

**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 2020**

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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**

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<b>Members</b>	V A Green (Chair) * M Fielder-White E D Wilson * D P Holton * D M Foulger
<b>Trustees</b>	P K Patel* A E Sewell R D Wickens* D J Wesley* M Weston
 * Members of the Finance and Premises Committee	
<b>Company registered number</b>	07900248
<b>Company name</b>	Mayfield Grammar School, Gravesend
<b>Principal and registered office</b>	Pelham Road Gravesend Kent DA11 0JE
<b>Senior management team</b>	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
<b>Independent auditors</b>	MHA MacIntyre Hudson Statutory Auditors Victoria Court 17-21 Ashford Road Maidstone Kent ME14 5DA
<b>Bankers</b>	Lloyds Bank 78 New Road Gravesend Kent DA110AR
<b>Solicitors</b>	Kent Legal Services Kent County Council County Hall Maidstone Kent ME14 1XQ

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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2019 to 31 August 2020. 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 1137 in the school census on Spring census 2020 (Summer census 2020 cancelled due to Covid 19). There is an ongoing building programme to meet the demand for increasing pupil numbers.

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a charitable 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 page 1.

The school operates a charitable fund, Mayfield Grammar Voluntary Fund (MGVF) registration 1007778, the funds are predominantly donations from parents.

**b. Members' liability**

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

**c. 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.

**d. 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.

**e. Policies 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.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, governance and management (continued)**

**f. 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

**g. 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 pay scales.

**h. Related parties and other connected charities and organisations**

No current federation / consortium exists.

**Objectives and activities**

**a. 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.

**b. 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 and Duke of Edinburgh Scheme;
- Develop our Virtual Learning Environment.

**c. Public benefit**

The governors have complied with their duty to have due regard to the guidance on public benefit.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report**

**Achievements and performance**

**Summer Examination results 2020 – Centre Assessed Grades**

The school achieved an overall A Level pass rate of 100%, with the percentage of A\*/A grades and A\*/B grades being 27.4% and 58.6% respectively.

The Average Point Score achieved was 37.4. At GCSE, our Attainment 8 figure was 6.89, with a Progress 8 score of +0.86.

Our Grade 9-7 achievement including English and Mathematics was 41.76%.

Overall, 64.1% of students achieved the English Baccalaureate.

All results at GCSE and A Level were an improvement on the figures for the 2018 and 2019 examination series.

**a. 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.

**b. 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 they continue 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**

**a. Reserves policy**

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. A surplus or deficit position of the pension scheme would generally result in a cash flow effect for the school in the form of an increase or decrease in employers' pension contributions over a period of years.

At 31 August 2020 the total funds comprised:

Unrestricted	£19,215
Restricted: Fixed asset funds	£12,136,588
Pension reserve	(£1,752,000)
Other	£259,149
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	£10,662,952
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**b. 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.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Strategic report (continued)**

**Financial review (continued)**

**c. 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 has been heightened this year by additional costs required to deep clean the school and remain open for keyworker and vulnerable children. These risks have been mitigated by assurances from the Government on increases to school/academy funding including funding for additional Covid costs. Increases have not been confirmed or guaranteed and Covid funding may have to be claimed rather than being guaranteed. The school is also 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.

An unprecedented risk in 2020 was the impact of the pandemic and the financial and operation impact on the school.

The school remained open for keyworker and vulnerable children with remote and distant learning being in place for all other students. Exams for year 11 and year 13 students were cancelled however exam fees were still charged in full (although some rebates have subsequently been issued) and teachers worked remotely in teams to produce centre assessed grades for students.

Income from catering and trading activities was severely impacted as trips were cancelled and students were not in school. Catering staff still had to be paid as staff could not be furloughed as paid from government funds. Cleaning and cleaning products were enhanced with deep cleaning being undertaken and hand-gel and anti-viral cleaning products needed on a regular basis. PPE including masks, face shields and gloves were required for all staff with full PPE required for first aiders.

Classrooms were reorganised with teaching zones, clear plastic screens (to teach behind) and forward facing desks and chairs for students. Any furniture which did not meet Covid guidelines needed to be replaced at additional cost to the school. Laptops were purchased to assist students and staff with remote learning and software packages to support remote learning were purchased. Free School Meal students were provided with food vouchers so that they were not affected. Clinically vulnerable staff were protected from contact with students and other staff.

Throughout the year the school continued to operate and key staff continued to work in school.

**Fundraising**

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

The school has a Parents' Association (MGSG PA registration 293323) who actively fundraise to contribute towards activities for students (e.g. magazines for the LRC and poetry demonstrations).

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Plans for future periods**

MGSG 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.

Covid 19 continues to impact on an operational and financial basis and the school continues to follow government and advice and guidance.

**Funds held as custodian on behalf of others**

There are no such funds.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all 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.

MacIntyre Hudson were appointed as auditors in 2018. The school finance policy requires a review of best value including good quality service every three years.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 26th January 2021 and signed on its behalf by:



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



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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that MGSG 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 MGSG 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:

Trustee	Meetings attended	Out of a possible
V A Green (Chairman)	3	3
M Fielder White	3	3
D P Holton	3	3
D M Foulger	3	3
P K Patel	2	3
A E Sewell	2	3
D J Wesley	2	3
R D Wickens (staff trustee)	2	3

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.

The Board of Trustees met 3 times during the year and the Finance and Premises Committee met 4 times. At all 7 meetings the actual income and expenditure was reviewed and compared to the budget. Quarterly reports provide comparisons to both the budget and the previous year. Monthly management reports detailing the income and expenditure, the bank balance and the cash book balance are prepared for the Accounting Officer and the Chair of Governors. These exercises have enabled us to maintain adequate oversight of funds.

A particular focus in 2019/2020 was the commencement of the science extension.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

Attendance during the year at meetings was as follows:

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

**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:

- Cost comparison of school insurance with a continued saving of over £1,500 per annum in direct comparison to RPA;
- Continued energy efficiencies throughout the school including switching from oil fired boilers to gas on the main site;
- Cost comparison for purchasing IT equipment ensuring best value wherever possible.

**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 MGSG Academy Trust for the year 1 September 2019 to 31 August 2020 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 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**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;
- 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 for the period 1/9/2019 – 31/8/2020 the appointed internal auditors were MacIntyre Hudson. However, mainly because of lockdown and Covid 19 no internal audit visit or checks happened in the period. It should be noted that no specific weaknesses were identified in the previous year's audit and the Finance and Premises Committee are intending to retrospectively review the 19-20 academic year.

MacIntyre Hudson are unable to continue as internal auditors due to changes in the Academies Financial Handbook which came into place on 1 September 2020 therefore for the academic year commencing on 1 September 2020 MGSG will make alternative arrangements to appoint an 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 purchase systems;
- testing of control account/ bank reconciliations.

On a regular basis, the internal auditor reports 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 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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress;
  - the work of the internal auditor;
  - the work of the external auditors;
  - the financial management and governance self-assessment process and the School Resource Management tool;
  - the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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Approved by order of the members of the Board of Trustees on 26th January 2021 and signed on their behalf by:

*V A Green*

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

*E D Wilson*

.....  
**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 2019.

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 2019.

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.



.....  
**E D Wilson**  
Accounting Officer  
Date: 26/01/2021

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

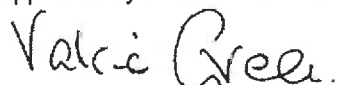
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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: 26/01/2021

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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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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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**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 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.

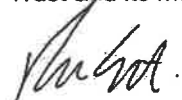
**Auditors' responsibilities for the audit of the financial statements**

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.



**Duncan Cochrane-Dyett BSc BFP FCA (Senior Statutory Auditor)**

for and on behalf of

**MHA MacIntyre Hudson**

Statutory Auditors

Victoria Court

17-21 Ashford Road

Maidstone

Kent

ME14 5DA

Date: 26 January 2021

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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 AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 21 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 2019 to 31 August 2020 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**

Statutory Auditors  
Victoria Court  
17-21 Ashford Road  
Maidstone  
Kent  
ME14 5DA

Date: 26 January 2021

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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 2020**

	Note	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	4	-	-	803,709	803,709	1,409,311
Charitable activities	5	-	5,794,655	-	5,794,655	5,050,160
Other trading activities	6	22,430	136,574	-	159,004	258,171
Investments	7	2,699	-	-	2,699	2,265
<b>Total income</b>		<b>25,129</b>	<b>5,931,229</b>	<b>803,709</b>	<b>6,760,067</b>	<b>6,719,907</b>
<b>Expenditure on:</b>						
Raising funds		5,814	-	-	5,814	3,779
Charitable activities	8	100	5,756,027	270,361	6,026,488	5,646,909
Other expenditure		-	15,939	-	15,939	-
<b>Total expenditure</b>		<b>5,914</b>	<b>5,771,966</b>	<b>270,361</b>	<b>6,048,241</b>	<b>5,650,688</b>
<b>Net income</b>		<b>19,215</b>	<b>159,263</b>	<b>533,348</b>	<b>711,826</b>	<b>1,069,219</b>
Transfers between funds	21	-	(89,741)	89,741	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>19,215</b>	<b>69,522</b>	<b>623,089</b>	<b>711,826</b>	<b>1,069,219</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	28	-	(118,000)	-	(118,000)	(284,000)
<b>Net movement in funds</b>		<b>19,215</b>	<b>(48,478)</b>	<b>623,089</b>	<b>593,826</b>	<b>785,219</b>

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

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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		<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Restricted fixed asset funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
	<b>Note</b>					
<b>Reconciliation of funds:</b>						
Total funds brought forward		-	(1,444,373)	11,513,499	10,069,126	9,283,907
Net movement in funds		19,215	(48,478)	623,089	593,826	785,219
<b>Total funds carried forward</b>	21	<b>19,215</b>	<b>(1,492,851)</b>	<b>12,136,588</b>	<b>10,662,952</b>	<b>10,069,126</b>

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

The notes on pages 23 to 49 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	15	12,168,202	11,312,255
<b>Current assets</b>			
Stocks	16	3,200	3,200
Debtors	17	62,678	89,228
Cash at bank and in hand		505,756	506,246
		<u>571,634</u>	<u>598,674</u>
Creditors: amounts falling due within one year	18	(270,125)	(336,189)
<b>Net current assets</b>		<u>301,509</u>	262,485
<b>Total assets less current liabilities</b>		<u>12,469,711</u>	<u>11,574,740</u>
Creditors: amounts falling due after more than one year	19	(27,662)	(31,614)
Provisions for liabilities	20	(27,097)	-
<b>Net assets excluding pension liability</b>		<u>12,414,952</u>	<u>11,543,126</u>
Defined benefit pension scheme liability	28	(1,752,000)	(1,474,000)
<b>Total net assets</b>		<u><u>10,662,952</u></u>	<u><u>10,069,126</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Restricted fixed asset funds	21	12,136,588	11,513,499
Restricted general funds	21	259,149	29,627
		<u>12,395,737</u>	<u>11,543,126</u>
Restricted funds excluding pension liability	21	12,395,737	11,543,126
Restricted general funds - Pension reserve	21	(1,752,000)	(1,474,000)
<b>Total restricted funds</b>	21	<u>10,643,737</u>	10,069,126
<b>Unrestricted funds</b>	21	19,215	-
<b>Total funds</b>		<u><u>10,662,952</u></u>	<u><u>10,069,126</u></u>

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

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements on pages 18 to 49 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

*V A Green*

.....  
**V A Green**  
Chair of Trustees  
Date: 26/01/2021

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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 2020**

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	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	23	<b>319,410</b>	151,056
<b>Cash flows from investing activities</b>	24	<b>(319,900)</b>	203,509
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>(490)</b>	354,565
Cash and cash equivalents at the beginning of the year		<b>506,246</b>	151,681
<b>Cash and cash equivalents at the end of the year</b>	25, 26	<b>505,756</b>	506,246
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 23 to 49 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 2020**

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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 2019 to 2020 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.

In response to the COVID-19 pandemic, the Trustees have performed a robust analysis of forecast future cashflows taking into account the potential impact on the Academy Trust. This analysis also considers the effectiveness of available measures to assist in mitigating the impact. Based on these assessments and having regard to the resources available to the Academy Trust, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the Trustees' Report and 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 2020**

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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.

• **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.

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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 2020**

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**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

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:

Depreciation is provided on the following bases:

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.

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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 2020**

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**2. Accounting policies (continued)**

**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.

**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 notes 18 and . 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.

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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 2020**

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**2. Accounting policies (continued)**

**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.

**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 33.

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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 2020**

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**2. Accounting policies (continued)**

**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.

**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 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 2020. 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)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	-	719,850	<b>719,850</b>	810,000
Capital grants	-	83,859	<b>83,859</b>	599,311
<b>Total 2020</b>	<b>-</b>	<b>803,709</b>	<b>803,709</b>	<b>1,409,311</b>

In 2019, of total income from donations and capital grants of £1,409,311, £10,000 was to unrestricted funds and £1,399,311 was to restricted fixed asset funds.

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

	Restricted general funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	5,157,236	<b>5,157,236</b>	4,662,170
Pupil Premium	80,899	<b>80,899</b>	74,469
Other DfE / ESFA revenue grants	339,060	<b>339,060</b>	97,010
	<b>5,577,195</b>	<b>5,577,195</b>	4,833,649
<b>Other government grants</b>			
Other Government revenue grants	217,460	<b>217,460</b>	216,511
<b>Total 2020</b>	<b>5,794,655</b>	<b>5,794,655</b>	5,050,160

In 2019, 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 2020**

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**6. Income from other trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted general funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Hire of facilities	8,931	-	<b>8,931</b>	19,326
Catering	-	124,507	<b>124,507</b>	183,090
Receipts from supply teacher insurance claims	-	-	-	100
Other income	13,499	12,067	<b>25,566</b>	55,655
<b>Total 2020</b>	<b>22,430</b>	<b>136,574</b>	<b>159,004</b>	<b>258,171</b>

In 2019, of total income from other trading activities of £258,171, £57,408 was to unrestricted funds and £200,763 was to restricted general funds.

**7. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Bank interest receivable	2,699	<b>2,699</b>	2,265

In 2019, all income from investments was allocated to Unrestricted funds.

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**MAYFIELD GRAMMAR SCHOOL, GRAVESEND**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. Total expenditure**

	<b>Staff costs</b> <b>2020</b> £	<b>Premises</b> <b>costs</b> <b>2020</b> £	<b>Other costs</b> <b>2020</b> £	<b>Total</b> <b>2020</b> £	<b>Total</b> <b>2019</b> £
Expenditure on raising funds:					
Support costs	-	-	5,814	<b>5,814</b>	3,779
Educational operations:					
Direct costs	3,825,770	-	220,865	<b>4,046,635</b>	3,677,003
Support costs	1,128,690	182,267	668,896	<b>1,979,853</b>	1,969,906
Other expenditure	-	-	15,939	<b>15,939</b>	-
<b>Total 2020</b>	<u><u>4,954,460</u></u>	<u><u>182,267</u></u>	<u><u>911,514</u></u>	<u><u><b>6,048,241</b></u></u>	<u><u>5,650,688</u></u>
<b>Total 2019</b>	<u><u>4,497,816</u></u>	<u><u>233,191</u></u>	<u><u>919,681</u></u>	<u><u>5,650,688</u></u>	

**9. Analysis of expenditure by charitable activities**

	<b>Activities</b> <b>undertaken</b> <b>directly</b> <b>2020</b> £	<b>Support</b> <b>costs</b> <b>2020</b> £	<b>Total</b> <b>funds</b> <b>2020</b> £	<b>Total</b> <b>funds</b> <b>2019</b> £
Educational operations	<u><u>4,046,635</u></u>	<u><u>1,979,853</u></u>	<u><u><b>6,026,488</b></u></u>	<u><u>5,646,909</u></u>

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**9. Analysis of expenditure by charitable activities (continued)**

**Analysis of support costs**

	<b>Educational operations 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Defined benefit pension scheme finance cost	27,000	<b>27,000</b>	27,000
Staff costs	1,101,690	<b>1,101,690</b>	1,066,270
Depreciation	270,361	<b>270,361</b>	217,630
Technology costs	88,696	<b>88,696</b>	73,210
Premises costs	182,267	<b>182,267</b>	233,191
Other costs	284,799	<b>284,799</b>	324,785
Governance costs	25,040	<b>25,040</b>	27,820
<b>Total 2020</b>	<b>1,979,853</b>	<b>1,979,853</b>	<b>1,969,906</b>

**10. Governance costs**

	<b>2020 £</b>	<b>2019 £</b>
Auditors' remuneration - Audit of the financial statements	<b>18,811</b>	16,345
Auditors' remuneration - Other Services	<b>6,229</b>	6,275
Legal and professional fees	-	5,200
	<b>25,040</b>	<b>27,820</b>

**11. Net income**

Net income for the year includes:

	<b>2020 £</b>	<b>2019 £</b>
Operating lease rentals	<b>45,557</b>	25,896
Depreciation of tangible fixed assets	<b>270,361</b>	217,630
Fees paid to auditors for:		
- Audit of the financial statements	<b>18,811</b>	16,345
- Other services	<b>6,229</b>	6,275

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,658,208	3,470,260
Social security costs	350,555	322,761
Pension costs	898,243	659,856
	<u>4,907,006</u>	<u>4,452,877</u>
Agency staff costs	20,454	17,939
Defined benefit pension scheme finance cost	27,000	27,000
	<u>4,954,460</u>	<u>4,497,816</u>

**b. Extra-contractual payments**

There were no extra-contractual payments made in the year.

**c. Staff numbers**

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

	2020 No.	2019 No.
Teaching Staff	65	67
Administration and Support Staff	66	65
Management	5	5
	<u>136</u>	<u>137</u>

**d. Higher paid staff**

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

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**12. Staff (continued)**

**d. Higher paid staff (continued)**

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	-
In the band £130,001 - £140,000	1	1

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £539,194 (2019 £467,908).

**13. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
E D Wilson, Principal and Accounting Officer	Remuneration	135,000 - 140,000	130,000 - 135,000
	Pension contributions paid	30,000 - 35,000	20,000 - 25,000
R D Wickens, Staff Trustee	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
M Weston, Staff Trustee	Remuneration	10,000 - 15,000	10,000 - 15,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

**14. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2020 is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**15. Tangible fixed assets**

	<b>Freehold property £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 September 2019	<b>12,731,329</b>	<b>130,516</b>	<b>177,625</b>	<b>15,000</b>	<b>13,054,470</b>
Additions	<b>798,372</b>	<b>289,335</b>	<b>38,601</b>	<b>-</b>	<b>1,126,308</b>
At 31 August 2020	<b>13,529,701</b>	<b>419,851</b>	<b>216,226</b>	<b>15,000</b>	<b>14,180,778</b>
<b>Depreciation</b>					
At 1 September 2019	<b>1,470,499</b>	<b>89,222</b>	<b>171,118</b>	<b>11,376</b>	<b>1,742,215</b>
Charge for the year	<b>223,156</b>	<b>37,132</b>	<b>8,573</b>	<b>1,500</b>	<b>270,361</b>
At 31 August 2020	<b>1,693,655</b>	<b>126,354</b>	<b>179,691</b>	<b>12,876</b>	<b>2,012,576</b>
<b>Net book value</b>					
At 31 August 2020	<b>11,836,046</b>	<b>293,497</b>	<b>36,535</b>	<b>2,124</b>	<b>12,168,202</b>
At 31 August 2019	<b>11,260,830</b>	<b>41,294</b>	<b>6,507</b>	<b>3,624</b>	<b>11,312,255</b>

Freehold property includes land of £1,899,858 (2019 - £1,899,858) which is not depreciated.

The Trust's transactions relating to land and buildings included the Issac Newton (IN) extension, and new classrooms which were donated to the trust at a value of £676,514 and £113,040 respectively.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. Stocks**

	2020 £	2019 £
Books, uniform and catering stock	3,200	3,200

**17. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	23,562	52,795
Other debtors	3,866	17,769
Prepayments and accrued income	35,250	18,664
	<u>62,678</u>	<u>89,228</u>

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

	2020 £	2019 £
Other loans	3,952	-
Trade creditors	3,653	144,000
Other taxation and social security	130,452	78,847
Other creditors	99,150	83,970
Accruals and deferred income	32,918	29,372
	<u>270,125</u>	<u>336,189</u>

	2020 £	2019 £
<b>Deferred income</b>		
Deferred income at 1 September	11,757	13,315
Resources deferred during the year	20,077	11,757
Amounts released from previous periods	(11,757)	(13,315)
<b>Deferred income at 31 August</b>	<u>20,077</u>	<u>11,757</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance of the 2020-21 academic year for rates relief from the ESFA.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. Creditors: Amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other loans	<b>27,662</b>	<b>31,614</b>

**20. Provisions**

	<b>Retention on contracts</b>
	<b>£</b>
Additions	<b>27,097</b>
	<b>27,097</b>

During the year, there were retentions on contracts that were provided for of £27,097.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
Unrestricted general funds	-	25,129	(5,914)	-	-	19,215
<b>Restricted general funds</b>						
General Annual Grant (GAG)	29,627	5,157,236	(4,837,973)	(89,741)	-	259,149
Pupil Premium	-	80,899	(80,899)	-	-	-
Other DfE / ESFA revenue grants	-	339,060	(339,060)	-	-	-
Other Government revenue grants	-	217,460	(217,460)	-	-	-
Other activities	-	136,574	(136,574)	-	-	-
Pension reserve	(1,474,000)	-	(160,000)	-	(118,000)	(1,752,000)
	<u>(1,444,373)</u>	<u>5,931,229</u>	<u>(5,771,966)</u>	<u>(89,741)</u>	<u>(118,000)</u>	<u>(1,492,851)</u>
<b>Restricted fixed asset funds</b>						
NBV of fixed assets	11,312,255	-	(270,361)	1,126,308	-	12,168,202
DfE / ESFA capital grants	232,858	83,859	-	(316,717)	-	-
Salix loan	(31,614)	-	-	-	-	(31,614)
Donations from Medway Council	-	719,850	-	(719,850)	-	-
	<u>11,513,499</u>	<u>803,709</u>	<u>(270,361)</u>	<u>89,741</u>	<u>-</u>	<u>12,136,588</u>
<b>Total Restricted funds</b>	<u>10,069,126</u>	<u>6,734,938</u>	<u>(6,042,327)</u>	<u>-</u>	<u>(118,000)</u>	<u>10,643,737</u>
<b>Total funds</b>	<u>10,069,126</u>	<u>6,760,067</u>	<u>(6,048,241)</u>	<u>-</u>	<u>(118,000)</u>	<u>10,662,952</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. 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.

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.

The Salix loan fund has been established to match the loan given to the Academy Trust.

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 2020.

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

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

	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	-	630,925	-	(398,067)	-	232,858
Salix loan	-	(31,614)	-	-	-	(31,614)
	<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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**22. Analysis of net assets between funds**

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

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	12,168,202	<b>12,168,202</b>
Current assets	312,485	259,149	-	<b>571,634</b>
Creditors due within one year	(266,173)	-	(3,952)	<b>(270,125)</b>
Creditors due in more than one year	-	-	(27,662)	<b>(27,662)</b>
Provisions for liabilities and defined benefit pension liability	(27,097)	(1,752,000)	-	<b>(1,779,097)</b>
<b>Total</b>	<b>19,215</b>	<b>(1,492,851)</b>	<b>12,136,588</b>	<b>10,662,952</b>

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

	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	11,312,255	11,312,255
Current assets	397,430	201,244	598,674
Creditors due within one year	(336,189)	-	(336,189)
Creditors due in more than one year	(31,614)	-	(31,614)
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>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. Reconciliation of net income to net cash flow from operating activities**

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	711,826	1,069,219
<b>Adjustments for:</b>		
Depreciation	270,361	217,630
Capital grants from DfE and other capital income	(803,709)	(1,399,311)
Investment income	(2,699)	(2,265)
Defined benefit pension scheme cost less contributions payable	133,000	127,000
Defined benefit pension scheme finance cost	27,000	27,000
Decrease in stocks	-	734
Decrease/(increase) in debtors	30,416	(49,525)
(Decrease)/increase in creditors	(46,785)	160,574
<b>Net cash provided by operating activities</b>	<b>319,410</b>	<b>151,056</b>

**24. Cash flows from investing activities**

	2020 £	2019 £
Investment income	2,699	2,265
Purchase of tangible fixed assets	(1,126,308)	(1,198,067)
Capital grants from DfE Group	83,859	599,311
Capital funding received from sponsors and others	719,850	800,000
<b>Net cash (used in)/provided by investing activities</b>	<b>(319,900)</b>	<b>203,509</b>

**25. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	505,756	506,246
<b>Total cash and cash equivalents</b>	<b>505,756</b>	<b>506,246</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	506,246	(490)	505,756
Debt due within 1 year	-	(3,952)	(3,952)
Debt due after 1 year	(31,614)	3,952	(27,662)
	<u>474,632</u>	<u>(490)</u>	<u>474,142</u>

**27. Capital commitments**

	2020 £	2019 £
<b>Contracted for but not provided in these financial statements</b>		
Contract for the construction of a new building project	<u>6,535,297</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

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**28. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £646,243 (2019 - £199,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 2020 was £153,000 (2019 - £149,000), of which employer's contributions totalled £119,000 (2019 - £116,000) and employees' contributions totalled £ 34,000 (2019 - £33,000). The agreed contribution rates for future years are 20.0 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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.

**Principal actuarial assumptions**

	2020	2019
	%	%
Rate of increase in salaries	3.30	3.75
Rate of increase for pensions in payment/inflation	2.30	2.25
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.30	2.25
Commutation of pensions to lump sums	50.00	50.00
Inflation assumption (RPI)	3.10	3.25

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

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**28. Pension commitments (continued)**

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.8	22.1
Females	23.8	24.0
<i>Retiring in 20 years</i>		
Males	23.2	23.7
Females	25.2	25.8

**Sensitivity analysis**

	2020 £000	2019 £000
Discount rate +0.1%	(85)	(71)
Discount rate -0.1%	87	72
Mortality assumption - 1 year increase	160	133
Mortality assumption - 1 year decrease	(154)	(128)

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

	2020 £	2019 £
Equities	1,553,000	1,422,000
Gilts	16,000	15,000
Other bonds	309,000	188,000
Property	263,000	243,000
Cash and other liquid assets	73,000	56,000
Absolute return fund	182,000	162,000
<b>Total market value of assets</b>	<b>2,396,000</b>	<b>2,086,000</b>

The actual return on scheme assets was £160,000 (2019 - £89,000).



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**28. Pension commitments (continued)**

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

	2020 £	2019 £
Current service cost	(252,000)	(219,000)
Past service cost	-	(24,000)
Interest income	39,000	51,000
Interest cost	(66,000)	(78,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(279,000)</b>	<b>(270,000)</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>3,560,000</b>	<b>2,965,000</b>
Current service cost	252,000	219,000
Interest cost	66,000	78,000
Employee contributions	34,000	33,000
Actuarial losses	225,000	321,000
Benefits paid	11,000	(80,000)
Past service costs	-	24,000
<b>At 31 August</b>	<b>4,148,000</b>	<b>3,560,000</b>

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

	2020 £	2019 £
<b>At 1 September</b>	<b>2,086,000</b>	<b>1,929,000</b>
Interest income	39,000	51,000
Actuarial gains	107,000	37,000
Employer contributions	119,000	116,000
Employee contributions	34,000	33,000
Benefits paid	11,000	(80,000)
<b>At 31 August</b>	<b>2,396,000</b>	<b>2,086,000</b>

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

	2020 £	2019 £
Balance brought forward at 1 September	1,474,000	1,036,000
Defined benefit pension scheme cost less contributions payable	133,000	127,000
Defined benefit pension scheme finance cost	27,000	27,000
Actuarial losses/(gains)	118,000	284,000
<b>Balance carried forward at 31 August</b>	<b>1,752,000</b>	<b>1,474,000</b>

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

	2020 £	2019 £
Present value of the defined benefit scheme obligation	(4,148,000)	(3,560,000)
Fair value of scheme assets	2,396,000	2,086,000
<b>Total</b>	<b>(1,752,000)</b>	<b>(1,474,000)</b>

**29. Operating lease commitments**

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
<b>Amounts payable</b>		
Not later than 1 year	43,195	31,672
Later than 1 year and not later than 5 years	31,138	28,497
<b>Total</b>	<b>74,333</b>	<b>60,169</b>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2020 £	2019 £
Operating lease rentals	45,557	25,174

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**30. 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.

**31. Related party transactions**

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

In 2019 there was a £10,000 donation from the Mayfield Grammar School Voluntary Fund, a connected charity. The donation was made to support the school trips. There has been no corresponding donation in the 2019-2020 year.

**32. Post balance sheet events**

On 5 October 2020 the Academy entered into a contract for the construction of a new building project to expand the school. The project is anticipated to cost £6,535,297, and will be wholly funded by Kent County Council and the ESFA.

On the 16th October 2020 the Science Extension with an estimated value of £1,548,824 was transferred to Mayfield Grammar School from Kent County Council.

**33. 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 £14,179 (2019 - £11,717) and disbursed £10,900 (2019 - £6,240). £709 (2019 - £586) was retained to cover administration expenses and therefore a balance of £14,382 (2019 - £11,812) relating to undistributed funds is repayable to the ESFA as at the Balance Sheet date and is included within creditors.

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