Absolute return fund	162,000	131,000
<b>Total market value of assets</b>	<b>2,086,000</b>	<b>1,929,000</b>

The actual return on scheme assets was £89,000 (2018 - £80,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(219,000)	(224,000)
Past service cost	(24,000)	-
Interest income	51,000	46,000
Interest cost	(78,000)	(77,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(270,000)</b>	<b>(255,000)</b>

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>2,965,000</b>	<b>2,940,000</b>
Current service cost	219,000	224,000
Interest cost	78,000	77,000
Employee contributions	33,000	31,000
Actuarial losses/(gains)	321,000	(291,000)
Benefits paid	(80,000)	(16,000)
Past service costs	24,000	-
<b>At 31 August</b>	<b>3,560,000</b>	<b>2,965,000</b>

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**24. Pension commitments (continued)**

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>1,929,000</b>	<b>1,730,000</b>
Interest income	51,000	46,000
Actuarial gains	37,000	33,000
Employer contributions	116,000	105,000
Employee contributions	33,000	31,000
Benefits paid	(80,000)	(16,000)
<b>At 31 August</b>	<b>2,086,000</b>	<b>1,929,000</b>

**Reconciliation of opening to closing defined benefit pension scheme liability**

	2019 £	2018 £
Balance brought forward at 1 September	1,036,000	1,210,000
Defined benefit pension scheme cost less contributions payable	127,000	119,000
Defined benefit pension scheme finance cost	27,000	31,000
Actuarial losses/(gains)	284,000	(324,000)
<b>Balance carried forward at 31 August</b>	<b>1,474,000</b>	<b>1,036,000</b>

**The amounts recognised in the Balance Sheet are as follows:**

	2019 £	2018 £
Present value of the defined benefit scheme obligation	(3,560,000)	(2,965,000)
Fair value of scheme assets	2,086,000	1,929,000
<b>Total</b>	<b>(1,474,000)</b>	<b>(1,036,000)</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
<b>Amounts payable</b>		
Not later than 1 year	31,672	31,884
Later than 1 year and not later than 5 years	28,497	54,181
<b>Total</b>	<u>60,169</u>	<u>86,065</u>

**26. Members' liability**

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

**27. Related party transactions**

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

The following related party transactions took place in the period of account:

During the year to 31 March 2019, the Academy paid Alice Wilson £1,626 (2018: £NIL) for admin and outdoor tasks during the summer holiday. Alice Wilson is the daughter of Elaine Wilson, the headteacher of the academy.

During the year to 31 March 2019, the Academy paid Matthew Wilson £2,532 (2018: £NIL) for admin and outdoor tasks during the summer holiday. Matthew Wilson is the son of Elaine Wilson, the headteacher of the academy.

**28. Post balance sheet events**

On 1 September 2019 the Academy entered into a contract for the construction of a new building project to expand the school. The project is anticipated to cost around £6.5m, and will be wholly funded by Kent County Council and the ESFA.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**29. Agency arrangements**

The Academy Trust administers the distributions of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. During the year the Academy Trust received funds of £11,717 (2018 - £12,941) and disbursed £6,240 (2018 - £6,020). £NIL (2018 - £NIL) was retained to cover administration expenses and therefore a balance of £5,477 (2018 - £6,921) relating to undistributed funds is repayable to the ESFA as at the Balance Sheet date and is included within creditors.

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