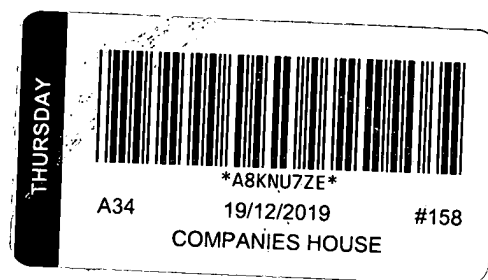


Company Registration No. 07687897 (England and Wales)

GRAVENEY TRUST
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



GRAVENEY TRUST

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GRAVENEY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

J Oppenheimer (Chairman) *#
J Cox *
D Hayes (Responsible Officer) *#
J Katz (Chair of Finance Committee) *#
I Parkes (Chair of Audit Committee) #
H Rolfe
G Stapleton (Chief Executive) *#
N Brannon
J Krienke *
S Fragola (Resigned April 2019)
* members of the Finance Committee
members of the Audit Committee

Members

J Oppenheimer
J Katz
C Buss (appointed July 2017)

Senior management team (Graveney)

- Principal	Graham Stapleton
- Vice-Principal/Bursar	Cynthia Rickman
- Deputy Head	Maeve Hamill
- Deputy Head	Ed Simmons
- Deputy Head	Nancy Brannon
- Head of Sixth Form	Tamzin Cronin
- Head of Upper School	Dave Rees
- Head of Lower School	Emma Davies

Senior management team (Tooting Primary)

-Headteacher	M Stevanovic
-Deputy Headteacher	K Dixon

Senior management team (Franciscan)

-Headteacher	P Andre-Watson
- Deputy Headteacher	J Wilson

Company secretary

C Rickman

Company registration number

07687897 (England and Wales)

Registered office

Welham Road
Tooting
London
SW17 9BU
United Kingdom

Academies operated

Graveney School
Tooting Primary School
Franciscan Primary School

Location

Tooting
Tooting
Tooting

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

GRAVENEY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

National Westminster Bank
3rd Floor City Link House
4 Addiscombe Road
Croydon
Surrey
CR0 5TT

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

GRAVENEY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Directors present their annual report together with the accounts and independent auditor's report of the charitable company for the year ended 31 August 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2018/19 issued by the ESFA.

The principal activity of Graveney Trust is to advance education for the public benefit by maintaining, managing and developing schools for pupils and students aged 2 to 19. It achieves this object through the operation of Graveney School Tooting Primary School and Franciscan Primary School. The Trust's secondary activity is to provide and promote facilities for recreation/leisure for the local community in the interests of social welfare and with the object of improving life conditions for local people. A pupil roll of 2071 at Graveney, 357 at Tooting Primary and 371 (including Nursery Pupils) were reported in the school census dated Autumn 2018.

Funding is obtained from the Department for Education (DfE) through the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes.

Structure, governance and management

Constitution

The Graveney Trust is registered under the Companies Act 2006, as a company limited by guarantee without a share capital. The Academy is an exempt charity. The company's memorandum and articles of association are the primary governing documents of the Academy Trust.

Details of the Directors who served during the year together with their attendance at meetings are included in the Reference and Administration Details on page 1 at the front of the accounts.

Members' liability

Each Member of the company undertakes to contribute to the assets of the company in the event of the company being wound up while they are a Member, or within one year after they cease to be a Member. The liability of the Members is limited to £10 each for the debts and liabilities contracted before they ceased to be a Member. The company is an exempt charity. The company's memorandum and articles of association are the primary governing documents of the academy trust.

Directors' Indemnities

No indemnities have been given by the Trust to any third parties in respect of any Director.

Method of recruitment and appointment or election of Directors

Directors are appointed in accordance with the Articles of Association, which provide for up to 12 Directors to be appointed by the Members, a minimum of 2 parent Directors to be appointed or elected from school governing bodies together with at least 1 staff director to be appointed by the Directors. Where new Directors are required, pre-recruitment processes include a skills analysis of existing Directors, a review of the range of professional and community interests that are currently represented and the identification of any gaps that emerge from such a review and from consideration of other factors including ethnic and gender balance. Targeted searches are then undertaken, using the existing networks available to the Trust.

There are three Members (two of whom are signatories to the original Memorandum of Association and one appointee under Article 16). During the 2018/19 year the Board of Directors was constituted as follows:

- a) Six Directors appointed by the Members, two of whom are also Members
- b) One staff Director
- c) Two parent Directors elected by school governing bodies and appointed by Directors
- d) The Chief Executive of the Trust.

GRAVENEY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Policies and procedures adopted for the induction and training of Directors

The training and induction provided for new Directors depends on their existing experience. All Directors are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as Directors. New Directors are provided with a mentor from a member of the Trust Executive who takes the lead on ensuring that they are equipped to act effectively in their role. Where necessary and appropriate, induction includes training in charity and educational legal and financial matters and all Directors have access to the training programme offered by Wandsworth Borough Council for school governors, much of which is also relevant to Trust Directors. In addition, a wide range of documentation is available in a I Directors GoogleDrive.

Organisational structure

The Board has formally delegated certain of its functions to a governing body for each institution as well as to Committees of the Board. The delegation arrangements are written up in the Trust's Standing Orders which includes detailed terms of reference for governing bodies, including arrangements for any further delegation that governing bodies choose to make to committees or individuals in each institution. The Board meets at least three times a year in order to discharge those strategic and other functions that it retains to itself.

Each institutional governing body has a set of Standing Orders and delegations of its own, with day to day management at Graveney School being undertaken by the Principal, supported by the Senior Leadership Team and at Tooting Primary School by the Headteacher.

Employee Involvement

Staff employed by the Trust are entitled to stand for election to serve on institutional governing bodies. The Articles also provide for staff Directors to be appointed at the discretion of the Board. There is currently one staff Director (not including the Chief Executive, who holds an ex-officio post on the Board) and each school governing body has at least one staff governor. There are also a number of internal forums/groups for staff to share views with each other and with the Senior Leadership Teams both formally and informally. Where appropriate (i.e. a formal consultation) Directors and governors are invited to join the discussion and reports are made to the relevant Directors'/governors' committee.

Disabled Persons

The policy of the Trust is to support recruitment and retention of students and employees with disabilities where at all possible. However, there are physical limitations in terms of the design and layout of the site and buildings at both Graveney and Tooting Primary. Access to wheelchair users is limited, with some access by ramp to some of the Trust buildings and there is some provision for disabled toilets. However, where possible, other adaptations to the physical environment are made (e.g handrails, hi vis lines on external steps etc) in order to ensure that individuals with non-ambulant disabilities are able to access the site and buildings. The Special Needs Departments also provide support resources for disabled students with special educational needs and support and training for staff with academic or pastoral responsibility for them. There is an ASD base at TPS with 19 pupils on roll during 2018/19 school year. Pupils are integrated for varying portions of the week depending on individual needs.

Arrangements for setting pay and remuneration of key management personnel

The senior leadership team (SLT) at the three institutions are the key management personnel of the Trust. Trustees are also classified as key management personnel, although they receive no remuneration in respect of that role. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the Chief Executive/Principal is set annually by the Pay Committee, having regards to performance against objectives set the previous year. Pay of other SLT members is also set by the Pay Committee again having regard to performance against previously agreed objectives and any recommendations made by the Chief Executive/Principal.

GRAVENEY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	0
1% - 50%	1
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total Cost of facility time	£3,000
Total Pay bill	£13.6 million
Percentage of the total pay bill spent on facility time	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
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Related Parties and other Connected Charities and Organisations

The Trust has no commercially connected organisations. Related party relationships are managed through the requirement to maintain and keep up to date a register of business interests for all staff with responsibility for procurement (budget holders) and all Directors and governors. At each meeting, Directors and governors are also asked to declare any business or related party interests in the context of the business of the meeting.

Objectives and activities

Objects and Aims

The principal object of the Trust is defined in its Articles of Association. It is to advance for public benefit education in the UK by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Our three schools (Tooting Primary, Franciscan Primary and Graveney) share a set of core values that have been part of the Graveney tradition for decades.

Graveney Trust Schools share a vision and ethos. They

- Provide a broad academic curriculum designed to inspire curiosity and a love of learning, leading to excellent outcomes for everyone
- Are aspirational, placing no ceiling on a students' potential and encouraging success in all its forms – all children can achieve more than they think they can!
- Understand that the creative and performing arts play a vital role in developing confidence as well as inspiring students to explore the artistic diversity that surrounds them
- Believe that outdoor education, school trips and journeys all support the development of lifelong friendships as well as the resilience to deal with adversity
- Are traditional schools and our students wear their uniforms with pride. But we also
- Embrace innovation to ensure that all students benefit from the most up to date thinking in terms of resources, teaching methods and organisational approaches.

GRAVENEY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

We believe that there is considerable added value is achieved by working together as a Trust. There are clear financial benefits (described elsewhere) as well as significant educational benefits. We work together as a close knit family of schools, using the expertise of our teachers across phases and sharing our facilities to ensure that children in all phases can access the very best that we have to offer both in terms of specialist teaching and high quality specialist facilities.

Objectives, strategies and activities

Our objectives for the year ended 31 August 2019 were as follows:

- Secure and Improve quality of leadership at all levels throughout each school
- Work towards the alignment of systems between Franciscan as the newest school and Trust systems and procedures
- Ensure that pupils' progress continues to accelerate and outcomes overall are significantly above national, and that children's progress is accurately tracked in all subjects.
- Pupils and students always know what they need to do to improve and have ownership of their learning
- Boys, girls and all vulnerable groups make equally good progress – no gaps
- Teaching is consistently good and much of it outstanding across all year groups
- There is a firm focus on core subjects including Reading, writing and maths at Primary and Maths, English and Science at secondary and highly aspirational targets are set by governing bodies/Directors and are substantially met by schools in all core areas
- Maintain and extend the non-core curriculum in all phases to ensure that all pupils and students experience an inspiring and broad non-core subject provision, including creative and performing arts and outdoor education
- Monitoring of progress is regular, rigorous, analysed, reported to parents and followed by targeted interventions to ensure there are no gaps in learning.
- Improve the physical estate in all schools to aid recruitment and improve the learning environment for all pupils and students

Public benefit

In exercising its powers, the Board of Directors has complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic report

GRAVENEY SCHOOL

EXAMINATION SUCCESSES

The main goal for 2018/19 was to achieve examination targets and student progression routes to secure the best possible outcomes for students. The year has been particularly successful in this regard. Figures for 2018/19 are provided below, with the comparative figures, where available, for 2017/18 in brackets.

Although the school's results at A level were generally a little lower than in 2017/18, the average point score on entry of this cohort was lower and targets lower as a result. In this context, the results remain extremely good with over 29% (32%) of all grades at A* or A, 57% at A* to B (62%) and 84% (82.6%) at A* to C. The overall A to E pass rate was 99% (98%). With a large year group of 309 students, sitting 859 A Levels between them, this represents success on a very large scale.

The vast majority of students obtained the University places of their choice, including 8 going up to Oxford or Cambridge and almost a half of all students taking up places at prestigious Russell Group universities, on a range of highly competitive courses such as medicine. With a three year ALPS (value added) score of 3, Graveney is firmly in the top 25% of schools with respect to its post-16 outcomes.

The changed accountability measures at GCSE are now in their fourth year, focussing on progress as well as attainment. The average point score (attainment 8) for 2018/19 is 61.8 which equates to a 'B' rating overall. This is an excellent result and reflects the fact that a high proportion of our students achieve well within a more

GRAVENEY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

comprehensive range of GCSEs than that provided for under the old 5A* to C measure. In addition, 45% of our students achieved top grades (7 – 9, equivalent to A and A* in the old currency).

OTHER DEVELOPMENTS/ISSUES

A CIF funded capital project providing Graveney with an additional ten teaching rooms, 3 offices and an observatory was completed in the summer of 2019. Oppenheimer Observatory provides large airy classrooms for the Geography and Religious Studies/Theology Departments as well as a small observatory on the roof which will be used by the growing cohort of young astronomers. The building demonstrates very high design values and adds another significant architectural point of interest to the eclectic mix on the campus.

Site security is an ongoing risk in the context of the easy access to the school site by the public (pedestrian and vehicular) via Welham Road. The open nature of the school site presents a security threat both in terms of intruders and the fact that students can leave the site easily during the school day. As always, security arrangements are monitored and reviewed as part of the Trust's risk assessment processes and the Trust Directors firmly believe that the only effective solution is to close Welham Road during school opening times. Whilst the closure of the road remains a highly contentious issue and one that it is unlikely will be resolved in the short term, the Council has now installed planters and bollards at the Chillerton Road end of Welham Road and allowed the school to manage the barrier at the Nimrod Road end during the school day. Welham Road is thus effectively closed to traffic during the school day. The remaining risks presented by the open site (intruders accessing the school and students leaving the school during the school day) can only be addressed by a full road closure and the installation of gates across the road.

Recruitment to the sixth form in September 2019 has been extremely good and we anticipate that budgeted numbers for 2020/21 will be exceeded. Directors are aware that there is increasing competition between schools and colleges for the sixth form student market, particularly in the light of improvements to other school buildings locally which has made them more attractive both in terms of their ability to retain their own Year 11 cohort and attracting students from other schools into Year 12. However, a number of changes to the way in which we handle the pre-admissions cohort have increased conversion rates markedly this year.

This year has seen changes at Leadership level in both Graveney and Tooting Primary School that will take effect in September 2019 and the Chief Executive is working closely with both SLTs to ensure that the ethos and quality of provision is maintained.

TOOTING PRIMARY SCHOOL

The 2018/19 school year was the last year of growth for the school with the original 2013 Reception cohort moving into Year 6 in September 2019.

EYFS

EYFS outcomes are in line with national averages in 2019 which is an excellent achievement in the context that there were 4 children in this cohort with significant special educational needs, including 2 in the ASD base and 2 who were entirely non-verbal.

Year 1 Phonics Screening Check

Phonics scores are in line with National. Despite being below the Wandsworth average, this is another excellent achievement with this cohort including 2 children in the ASD base and a third of the cohort with English as an Additional Language.

KS1 attainment and progress

KS1 outcomes across Reading, Writing and Maths are all well above national averages and close to Wandsworth averages. Particularly pleasing are the reading results, with 43% achieving Greater Depth against an LA average of 32% and national of 25%. Writing was also significantly above both LA and national and Maths a little above.

KS2 attainment and progress

There is no data to report as the school did not have a Year 6 in 2018/19.

GRAVENEY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

OTHER DEVELOPMENTS

A survey of parents produced very positive results, particularly with respect to children being happy at school and making good progress as well as about the quality of teaching. An area identified for improvement by parents was the school playground. In response to this, the Trust decided to utilise reserves to make a start on an ambitious playground improvement programme, the first phase of which took place in summer 2019. There has been very positive feedback from parents and pupils, and the second phase of the development is currently with the Council's planning department as it involves two storey structures.

A new structure for the senior team has been implemented following the departure of the Headteacher, leading to a more distributed leadership approach across postholders in the school for 2019/20. The focus for 2019/20 will be to ensure that new and promoted staff are inducted well into the routines and ethos of the school and the requirements of these new positions so that the additional capacity on the senior team is used to best effect.

A very successful programme of Saturday classes as well as a Summer School was delivered to Year 5 pupils from both primary schools by the Graveney team. The programme included sessions on Astronomy, Politics, Maths, Poetry and Drama as well as a substantial amount of work on developing reasoning skills and environmental awareness.

FRANCISCAN PRIMARY SCHOOL

EYFS

EYFS outcomes are excellent and have been consistently above both the LA and national averages. The consistency in the teaching, experience and support provided to pupils with low starting points and/or English as an Additional Language has led to excellent progress over all.

Year 1 Phonics Screening Check

The Phonics Screening check was disappointing this year, being well below national average. The leadership team are fully aware of the reason for this dip and have taken steps to ensure that the issues that were uncovered do not arise again.

KS1 1 attainment and progress

KS1 outcomes for 2019 were above national for all subjects, and in line with the LA for reading, above for writing and below for maths.

KS2 attainment and progress

2019 outcomes were lower than 2018 in all subjects, with a number of pupils missing their expected standards by just a few marks. However, results in Grammar Punctuation and Spelling (GPS) exceeded national averages and maths matched them. These results highlight the need for additional resource to be provided to support teaching at KS2. The school has already appointed a Literacy Support Instructor for 2019 and is looking to provide similar intervention support in Maths. This will be particularly important in order to gain a greater % of 'greater depth' for the higher ability pupils.

Key financial performance Indicators at both institutions

The principal performance measures are educational and pastoral rather than financial. However, the Directors require that each annual budget must be balanced, although they expect to bring forward an element of committed but as yet unspent funds each year as the purchasing cycle does not always fit within any financial year. This can have the effect of producing in-year expenditure budgets that exceed in-year income. Directors also require their periodic reports to identify all budget movements/virements so that they are transparent and can be tracked. Directors have specified 5% as the minimum appropriate level for uncommitted reserves at institutional level.

GRAVENEY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Other key performance indicators

In addition to the educational performance indicators described above, measures of institutional success include the following:

- a) Levels of subscription/oversubscription – Graveney continues to have a very healthy level of oversubscription, Tooting Primary was oversubscribed and Franciscan Primary was undersubscribed in 2019. However, it is clear from looking at the Local Authority's planning data that there is a surplus of primary school places in the Tooting area, and there is an LA review of school provision in the area. Directors will be considering their response to this issue during the Autumn and Spring term.
- b) Levels of attendance - currently, all institutions set and achieve pupil attendance targets that exceed national averages
- c) Staffing - currently institutions are generally able to attract high calibre, qualified staff who wish to build a career within the Trust's schools.
- d) Parental support - parental support within all institutions is extremely high, evidenced by the high numbers of parents participating in parents evenings and other events for parents and the level of positive input provided by parents into Ofsted inspections as well as parent survey results.
- e) Governance - institutional governing bodies are strong and effective. Governors are committed and skilled, attending many meetings and contributing effectively to the success of the schools.
- f) The Board of Directors maintains a tight strategic overview of the work of the schools and their governing bodies, with regular meetings, extensive reporting and detailed and searching discussion on issues of concern.

Going concern

After making appropriate enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the accounts

Financial review

We receive our income from a number of different sources. The majority comes from central government via the Education and Skills Funding Agency (ESFA) who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the directors.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of directors ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly they cannot be converted to spendable funds. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our account. However, this does not lead to an immediate liability, any more than a surplus on the pension scheme would create an immediately realisable asset. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

GRAVENEY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The following balances held were held at 31 August:

Fund	Category	2019 £'000	2018 £'000
GAG	Restricted General Funds	1,093	860
Other Grants	Restricted General Funds	-	230
Other Income	Restricted General Funds	-	667
Sub-total General Restricted Funds		1,093	1,757
Unspent Capital Grants	Restricted Fixed Asset Fund	60	1,543
Other Income	Unrestricted General Fund	1,755	1,282
Sub-Total Spendable Funds		2,908	2,825
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	40,719	31,651
Share of LGPS Deficit	Restricted Pension Reserve	(3,906)	(1,928)
Total All Funds		<u>39,721</u>	<u>34,305</u>

During the year under review, there was an decrease of £664k (2018: decrease of £15k) on general restricted funds, an increase of £473k (2018: increase of £60k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall increase of £5,416k (2018: increase of £1,025k).

Reserves policy

The Directors believe that institutions should aim to build and maintain uncommitted reserves at a level of at least 5%. In the current financial climate it is important that possible year on year fluctuations in income can be managed in a planned manner, with reserves providing a short term buffer in the event of unexpected reductions in income. They also believe that sufficient funding should be earmarked on an on-going basis to ensure that particularly 'lumpy' items of expenditure, such as maternity, redundancy and minor capital costs, can be managed in a planned manner. For this reason, they have set up 'sinking funds' for such items. These funds are budgeted for from within the overall envelope available, are held at Trust level, and are drawn on as necessary during any year with any unspent funds at year end carried forward into the following year rather than showing as uncommitted reserves.

Investment policy

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The Directors have implemented a number of systems to assess risks that the Trust faces, and have developed policies and procedures to mitigate those risks. These systems are based on the model arrangements provided in the Academies Financial Handbook and provide an effective tool for risk management. The risk management process has been codified in a risk register implemented by the Senior Management Teams and overseen by the Board of Directors.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), governors consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

GRAVENEY TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Directors keep spendable reserves under constant review to ensure that they have sufficient income to run the Trust's schools on an efficient basis without affecting the quality of teaching and learning.

Our fundraising practices

The trust and individual academies within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice).

All fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

Plans for future periods

The focus in 2019/20 for Graveney will be maintaining the level of provision and the excellent outcomes referred to above in the context of significantly diminishing financial resources. The planning context is difficult, as current government announcements about education funding are difficult to interpret. A very healthy sixth form recruitment in September 2019 will stand us in good financial stead in the following financial year.

Both primary schools are starting to feel the impact of reducing pupil numbers in the Tooting area and a major focus for the Directors in 2019/20 will be to consider how best to strategically manage their provision. The impact of additional recruitment efforts for the September 2020 intake will be carefully reviewed and plans made for 2021 and beyond in the context of this recruitment round and the planning data provided by the Local Authority. It will also be important to work closely with the Local Authority, who will also be discussing how to manage surplus forms of entry in the area with their own maintained schools.

Funds Held as Custodian Trustee on Behalf of Others


No funds are held by the company on behalf of any third parties.

Auditor

Insofar as the Directors are aware:

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

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 11 December 2019 and signed on the Board's behalf by:



J Oppenheimer
Chairman

GRAVENEY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Graveney Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has delegated day-to-day responsibility to the Principal, 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 Graveney Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 4 times during the year.

Attendance during the year was as follows:

Directors	Meetings attended	Out of possible
J Oppenheimer (Chair)	4	4
J Cox	4	4
D Hayes	2	4
J Katz (Chair of Finance)	4	4
I Parkes (Chair of Audit)	3	4
H Rolfe	3	4
G Stapleton (Chief Executive)	4	4
N Brannon	3	4
J Krienke	4	4
C Buss (Member)	3	4
S Fragola (Member - Resigned)	0	2

Governance Reviews

The Board of Directors keeps its governance structures under continual review including at both Director and governor level. It is looking at size of group, skills mix and succession planning for the Board itself and with respect to institutional governing bodies, the appropriateness of delegation arrangements in the context that institutional governing bodies should be enabled to focus on the core task of improving teaching and learning, the quality of documentation provided to Directors and governors, the quality and nature of INSED provided, the effectiveness of meetings and the degree of involvement of Directors and governors in the lives of the schools they are associated with. This year, in the context of the updated Governance Handbook for Academies, arrangements were made to build in appropriate levels of separation between Members and Directors and Directors and Governors.

Financial governance and oversight

During the course of the school year 2018/19 the Directors' Finance Committee undertook the following on behalf of all three schools:

- reviewing the implications of indicative funding allocations and the budget for the school, taking account of the school improvement plan, for presentation to the full governing body and then the Board of Directors for approval
- a full financial review at each meeting, which enabled governors and Directors to assess the financial health of the school and approve any virements implemented by the Principal/Headteacher/Bursar in the preceding period

GRAVENEY TRUST

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FOR THE YEAR ENDED 31 AUGUST 2019

- a report to each meeting of the full governing body and the Board of Directors on the school's financial situation
- reviewing bids to the ESFA and other agencies.
- Ensuring that the principles of best value are applied and that all procurement is managed in accordance with both the terms of the Funding Agreement and the Graveney Trust's Financial Controls Handbook.
- Authorising the award of contracts over £20,000
- Co-operating with the Trust's arrangements for external and internal audit, receiving audit reports and responding as appropriate
- Receiving and where necessary responding to the minutes of each meeting of the Audit Committee
- Receiving regular reports on the condition of the site and buildings and making recommendations on long term plans for its development including formulating proposals for capital works for consideration by the Board of Directors
- Ensuring that the Directors obligations with regard to health, safety and security are effectively discharged
- Maintaining an overview of cleaning, catering and IT and reprographics provision including letting a new cross-Trust cleaning contract
- Reviewing and agreeing school policies on
 - Lettings
 - Charging
 - Governors' Expenses
 - Health and Safety
 - Sustainability

The Governing Bodies of the three schools are the Committees of the Board of Directors with responsibility for financial matters at the respective schools. During the course of the year, in addition to a wide range of nonfinancial responsibilities, the governing bodies approved the budget for 2018/19, received regular monitoring reports on expenditure and agreed a number of larger purchases

Attendance at meetings during the year was as follows:

Graveney Governing Body	Meetings attended	Out of possible
J Bain	3	3
N Brannon	3	3
S Branson	1	3
Z Cajee	3	3
J Cox	1	3
A Esson (<i>Moved to TPS Governing Body</i>)	0	1
D Hayes	1	3
F Headley	1	1
S Hyder	2	3
S Jackson (Vice-Chair)	2	3
J Katz	2	3
J Leggett	3	3
M Marquez	2	3
P McCrudden	1	1
I Parkes (Chair)	3	3
C Paterson	0	2
S Simjee	0	3
A Squire	0	2
G Stapleton (Principal)	3	3
N Wyver	2	3

GRAVENEY TRUST

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FOR THE YEAR ENDED 31 AUGUST 2019

Tooting Primary School Governors	Meetings attended	Out of possible
H Bryce	3	3
A Dames (<i>Vice-Chair</i>)	2	3
C Dawson	1	1
A Esson	2	2
P Gutfreund	3	3
J Krienke (<i>Chair</i>)	3	3
A Mills	3	3
D Nutt	2	3
G Stapleton (<i>CEO</i>)	3	3
M Stevanovic (<i>Headteacher</i>)	3	3
J Wilson	2	2

Franciscan Primary School Governors	Meetings attended	Out of possible
P Andre-Watson (<i>Headteacher</i>)	3	4
A Beaumont	0	1
H Berridge	3	4
J Bolt	4	4
K Caddy	0	3
B Granthrai (<i>Vice-Chair</i>)	4	4
M Lambert-Carter	3	4
J Locker	1	4
K MacLean (<i>Chair</i>)	2	4
S O'Hara	2	2
G Stapleton (<i>CEO</i>)	3	3
Y Talsi	3	4
M Thompson	3	4

The **Audit Committee** is also a committee of the main Board and its activities cover both institutions. Its purpose is to:

- review the Trust's internal and external financial statements and reports to ensure that they reflect best practice;
- provide direction to the external and internal auditors about the nature and scope of each forthcoming audit and to ensure that auditors have the fullest co-operation of staff;
- consider all relevant reports produced by the Trust's auditors and reports provided by the Department for Education and other regulatory bodies including reports on the body's accounts, achievement of value for money and the response to any management letters;
- review the effectiveness of the Trust's internal control system and ensure that the aims, objectives and key performance targets of the institutions managed by the Trust are achieved in the most economic, effective and environmentally preferable manner;
- consider internal audit reports, including value-for-money reports and the arrangements for their implementation;
- review the operation of the Trust's code of practice for board members and code of conduct for staff;
- consider any other matters where requested to do so by the Board; and
- meet and report at least once a year to the board on the discharge of the above duties.

GRAVENEY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

During the year, there were two audit visits from our internal audit company (Landau Baker) and 2 separate visits from our Responsible Officer. The Landau Baker audits covered the full range of standard 'responsible officer' checks in addition to looking at Safeguarding procedures and School Journey Policies (policy and practice). These reviews included sampling data from all schools. Both reports were extremely positive, with no significant findings or recommendations. The first Responsible Officer visit undertaken by David Hayes involved a stock check, where random purchases were checked from purchase order to stock book to location. This check identified two computers at Graveney where the location had not been updated, with all other assets confirmed as present on site. The second visit was a review of Petty Cash as a potentially high risk area for potential fraud. Random samples of transactions for the Petty Cash Ledger were identified. The associated paperwork was reviewed and was confirmed to be in order.

Attendance at meetings of the Audit Committee during the year was as follows:

Directors	Meetings attended	Out of possible
J Oppenheimer	2	2
J Cox	1	2
D Hayes (Responsible Officer)	1	2
J Katz	2	2
I Parkes (Chair)	1	2
G Stapleton	2	2
J Krienke	2	2
C Buss	2	2

Review of Value for Money

As accounting officer the Chief/Executive/Principal 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of directors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- continuing to work with the new cleaning contractors post-tender to ensure that standards are maintained within a reduced contract price
- working closely with the contract consultants on the CIF funded capital projects (Oppenheimer Observatory) to ensure that best value is obtained from the funding envelope available
- keeping the staffing structure under careful review and making appropriate changes where opportunities arose, including natural wastage, to ensure cost savings within a value for money framework
- issuing additional guidance to budget managers on improving the value for money achieved at cost centre level
- undertaking regular reviews of the application of internal controls including review of payroll feasibility documents, documentation provided as part of cheque signing process, monthly management reports from both institutions and review of reports to Directors and governors before submission to the relevant committee/board. Further detail of how these duties are discharged follows:

Improving educational results:

The staffing structure of each school is kept under continuous review and vacancies are scrutinised carefully as they arise. Where possible, staff are redeployed to cover areas of the curriculum in need of development and a regular review of staff skills ensures that where gaps can be filled from within the existing establishment they are. Where a department or area is identified as needing additional support, members of the senior leadership team supported nominated senior staff and other post holders with relevant responsibilities to ensure that all the appropriate resources are in place to secure improvement.

GRAVENEY TRUST

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FOR THE YEAR ENDED 31 AUGUST 2019

Intervention teams at all key stages work to ensure that the individual needs of pupils are met through appropriate identification processes for the most and least able and a wide range of strategies are then available including one to one support, learning mentors, after school clubs and activities, revision and study skills classes in addition to the provision of additional teaching and learning resources where appropriate. Regular impact analyses are conducted on areas of focussed spending including intervention and pupil premium.

Staffing structures within the central Trust offices provide cost effective specialist support services to all three schools covering financial, legal, human resources, premises management and IT services. Structures are kept under review and modified as and when necessary to ensure continuing value for money.

Financial governance and oversight: a comprehensive Financial Procedures and Controls document is reviewed annually by Directors and updated in the light of current advice and guidance. 'Dear Accounting Officer' letters are circulated to and discussed by the Board of Directors to ensure that the Trust remains up to date with recommended good practice.

The Accounting Officer is involved in the specifications for and tendering processes around all major contracts such as cleaning and catering as well as leading capital developments across all schools.

Purchasing: a register of service contracts is maintained and all contracts are appraised in the run-up to re-letting. Budget holders have all been given additional guidance on how to secure value for money in their purchasing this year with a particular focus on photocopying, hospitality and other resources for teaching and learning.

Income generation: income generation from sources other than the statutory funding bodies forms a small but important part of school income. For the fifth year running a significant increase in 'voluntary' income was achieved through letting rooms and facilities to a Languages school in the summer term and holiday period. Much of the additional income received has been credited to those departments releasing rooms to the school and this has enabled those departments to extend and improve the resources they provide to our students.

Reviewing controls and managing risk: Directors receive regular reports on spending against budget and regularly re-allocate resources from areas of underspend to areas where a new need has arisen. They have also established a number of sinking funds to manage 'lumpy' items such as maternity and redundancy costs. The Audit Committee of the Board of Directors reviews the risk register each year and this year an internal audit review of risk management recommended introducing a finer level of detail into the risk register. This has been done. Directors receive regular reports of cash at bank in addition to the detailed annual review of accounts and analysis of reserves and balances.

Lessons learnt: where savings are achieved on service contracts, it is clear that significant additional resources in terms of time are required from school staff, particularly in the early stages of the new contract if standards are to be maintained. Monitoring must be thorough and regular and early written feedback to the contractor forms a vital part of successful contract mobilisation.

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 Graveney Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors 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 Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks and that that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process itself is regularly reviewed by the Board of Directors.

GRAVENEY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

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 Directors;
- regular reviews by the finance 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 Directors has considered the need for a specific internal audit function and a new internal auditor, Landau Baker was appointed in 2017. Details of audit visits are described elsewhere in this document. The Board of Directors is satisfied that the Responsible Officer function has been fully delivered in line with the agreed programme of work.


Review of effectiveness

As Accounting Officer the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

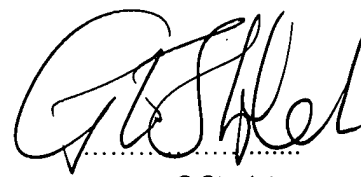
- the work of the internal auditor
- the work of the external auditor;
- the financial management and governance self-assessment process which includes the new self-assessment process and associated benchmarking tools and which is to be uploaded to the DfE in November 2019 as required
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has reviewed the recommendations made by the internal auditors in their reports and has ascertained that the minor proposals for improvement made in those reports have been implemented by the Finance Team.

Approved by order of the members of the Board of Directors on 11 December 2019 and signed on its behalf by:



J Oppenheimer
Chairman



G Stapleton
Principal

GRAVENEY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Graveney Trust I have considered my responsibility to notify the Academy Trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust's Board of Directors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Directors and ESFA.



G Stapleton
Accounting Officer

11 December 2019

GRAVENEY TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The Directors (who also act as Trustees for Graveney Trust) are responsible for preparing the Directors' Report and the Financial Statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under company law, the Directors 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 Directors are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Directors 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 Directors on 11 December 2019 and signed on its behalf by:



J Oppenheimer
Chairman

GRAVENEY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAVENEY TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the Financial Statements of Graveney Trust for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

- the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Directors 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.

GRAVENEY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAVENEY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Other information

The Directors are responsible for the other information, which comprises the information included in the annual report other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report including the incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Directors' Report including the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors 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 Directors 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 Directors 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 Directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

GRAVENEY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAVENEY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Auditor's responsibilities for the audit of the Financial Statements

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

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

David John Walsh FCCA (Senior Statutory Auditor)
For and on behalf of Baxter & Co
Statutory Auditor
Chartered Certified Accountants
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 13 December 2019

GRAVENEY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 2 November 2012 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Graveney Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Graveney Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Graveney Trust 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 Graveney Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Graveney Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Graveney Trust's funding agreement with the Secretary of State for Education dated 23 April 2013 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the Academy Trust in order to comply with its obligations under 2.9.6 of the Academies Financial Handbook 2018, issued by the ESFA.

GRAVENEY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

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

Baxter & Co
Independent Reporting Accountants
Chartered Certified Accountants
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 13 December 2019

GRAVENEY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	216	216	87
Donations - transfer from local authority on conversion	27	332	(508)	7,300	7,124	-
Charitable activities:						
- Funding for educational operations	4	245	17,514	-	17,759	14,758
Other trading activities	5	76	-	-	76	73
Investments	6	10	-	-	10	4
Total		663	17,006	7,516	25,185	14,922
Expenditure on:						
Raising funds	7	11	-	-	11	-
Charitable activities:						
- Educational operations	9	179	18,157	779	19,115	15,673
Total	7	190	18,157	779	19,126	15,673
Net income/(expenditure)		473	(1,151)	6,737	6,059	(751)
Transfers between funds	18	-	(848)	848	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(643)	-	(643)	1,776
Net movement in funds		473	(2,642)	7,585	5,416	1,025
Reconciliation of funds						
Total funds brought forward		1,282	(171)	33,194	34,305	33,280
Total funds carried forward		1,755	(2,813)	40,779	39,721	34,305

GRAVENEY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

SUPPLEMENTARY NOTE:
COMPARATIVE INFORMATION FOR THE
YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
Income and endowments from:					
Donations and capital grants	3	-	-	87	87
Charitable activities:					
- Funding for educational operations	4	-	14,758	-	14,758
Other trading activities	5	73	-	-	73
Investments	6	4	-	-	4
Total		<u>77</u>	<u>14,758</u>	<u>87</u>	<u>14,922</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	17	15,046	610	15,673
Total	7	<u>17</u>	<u>15,046</u>	<u>610</u>	<u>15,673</u>
Net income/(expenditure)		60	(288)	(523)	(751)
Transfers between funds	18	-	(26)	26	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	1,776	-	1,776
Net movement in funds		60	1,462	(497)	1,025
Reconciliation of funds					
Total funds brought forward		1,222	(1,633)	33,691	33,280
Total funds carried forward		<u>1,282</u>	<u>(171)</u>	<u>33,194</u>	<u>34,305</u>

GRAVENEY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		40,719		31,651
Current assets					
Debtors	14	674		1,079	
Cash at bank and in hand		3,490		4,502	
		4,164		5,581	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,227)		(966)	
Net current assets			2,937		4,615
Total assets less current liabilities			43,656		36,266
Creditors: amounts falling due after more than one year	16		(29)		(33)
Net assets before defined benefit pension scheme liability			43,627		36,233
Defined benefit pension scheme liability	20		(3,906)		(1,928)
Total net assets			39,721		34,305
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			40,779		33,194
- Restricted income funds			1,093		1,757
- Pension reserve			(3,906)		(1,928)
Total restricted funds			37,966		33,023
Unrestricted income funds	18		1,755		1,282
Total funds			39,721		34,305

The Financial Statements on pages 25 to 51 were approved by the Directors and authorised for issue on 11 December 2019 and are signed on their behalf by:

J Oppenheimer
Chairman

Company Number 07687897

GRAVENEY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash provided by operating activities	21	978	1,522
Cash funds transferred on conversion		332	-
		<u>1,310</u>	<u>1,522</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		10	4
Capital grants from DfE Group		216	87
Purchase of tangible fixed assets		<u>(2,544)</u>	<u>(571)</u>
Net cash used in investing activities		<u>(2,318)</u>	<u>(480)</u>
Cash flows from financing activities			
Repayment of long term bank loan		<u>(4)</u>	<u>(1)</u>
Net cash used in financing activities		<u>(4)</u>	<u>(1)</u>
Net (decrease)/increase in cash and cash equivalents in the reporting period		<u>(1,012)</u>	<u>1,041</u>
Cash and cash equivalents at beginning of the year		4,502	3,461
Cash and cash equivalents at end of the year		<u>3,490</u>	<u>4,502</u>

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

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

Graveney Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion for Franciscan Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 27.

1.4 Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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 period in which it is receivable (where there are no performance-related conditions), where the 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 period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £10,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £50,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Freehold land is not depreciated.

Freehold land and buildings	50 Years Straight Line
Leasehold land and buildings	50 Years Straight Line
Computer equipment	7 Years Straight Line
Fixtures, fittings & equipment	7 Years Straight Line
Motor vehicles	5 Years Straight Line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.7 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.

1.8 Leased assets

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

1.9 Financial instruments

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

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Financial assets

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

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

Financial liabilities

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

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

1.10 Taxation

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

1.11 Pensions benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Directors.

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

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

1.13 Agency arrangements

Where the Academy Trust acts as agent in collecting and / or distributing from the ESFA or others, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 26.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

In preparing these Financial Statements, the Directors have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	216	216	87

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	14,952	14,952	12,844
Start up grants	-	6	6	42
Other DfE group grants	-	852	852	534
	-	15,810	15,810	13,420
Other government grants				
Local authority grants	-	1,229	1,229	637
Other funding				
Other incoming resources	245	475	720	701
Total funding	245	17,514	17,759	14,758

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	76	-	76	73

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	10	-	10	4

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Expenditure on raising funds					
- Direct costs	10	-	1	11	-
Academy's educational operations					
- Direct costs	12,631	622	1,253	14,506	12,274
- Allocated support costs	2,489	1,215	905	4,609	3,399
	<u>15,130</u>	<u>1,837</u>	<u>2,159</u>	<u>19,126</u>	<u>15,673</u>

Net income/(expenditure) for the year includes:	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	13	12
- Other services	12	9
Operating lease rentals	18	18
Depreciation of tangible fixed assets	776	610
Net interest on defined benefit pension liability	57	78

8 Central services

A range of core central services are provided by the Trust. These include financial services, human resources management, strategic premises and IT service, legal advice, governance matters and all statutory accountability and reporting systems. These services are charged to institutions at a rate of 4% of total income per annum, although this was discounted for Franciscan in its first year as part of the Trust (2018/19) and will be discounted again in 2019/20. There is an expectation that the full 4% will be charged to Franciscan from 2020/21.

In addition to these core services, there are also charges for additional non-core services/resources. These fall into two categories;

a) Most members of staff who provide core Trust services also have separate, non-core responsibilities in schools. These staff are costed fully within the Trust establishment, and their non-core responsibilities are therefore paid for by schools as an additional non-core service. The balance of responsibilities is reviewed annually and charged on an apportionment basis to reflect the balance of time spent on core and non-core duties.

b) The Trust holds funds centrally on behalf of schools for out of the ordinary expenditure, often but not always of a capital nature. Schools can choose to contribute into funds for minor capital works, redundancy costs, maternity costs and IT. Where this is the case, funds are held in central 'sinking funds' with contributions earmarked against each school. The Board of Directors takes final decisions on the expenditure of these funds on the basis of recommendations from governing bodies.

In previous years, the Trust also managed a range of non-staff expenditure on behalf of schools such as insurance and rates. Whilst central contacts continue to be negotiated at Trust level where possible, the costs are now located in school budgets.

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Central services

The amounts charged during the year were as follows:

	2019 £'000	2018 £'000
Graveney School	1,171	3,264
Tooting Primary School	198	753
Franciscan Primary School	30	-
	<u>1,399</u>	<u>4,017</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs				
Educational operations	138	14,368	14,506	12,274
Support costs				
Educational operations	41	4,568	4,609	3,399
	<u>179</u>	<u>18,936</u>	<u>19,115</u>	<u>15,673</u>

Analysis of costs

	2019 £'000	2018 £'000
Direct costs		
Teaching and educational support staff costs	12,631	10,505
Depreciation	622	487
Technology costs	161	111
Educational supplies and services	726	852
Examination fees	295	269
Educational consultancy	27	24
Other direct costs	44	26
	<u>14,506</u>	<u>12,274</u>

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

Support costs

Support staff costs	1,719	1,257
Defined benefit pension scheme - staff costs (FRS102 adjustment)	770	460
Depreciation	154	123
Maintenance of premises and equipment	321	250
Cleaning	278	226
Energy costs	210	199
Rent, rates and other occupancy costs	173	112
Insurance	66	70
Security and transport	13	11
Catering	191	197
Defined benefit pension scheme - finance costs (FRS102 adjustment)	57	78
Other support costs	571	348
Governance costs	86	68
	<u>4,609</u>	<u>3,399</u>

10 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	10,857	9,086
Social security costs	1,023	879
Pension costs	1,764	1,479
Defined benefit pension scheme - staff costs (FRS102 adjustment)	770	460
Amounts paid to employees	<u>14,414</u>	<u>11,904</u>
Agency staff costs	696	304
Staff restructuring costs	20	14
Total staff expenditure	<u>15,130</u>	<u>12,222</u>

Staff restructuring costs comprise:

Severance payments	<u>20</u>	<u>14</u>
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2018: £nil).

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff numbers

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

	2019 Number	2018 Number
Teachers	181	161
Administration and support	172	123
Management	19	16
	<u>372</u>	<u>300</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2019 Number	2018 Number
Teachers	151	133
Administration and support	101	73
Management	17	15
	<u>269</u>	<u>221</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £70,000	7	4
£70,001 - £80,000	4	4
£80,001 - £90,000	4	2
£90,001 - £100,000	1	1
£100,001 - £110,000	2	1
£110,001 - £120,000	-	1
	<u>-</u>	<u>1</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Directors 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 £1,277,424 (2018: £1,239,497).

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Directors' remuneration and expenses

One or more of the Directors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other Staff Directors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment, and not in respect of their services as Directors.

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

G Stapleton (Principal):

- Remuneration : £90,000 - £95,000 (2018: £90,000 - £95,000)
- Employer's pension contributions : £nil (2018: £nil)

N Brannon (Staff Director):

- Remuneration : £75,000 - £80,000 (2018: £70,000 - £75,000)
- Employer's pension contributions : £10,000 - £15,000 (2018: £10,000 - £15,000)

During the year, expense payments totalling £nil (2018: £1,231) was reimbursed or paid directly to any Director (2018: 1 Director). Reimbursements were made for expenses incurred in the normal course of employment.

Other related party transactions involving the Directors are set out within the related parties note.

12 Directors and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £282 (2018: £217). The cost of this insurance is included in the total insurance cost.

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2018	34,239	-	684	27	12	34,962
Transfer of academy into the academy trust	-	7,260	20	20	-	7,300
Additions	2,382	-	24	118	20	2,544
At 31 August 2019	36,621	7,260	728	165	32	44,806
Depreciation						
At 1 September 2018	2,873	-	410	16	12	3,311
Charge for the year	572	72	104	24	4	776
At 31 August 2019	3,445	72	514	40	16	4,087
Net book value						
At 31 August 2019	33,176	7,188	214	125	16	40,719
At 31 August 2018	31,366	-	274	11	-	31,651

The freehold land and buildings shown above relates to the site at Graveney School, Wellham Road, for which the land has been valued at £8,021k. The leasehold land and buildings shown above relates to the site at Franciscan Primary School, Franciscan Road for which the land has been valued at £3,642k. The land and buildings at Tooting Primary School, Franciscan Road, are held under the terms of a licence to occupy agreement with Wandsworth Council. It is expected that a long term lease of 125 years will be put into place in the near future, at which time a valuation for these leasehold land and buildings will be included as a fixed asset.

14 Debtors

	2019 £'000	2018 £'000
VAT recoverable	276	135
Other debtors	20	24
Prepayments and accrued income	378	920
	<u>674</u>	<u>1,079</u>

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15	Creditors: amounts falling due within one year	2019	2018
		£'000	£'000
	Loans	5	5
	Other taxation and social security	278	245
	Other creditors	229	213
	Accruals and deferred income	715	503
		<u>1,227</u>	<u>966</u>
16	Creditors: amounts falling due after more than one year	2019	2018
		£'000	£'000
	Loans	<u>29</u>	<u>33</u>
	Analysis of loans		
	Wholly repayable within five years	34	38
	Less: included in current liabilities	<u>(5)</u>	<u>(5)</u>
	Amounts included above	<u>29</u>	<u>33</u>
	Loan maturity		
	Debt due in one year or less	5	5
	Due in more than one year but not more than two years	5	5
	Due in more than two years but not more than five years	15	15
	Due in more than five years	<u>9</u>	<u>13</u>
		<u>34</u>	<u>38</u>
17	Deferred income	2019	2018
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	<u>120</u>	<u>52</u>
	Deferred income at 1 September 2018	52	118
	Released from previous years	<u>(52)</u>	<u>(118)</u>
	Resources deferred in the year	<u>120</u>	<u>52</u>
	Deferred income at 31 August 2019	<u>120</u>	<u>52</u>

Deferred income of £120k (2018: £52k) represents resources deferred in the period and carried forward at 31 August 2019 in respect of Universal Free School meal income from the ESFA of £55k (2018: £39k), and school journey, catering and music fee income £65k (2018: £13k) which was received in advance.

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	860	14,952	(13,891)	(828)	1,093
Start up grants	-	6	(6)	-	-
Other DfE / ESFA grants	180	300	(480)	-	-
Pupil Premium	-	552	(552)	-	-
Other government grants	50	1,229	(1,279)	-	-
Other restricted funds	667	475	(1,122)	(20)	-
Pension reserve	(1,928)	(508)	(827)	(643)	(3,906)
	<u>(171)</u>	<u>17,006</u>	<u>(18,157)</u>	<u>(1,491)</u>	<u>(2,813)</u>
Restricted fixed asset funds					
Inherited on conversion	27,612	7,300	(523)	-	34,389
DfE group capital grants	4,701	216	(174)	-	4,743
Capital expenditure from GAG and other funds	881	-	(82)	848	1,647
	<u>33,194</u>	<u>7,516</u>	<u>(779)</u>	<u>848</u>	<u>40,779</u>
Total restricted funds	<u>33,023</u>	<u>24,522</u>	<u>(18,936)</u>	<u>(643)</u>	<u>37,966</u>
Unrestricted funds					
General funds	<u>1,282</u>	<u>663</u>	<u>(190)</u>	<u>-</u>	<u>1,755</u>
Total funds	<u>34,305</u>	<u>25,185</u>	<u>(19,126)</u>	<u>(643)</u>	<u>39,721</u>

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

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

The Other Grant Funds represents the unspent balance of grants received during the year for specific purposes.

The Restricted Other Income General Fund represents the unspent balance which is earmarked for particular purposes.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents the net book value of fixed assets. When fixed assets are purchased the fund is increased and depreciation charges reduce the fund.

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	576	12,844	(12,534)	(26)	860
Start-up grants	-	42	(42)	-	-
Other DfE / ESFA grants	221	534	(575)	-	180
Other government grants	54	637	(641)	-	50
Other restricted funds	682	701	(716)	-	667
Pension reserve	(3,166)	-	(538)	1,776	(1,928)
	<u>(1,633)</u>	<u>14,758</u>	<u>(15,046)</u>	<u>1,750</u>	<u>(171)</u>
Restricted fixed asset funds					
Transfer on conversion	28,057	-	(445)	-	27,612
DfE group capital grants	4,727	87	(113)	-	4,701
Capital expenditure from GAG and other funds	<u>907</u>	<u>-</u>	<u>(52)</u>	<u>26</u>	<u>881</u>
	<u>33,691</u>	<u>87</u>	<u>(610)</u>	<u>26</u>	<u>33,194</u>
Total restricted funds	<u>32,058</u>	<u>14,845</u>	<u>(15,656)</u>	<u>1,776</u>	<u>33,023</u>
Unrestricted funds					
General funds	<u>1,222</u>	<u>77</u>	<u>(17)</u>	<u>-</u>	<u>1,282</u>
Total funds	<u>33,280</u>	<u>14,922</u>	<u>(15,673)</u>	<u>1,776</u>	<u>34,305</u>

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

Total funds analysis by academy

	2019 £'000	2018 £'000
Fund balances at 31 August 2019 were allocated as follows:		
Graveney School	1,169	2,042
Tooting Primary School	548	483
Franciscan Primary School	398	-
Central services	733	514
Total before fixed assets fund and pension reserve	2,848	3,039
Restricted fixed asset fund	40,779	33,194
Pension reserve	(3,906)	(1,928)
Total funds	39,721	34,305

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2019 £'000	Total 2018 £'000
Graveney School	8,866	1,407	404	1,786	12,463	9,834
Tooting Primary School	1,449	218	205	242	2,114	1,459
Franciscan Primary School	1,902	295	113	341	2,651	-
Central services	414	569	3	137	1,123	3,770
	12,631	2,489	725	2,506	18,351	15,063

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	40,719	40,719
Current assets	1,755	2,349	60	4,164
Creditors falling due within one year	-	(1,227)	-	(1,227)
Creditors falling due after one year	-	(29)	-	(29)
Defined benefit pension liability	-	(3,906)	-	(3,906)
Total net assets	1,755	(2,813)	40,779	39,721

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	31,651	31,651
Current assets	1,282	2,756	1,543	5,581
Creditors falling due within one year	-	(966)	-	(966)
Creditors falling due after one year	-	(33)	-	(33)
Defined benefit pension liability	-	(1,928)	-	(1,928)
Total net assets	1,282	(171)	33,194	34,305

20 Pension and similar obligations

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

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

Contributions amounting to £154k (2018: £140k) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. 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% employer administration charge);
- 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;
- an employer cost cap of 10.9% of pensionable pay; and
- the assumed real rate of return is 2.4% in excess of prices. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

Scheme Changes

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,209kk (2018: £1,061k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19% for employers and 5.5% - 12.5% for employees.

As described in note 27 the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. 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.

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

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

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	555	422
Employees' contributions	190	148
Total contributions	745	570

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.65 to 3.70	3.80
Rate of increase for pensions in payment/inflation	2.15 to 2.20	2.30
Discount rate for scheme liabilities	1.85 to 1.90	2.65% to 2.70
RPI Increases	3.15 to 3.20	3.30
CPI Increases	2.15 to 2.20	2.30

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

	2019 Years	2018 Years
Retiring today		
- Males	23.4	24.5
- Females	24.8	26.1
Retiring in 20 years		
- Males	25.1	26.8
- Females	26.7	28.5

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

	2019 £'000	2018 £'000
Discount rate + 0.1%	17,064	11,987
Discount rate - 0.1%	17,899	12,548
Mortality assumption + 1 year	18,133	12,681
Mortality assumption - 1 year	16,844	11,861
Salary rate + 0.1%	17,539	12,304
Salary rate - 0.1%	17,413	12,224
Pensions rate + 0.1%	17,834	12,509
Pensions rate - 0.1%	17,128	12,026

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

Defined benefit pension scheme net liability

Scheme assets	13,570	10,336
Scheme obligations	(17,476)	(12,264)
Net liability	(3,906)	(1,928)

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

	2019 Fair value £'000	2018 Fair value £'000
Equities	9,093	6,916
Gilts	391	404
Other Bonds	1,528	1,044
Cash	152	57
Property	675	354
Other assets	1,731	1,561
Total market value of assets	13,570	10,336

The actual return on scheme assets was £1,373,000 (2018: £667,000).

Amount recognised in the Statement of Financial Activities

	2019 £'000	2018 £'000
Current service cost	1,123	882
Past service cost	202	-
Interest income	(317)	(246)
Interest cost	374	324
Total operating charge	1,382	960

Changes in the present value of defined benefit obligations

	2019 £'000
At 1 September 2018	12,264
Transferred in on existing academies joining the Academy Trust	1,925
Current service cost	1,117
Interest cost	374
Employee contributions	190
Actuarial loss/(gain)	1,699
Benefits paid	(295)
Past service cost	202
At 31 August 2019	17,476

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £'000
At 1 September 2018	10,336
Transferred in on existing academies joining the Academy Trust	1,417
Interest income	311
Actuarial gain	1,056
Employer contributions	555
Employee contributions	190
Benefits paid	(295)
At 31 August 2019	13,570

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

	2019 £'000	2018 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	6,059	(751)
Adjusted for:		
Net surplus on conversion to academy	(7,124)	-
Capital grants from DfE and other capital income	(216)	(87)
Investment income receivable	(10)	(4)
Defined benefit pension costs less contributions payable	770	460
Defined benefit pension scheme finance cost	57	78
Depreciation of tangible fixed assets	776	610
Decrease in stocks	-	2
Decrease in debtors	405	1,353
Increase/(decrease) in creditors	261	(139)
Net cash provided by operating activities	978	1,522

22 Commitments under operating leases

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

	2019 £'000	2018 £'000
Amounts due within one year	14	18
Amounts due in two and five years	-	17
	14	35

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Capital commitments

	2019 £'000	2018 £'000
Expenditure contracted for but not provided in the Financial Statements	142	2,606

The capital commitment of £142k represents the anticipated costs as at 31/08/2019 for the completion of the Oppenheimer House project.

24 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year expenditure of £2,500 (2018:£50) was incurred with Wandsworth BEST Partnership Limited (company number 02815900 and charity number 1078992). This is a related party by virtue of the fact that G Stapleton is both a Director of Graveney Trust and Wandsworth BEST Partnership Limited. No balances were outstanding at the balance sheet date.

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2018.

T Bright, a close family member of N Brannon, a trustee, is employed by the academy trust. T Bright's appointment was made in open competition and N Brannon was not involved in the decision-making process regarding the appointment. T Bright is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee.

25 Members' liability

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

26 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the trust received £102k (including £31k carried forward from the prior year) (2018: £89k) and disbursed £44k (2018: £58k) from the fund. £58k (2018: £31k) of unspent bursary funds is included within other creditors.

GRAVENEY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

27 Conversion to an academy

On 1 September 2018, Franciscan Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Graveney Trust from Wandsworth Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Franciscan Primary School	Wandsworth	1 September 2018

	2019 £'000
Net assets transferred:	
Leasehold land and buildings	7,260
Other tangible fixed assets	40
Cash	332
Pension scheme deficit	(508)
	<u>7,124</u>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	7,300	7,300
LA budget funds	332	-	-	332
LGPS pension funds	-	(508)	-	(508)
	<u>332</u>	<u>(508)</u>	<u>7,300</u>	<u>7,124</u>