

REGISTERED COMPANY NUMBER: 07847021 (England and Wales)

GRAVENY PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019



McCabe Ford Williams  
Statutory Auditors and Chartered Accountants  
Bank Chambers  
1 Central Avenue  
Sittingbourne  
Kent  
ME10 4AE

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FOR THE YEAR ENDED 31 AUGUST 2019

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**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**MEMBERS**

Mr R Kitto  
Mr A Bowles  
Mrs E Bell  
Mr B Snashall (appointed 01.09.2019)  
Mr D D Cavallina (appointed 01.09.2019)

**TRUSTEES**

Mrs A Blackwell (Headteacher and Accounting Officer, Staff Trustee)  
Mr R Kitto (Chairman)  
Mrs S A Dunkin (Staff Trustee)  
Mr B J Snashall (resigned 01.09.2019)  
Mrs V L Keep  
Mrs D M Knibbs (Finance Officer, Staff Trustee)  
Mr D D Cavallina (resigned 30.10.2018)  
Mrs M E Hewitt  
Mrs S Jefferys  
Mr M Wicks (appointed 01.09.2019)

**Senior Management Team**

Mrs Alison Blackwell	Headteacher
Miss Tracey Goodsell	Senior teacher
Mrs Dreena Knibbs	Business Manager / Finance Officer

**COMPANY NAME**

Graveney Primary School

**PRINCIPAL AND  
REGISTERED OFFICE**

Seasalter Road, Graveney,  
FAVERSHAM, Kent, ME13 9DU

**COMPANY REGISTRATION  
NUMBER**

07847021 (England and Wales)

**INDEPENDENT AUDITOR**

McCabe Ford Williams  
Statutory Auditors and Chartered Accountants  
Bank Chambers  
1 Central Avenue, SITTINGBOURNE, Kent, ME10 4AE

**BANKERS**

Lloyds Bank plc  
49 High Street, CANTERBURY, Kent, CT1 2SE

## **GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2019**

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their annual report together with the financial statements and auditor's report of the academy trust for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area of Faversham and the surrounding area. It has a pupil capacity of 105 and had a roll of 95 in the school census on 3<sup>rd</sup> October 2019. Due to a low birth rate in the local area there is a significant drop in our number of reception pupils joining the school this year.

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

##### **Constitution**

The Academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy trust.

The Trustees (who are also Governors for the activities of Graveney Primary School) are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as Graveney Primary School.

Details of the Trustees who served throughout the period and up to the date of this report except as noted are included in the Reference and Administrative Details on page 1.

##### **Members' liability**

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

##### **Trustees' Indemnities**

Subject to the provisions of the Companies Act 2006, every Trustee, officer or auditor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

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

The articles of the academy trust state that the Board of Trustees should be constituted as follows:

The number of Trustees (Directors) shall be not less than three and shall not be subject to any maximum.

Members may appoint up to 5 Trustees and any number of staff Trustees, providing the number of staff Trustees does not exceed one third of total trustees.

The Chairman of each Local Governing Body shall be a Trustee, appointed by the Governing Body.

The Headteacher shall be treated for all purposes as being an ex officio Trustee.

There shall be a minimum of 2 Parent Trustees, elected by the Parent Members of the Advisory Bodies/Local Governing Bodies. Parent Trustees must be a parent of a registered pupil of Graveney Primary School or of one of the other local Academies. Any election of Parent Trustees which is contested will be held by secret ballot.

## **GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2019**

#### **Method of Recruitment and Appointment or Election of Trustees (continued)**

If the number of Parents standing is less than the number of vacancies, the number of Parent Trustees required will be made up of Parent Governors appointed by the Governing Body.

The Trustees may appoint up to three co-opted Trustees. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees (including the Headteacher).

The Secretary of State may appoint Additional Trustees as he thinks fit if a warning notice has been given to the Trustees because the standards of performance are unacceptably low, there is a serious breakdown in the way the Academy is managed and the safety of staff and pupils is threatened and following this, the Trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint Additional Trustees following an inspection by the Chief Inspector in accordance with the Education Act 2005 and the Academy Trust receives an Ofsted grading which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a five year period.

The Secretary of State may also appoint Further Trustees as he thinks fit if a Special Measures Termination Event occurs.

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

The induction provided for new Trustees is tailored to their existing experience, with training provided on charity, educational, legal and financial matters as necessary. Copies of the policies, procedures, minutes, accounts, budget, plans and any other necessary documents that they will need to undertake their role as a Trustee will be made available. Each new Trustee is also allocated a mentor Trustee to support them in their new role.

Ongoing training is available through Kent County Council Governor Services. They provide an annual calendar of training events in addition to online training that all Trustees can access. The Academy will also employ bespoke trainers where deemed necessary. Training sessions for all Trustees are arranged at the School on appropriate topics, usually once per year. A Trustee is designated to oversee and collate the training records and to arrange bespoke sessions. Trustees are also invited by the Headteacher to attend Staff training sessions, where appropriate.

#### **Organisational Structure**

The Trustees are responsible for the strategic direction of the School, making major decisions and monitoring the activities of the School. This is achieved through six meetings a year of the Full Trustee Board and meetings of Working Parties set up to look at specific areas of the School's activities. The Trustees are responsible for monitoring the performance of the Headteacher on a regular basis.

The Headteacher is assisted by the Senior Management Team, including the Business Manager and the teaching and administrative staff and is responsible for the day-to-day running of the school.

The Headteacher is the accounting officer of the academy trust.

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

The Trustee Board is ultimately responsible for all pay decisions affecting staff in this school. National Payscales are used for Teaching staff and Kent Scheme for support staff. The headteacher's pay is based on the payband size of the school.

The Trustees will delegate all pay decisions with the exception of decisions relating to the pay of the Leadership team to the Headteacher. All references in this Policy to the Pay Committee will then apply to the Headteacher.

All decisions relating to the pay for members of the Leadership pay spine, including the Headteacher will be taken by the Trustees.

## **GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2019**

#### **Related Parties and Connected Charities and Organisations**

The School has no subsidiaries and is not connected to any other organisation.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and Aims**

The School's object is to advance for the public benefit education in the Graveney area of Kent, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a primary school offering a broad and balanced curriculum.

The following objectives were included in the School Improvement Plan for 2018-19:

- 1.1 Leaders and Governors focus on all groups of pupils including disadvantaged groups to ensure that additional funding is used effectively
- 1.2 Middle leaders focus on improving quality of teaching and learning through triangulation monitoring
- 1.3 Members and Trustees are able to discharge their different responsibilities effectively to hold the school to account
- 2.1 Teaching will promote a range of additional independent learning skills to support children's approach to learning
- 2.2 Safeguarding procedures in the school remain thorough.
- 3.1 Further develop behaviour for learning
- 3.2 Build upon improvements in attendance
- 3.3 Ensure that the quality of teaching impacts on learning and improves progress
- 4.1 High 'quality first' teaching and well placed intervention improves outcomes for children
- 4.2 Increase % of children meeting the expected and higher standards in maths including the Early Years
- 4.3 Ensure that combined attainment at end of Year 6 is above national outcomes
- 4.4 Ensure outcomes for pupils in identified groups match those of other pupils

##### **Objectives, Strategies and Activities**

##### **Graveney Primary School Vision**

Graveney Primary School provides a positive learning community delivered through partnership which believes in the uniqueness of each child. We aim to nurture the spiritual, cultural and mental development of each individual within a caring and safe environment. We are committed to a process of continual improvement promoting aspiration, confidence and enjoyment.

Our aims for all our children at Graveney are to ensure they will:

- have high expectations of themselves and others at all times
- have respect for themselves and others in our diverse community as well as the environment
- have the confidence to work independently and collaboratively, and to embrace new challenges
- have an enthusiasm for learning which empowers them in achieving their best in all aspects of life and follow a healthy lifestyle.
- be able to reflect, evaluate and build upon their experiences at Graveney, with happiness and pride.

Our curriculum is broad, balanced, flexible, exciting and relevant, inclusive and well planned. We ensure it enables pupils to make a significant contribution to their school, their community and the wider world.

## **GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2019**

#### **Public Benefit**

The Trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set

The public benefit of Graveney Primary School is the advancement of education within the local community.

#### **Strategic Report**

#### **ACHIEVEMENT AND PERFORMANCE**

The School had 104 students on roll (maximum capacity is 105).

Targets have been set for all pupils in the school. These are linked to the priorities in the school improvement plan and staff performance management targets. The school set's challenging targets aimed ensuring that all pupils are achieving their true potential.

Attendance across the whole school was 96.79%, with our pupil premium pupils (PPP) achieving 92.98%, whole school attendance has continued to be above average although there was a decrease in the attendance of our PPP this year; due to our small cohort one pupil's low attendance impacted considerably on this group of pupils. Some parents continue to take holidays during term time, despite the school taking all its Inset days as a block. All holidays are recorded as unauthorised, unless there are exceptional circumstances.

There are currently 15.4% of children who are on the Special Needs register. They are mainly supported through the school's provision map; this is a document for each year group that identifies individuals and groups showing their additional support. Higher Level Teaching assistants are used to support groups of children and individuals, including those with additional health and care needs. Children's progress is carefully tracked using SIMs Assessment Manager.

Graveney Primary School has remained above the national average for outcomes in EYFS, with 78% achieving a Good Level of Development this year.

Attainment in year 1 phonics also remains above national average with 86% achieving the expected standard. All year 2 pupils who completed the retake were successful with the school achieving 100% once more this year. Our Key stage 1 results continue to be above local and national averages with 87.5% of pupils achieving expected standards in Reading, Writing and Maths. The combined achievement for this group was 75% achieving the expected standard in all 3 subjects. Pupils achieving Greater Depth in Key Stage 1 were also above national average with 25% achieving Reading (slightly below but less than one pupil), 18.75% Writing and 18.75% Maths. The Pupil Premium pupils in this cohort achieved the expected standard for Reading and Maths.

#### **Key Performance Indicators**

Results in Key Stage 2 showed a significant increase in most subjects with pupils achieving the expected standards and those expected to achieving the higher standards. Pupils achieving the expected standard in Key Stage 2 achieved; Reading 85.71%, Writing 92.86%, GPS 100% and Maths 100%, these are outstanding results achieved as a result of the quality of education in the school. The combined Reading, Writing and Maths for KS2 was 85.71%, this is now significantly above the national average of 65%. 100% of our Pupil Premium pupils achieving the expected standard in all areas.

The school has focused relentlessly on improving the results for pupils achieving greater depth. This is evident in our results which were once again significantly increased this year; Reading 35.71%, Writing 28.57%, GPS 28.57%, Maths 35.71% this year. Each pupil in this cohort represented 7.1%.

## **GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2019**

#### **Key Performance Indicators (continued)**

Our value added progress scores continue to improve with our average +0.5, the individual subjects are as follows; +0.7 for reading, +0.19 for writing and +0.6 for maths. The progress of pupils in Maths this year is evidence of the impact of the CPD and improvements the school has implemented in our Maths Curriculum over the past 2 years.

#### **Financial Key Performance Indicators**

Staff costs as a percentage of total income, excluding capital grants, for the year to 31 August 2019:

	<b>2018/19</b>	<b>2017/18</b>
Teaching and educational support staff	57.0%	59.6%
Other support staff	15.1%	22.7%
Total staff	72.1%	82.3%

#### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### **FINANCIAL REVIEW**

The Academy's accounting period covers the year to 31 August 2019.

The majority of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed assets fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The result for the year ended 31 August 2019 was a deficit of £7,230 (before accounting for fixed assets and the pension reserve) (2018: deficit of £43,862). Reserves at 31 August 2019 were £22,565 (before accounting for fixed assets and the pension reserve) (2018: £15,335).



## **GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2019**

#### **FINANCIAL REVIEW - continued**

##### **Reserves Policy**

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments of the School, including future capital projects, and the nature of the reserves. The Trustees recognise the need for a level of financial reserves that will shield the school from the possibility of adverse unforeseen circumstances. The school will seek to have reserves that will cover from one to three months of annual expenditure. For the 18/19 year such reserves amount to £47,174.

The Trustees have considered the risks and opportunities and reviewed the level of cash reserves which it deems prudent to maintain for the year 19/20. The available funds held as at 31 August 2019 are £22,565, which although gradually increasing since the staff restructure in 17/18 are still lower than deemed necessary. With increased fundraising and further planned efficiencies the Three year plan shows a positive build of reserves expected to be £37,000, at the end of 21/22.

The academy held fund balances at 31 August 2019 of £909,623 (2018: £1,023,042) comprising £1,148,058 of restricted funds (before accounting for the pension) (2018: £1,182,707) and £22,565 (2018: £15,335) of unrestricted general funds. Restricted funds (excluding restricted fixed asset funds) are £ (261,000) at the year-end (2018: £ (175,000)) after accounting for the deficit on the local government pension scheme. The deficit on the scheme as at 31 August 2019 was £261,000 (2018: £175,000). It should be noted however that this deficit will not crystallise in the foreseeable future and that the academy follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. This level of contributions has been taken into account when preparing the academy's budgets for the year ending 31 August 2020. The combined balance of restricted general funds (excluding pension reserve) plus unrestricted funds at 31 August 2019 was £22,565 (2018: £15,335).

##### **Investment Policy**

The Academy is limited to the amount of reserves that it is able to hold and in general these need to be readily accessible. The practice is, therefore, to keep any reserves in an interest bearing bank account.

##### **Principal Risks and Uncertainties**

The principal risk and uncertainty in respect of the School relates to the future funding available due to the current drop in birth rate in the area. The school has sought forecasts from Faversham Primary Planning admissions team at the local authority to enable realistic planning for future pupil places. The School mitigates this risk as far as possible by preparing budgets which are prudent, and well informed to ensure that the level of anticipated funding is sufficient to meet the requirements of the School. Monitoring of actual performance of budgets is undertaken monthly by the Finance Officer and the Trustees. Any shortfall identified is considered by the Trustees and remedial action taken with a view to balancing the budget.

#### **FUNDRAISING**

Graveney Primary School had a Friends Group who support the school with fundraising. This is limited to school fayres, cake stalls and occasional discos. The Friends of Graveney donated a total of £5,968 during 2018-19. These funds were mainly used to support funding for transport and educational visits. Due to the resignation of both the chair and treasurer of the PTA at the end of 2018-19 the existing PTA group has been disbanded. A new PTA is currently being established.

**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**PLANS FOR FUTURE PERIODS**

The School seeks continuous improvement in its provision of education and a similar improvement in its fixed assets and its resources. Our collaboration continues with Luddenham and Sheldwich Primary Schools, with regular meetings between our headteachers, managers and governing bodies to share good practice and resources. The School also works in collaboration through the School Partnership Programme (EDF). The SPP is a partnership-based approach to school improvement that is developed through groups of schools building capacity and capability in effective school self-review, peer review and school-to-school support and improvement. Graveney Primary school works with a group of schools in the Ashford area during 2018-19, and will continue into 2019-20.

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

The Trustees hold no funds as custodian trustee.

**AUDITORS**

In so far as the trustees are aware:

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

Report of the Trustees, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 28<sup>th</sup> November 2019 and signed on its behalf by:



Mr R Kitto  
Chair

## **GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

### **GOVERNANCE STATEMENT** **FOR THE YEAR ENDED 31 AUGUST 2019**

#### **Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Graveney Primary School 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 the trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### **Governance**

The Trustee Board operates a "Circle Model" of governance. This method has been evaluated and implemented to ensure that the body is truly Strategic. The Trustees works as a whole team, meeting at least 6 times per year, once in each term, without any separate committees. An agenda for each meeting will include all the tasks which the Trustee Board is required to consider, and the Trustees will 'commission' assignments or activities arising from the business of the meeting, which will be recorded in the minutes. In addition to 'commissioning' activities or actions on their behalf, the Trustees may wish to delegate monitoring activities to 'Monitoring Pairs' or individuals. This could apply to statutory functions, and/or the priorities of the School Plan.

In each case where a function has been delegated, there is a duty to report any action or decision to the Trustee Board at the next meeting.

The Trustees create an annual Strategic Focus for each academic year, each member then completes an annual self-review and the Strategic document is then evaluated to ensure that the objectives have been achieved.

The Trustees' Strategic Vision Statement is included above, in the 'Objectives and Activities' section.

The Trustee Board takes a strategic approach to monitoring under the 'Circle Model'. We are the critical friend to the school and ensure legal responsibilities are being adhered to by reviewing, monitoring visits and Headteacher performance monitoring. We are responsible for setting and reviewing the policies and procedures for the school.

We contribute to, and review the School Improvement Plan and Self Evaluation Forms to ensure that they are in line with the aims of the school.

We engage in dialogue with all the stakeholders for the success of the school and create a strong working relationship with the Senior Management Team by maintaining strategic focus and not interfering with operational matters.

#### ***Working Together***

We believe that success is built on working together. Graveney Primary School Board of Trustees works with all stakeholders for the benefit of the children, their education and the future success of the school.

#### **Membership**

Mr R Kitto ~ Member ~ Trustee ~ Chair

Mr A Bowles ~ Member

Ms E Bell ~ Member

Mr B Snashall ~ Member (Appointed Sept 19)

Mr D Cavallina ~ Member (Appointed Sept 19)

The members have met once this year.

## GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)

### GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2019

#### **Trustees**

Mr R Kitto ~ Member ~ Trustee ~ Chair

Responsible for: Attainment/learning/progress, Leadership & Management, Headteacher Appraisal, Personal Development & Wellbeing Health Safety, Sports Premium, Governor Self review Panel, Circle Model TOR review W/P.

Mr B Snashall ~ Trustee ~ (Resigned Sep 19)

Responsible for: Budget Monitoring, Finance, Attainment/Learning/Progress, Leadership & Management, Headteacher Appraisal, Safeguarding Trustee, Appeals Panel.

Mrs A Blackwell ~ Trustee ~ Headteacher ~ Accounting Officer

Responsible for: Teaching & Assessment, Leadership & Management, Sports Premium, Governor Self Review Panel, Circle Model Terms of Reference review Working Party.

Mrs M Hewitt ~ Trustee ~ Vice Chair

Responsible for: Achievement for All Governor SEN, Teaching and Assessment, Leadership & Management, Early Years Goals, Headteacher PM Panel, Maths W/P, Trustee Self Review Panel, Circle Model TOR review W/P GDPR.

Mrs D Knibbs ~ Staff Trustee. Finance Officer

Responsible for: Personal Development and Wellbeing, Health and Safety, Leadership and Management

Mrs S Dunkin ~ Staff Trustee,

Responsible for: Leadership & Management, Training & Development

Mrs V Keep ~ Parent Trustee

Responsible for: Early Years Goals, Leadership & Management, Safeguarding Trustee, Child Protection, Maths W/P

Mr D Cavallina ~ Parent Trustee (Resigned Oct.2018)

Responsible for: Leadership & Management, Budget Monitoring, GDPR.

Mrs S Jefferys ~ Parent Trustee

Responsible for: Finance, Budget Monitoring, Leadership & Management, SEN.

Mr M Wicks ~ Co-opted Trustee (Appointed Sept 19)

Responsible for: Finance, Budget Monitoring, Leadership & Management

#### **Governance**

The information included on governance here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The full Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Blackwell (headteacher)	6	6
S Jefferys	5	6
S Dunkin (staff trustee)	6	6
R Kitto (Chairman)	6	6
D Knibbs (staff trustee)	6	6
D Cavallina (resigned 30.10.18)	0	2
B Snashall (resigned 01.09.19)	0	6
V Keep	5	6
M Hewitt(vice chair)	5	6
M Wicks (Appointed 1.09.19)	0	0

## **GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

### **GOVERNANCE STATEMENT** **FOR THE YEAR ENDED 31 AUGUST 2019**

#### **Review of Value for Money**

As accounting officer, the Head Teacher 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 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 trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by: ensuring that the school continues to provide a rich and challenging curriculum. The development of our Maths curriculum has been a key priority with investment in resources, and staff CPD to ensure the quality of teaching in this subject is strong. All staff have received training and CPD opportunities developing the teaching of Maths using White Rose (Mastery). Pupils' attainment across the school has improved as a result of this.

Following the redundancy of two members of staff in September 2018 the staffing structure has been streamlined. Pupils' progress and attainment has increased with the quality of teaching improving in all key stages. Staff continue to provide a broad and balanced curriculum.

The focus for 2019-20 is the development of reading across the school. A review of the school reading schemes and resources has identified that some books are no longer suitable and fit for purpose. New books have been sourced and staff are keen to develop a reading for pleasure culture across the school which will ensure that standards are maintained in this key area of the curriculum.

#### **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 Primary School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

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

#### **The Risk and Control Framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustee Board;
- regular reviews by the Finance Monitoring Pair 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.

**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**The Risk and Control Framework - continued**

The Governing Body has considered the need for a specific internal audit function and has decided to appoint an internal committee, comprising our new Trustee a Chartered Accountant who has experience of audit work with an existing finance trustee. A peer review of Finance and school management is undertaken by the manager of another Primary school. Their findings are reported to the Trustees. Four reports were undertaken during the accounting period.

The following areas were covered this year:

- Budget and Staffing Structure
- School Resource Management Self-Assessment Dashboard and Benchmarking
- Health & Safety
- Efficiencies
- Year budget projections
- KPI's
- Bank Reconciliations
- Income

The Governing body receive monthly management accounts and monitoring reports and a covering finance report at each meeting. The Headteacher produces a report for every meeting. During the year no issues were identified.

**Review of Effectiveness**

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

- the work of the finance monitoring pair and peer reviews
- the work of the external auditor;
- the work of the business manager within the Academy Trust who has responsibility for the development and maintenance of the internal control framework. A small related party transaction did take place in May/June 19 for £186. This has been notified to the ESFA in retrospect.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Monitoring Pair and the Peer review, no issues were identified, further reviews will be undertaken to ensure that continuous review and improvement of the system is in place.

Approved by order of the members of the board of trustees on 28<sup>th</sup> November 2019 and signed on its behalf by:



Mr R Kitto  
Chair



Mrs A Blackwell  
Accounting Officer

**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance have been notified to the Board of Trustees and the ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

**Related party transaction – non-compliance**

A transaction of £186 with a related party occurred after the 1 April 2019 but was not reported to the ESFA in advance of the transaction taking place in accordance with the Financial Handbook, see note 20 for further details.

Mrs A Blackwell  
Accounting Officer  
28<sup>th</sup> November 2019



**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

The trustees (who act as governors of Graveney Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 28th November 2019 and signed on its behalf by:



Mr R Kitto  
Chair



**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF**  
**GRAVENEY PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- 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 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. Other information includes the report of the trustees (incorporating the strategic report and director's report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Report of the Trustees has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF**  
**GRAVENEY PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**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 Report of the Trustees.

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

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

**Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

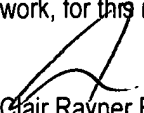
**Auditor's responsibilities for the audit of the financial statements**

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

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

**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.

  
Claire Rayner FCA DChA (Senior Statutory Auditor)  
McCabe Ford Williams  
Statutory Auditors and Chartered Accountants  
Bank Chambers  
1 Central Avenue  
Sittingbourne  
Kent  
ME10 4AE

Date: 28th November 2019

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO**  
**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**  
**AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 18 September 2019 and further to the requirements of the Education and 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 Primary School 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 Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Graveney Primary School and the 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 Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Graveney Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Graveney Primary School's funding agreement with the Secretary of State for Education dated 1 December 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the 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 the 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 a review of the following:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work of the internal reviewers performing additional system checks during the period;
- Review of governance arrangements and procedures and related compliance with the requirements of the Academies Financial Handbook.
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the Board of Trustees and the occurrence of transactions with connected parties;
- Review of fixed asset transactions against the requirements of the funding agreement between Graveney Primary School and the Secretary of State for Education and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO**  
**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**  
**AND THE EDUCATION AND SKILLS FUNDING AGENCY**

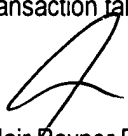
- Review of bank statements, minutes of meetings and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff; and
- Review of procurement activity during the period

**Conclusion**

In the course of our work, except for the matter listed below 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.

**Matter 1 - Related party transaction – non-compliance**

A transaction of £186 with a related party occurred after the 1 April 2019 but was not reported to the ESFA in advance of the transaction taking place in accordance with the Financial Handbook, see note 20 for further details



Clair Rayner FCA DChA (Reporting Accountant)  
for and on behalf of McCabe Ford Williams  
Statutory Auditors and Chartered Accountants  
Bank Chambers  
1 Central Avenue  
Sittingbourne  
Kent  
ME10 4AE

Date: 28th November 2019

**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

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

	Notes	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	31.8.19 Total funds £	31.8.18 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	7,563	-	11,378	18,941	7,174
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	27,494	493,559	-	521,053	505,669
Other trading activities	4	1,637	-	-	1,637	1,272
Investment income	5	28	-	-	28	41
<b>Total</b>		<b>36,722</b>	<b>493,559</b>	<b>11,378</b>	<b>541,659</b>	<b>514,156</b>
<b>EXPENDITURE ON:</b>						
<b>Charitable activities</b>						
Academy's educational operations	7	13,736	540,458	42,884	597,078	618,738
<b>Total</b>	6	<b>13,736</b>	<b>540,458</b>	<b>42,884</b>	<b>597,078</b>	<b>618,738</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>22,986</b>	<b>(46,899)</b>	<b>(31,506)</b>	<b>(55,419)</b>	<b>(104,582)</b>
Transfers between funds	15	(15,756)	18,899	(3,143)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit schemes	19	-	(58,000)	-	(58,000)	57,000
<b>Net movement in funds</b>		<b>7,230</b>	<b>(86,000)</b>	<b>(34,649)</b>	<b>(113,419)</b>	<b>(47,582)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		15,335	(175,000)	1,182,707	1,023,042	1,070,624
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>22,565</b>	<b>(261,000)</b>	<b>1,148,058</b>	<b>909,623</b>	<b>1,023,042</b>

The notes form part of these financial statements

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

	Notes	31.8.19 £	31.8.19 £	31.8.18 £	31.8.18 £
<b>Fixed assets</b>					
Tangible assets	12		1,148,058		1,179,571
<b>Current assets</b>					
Debtors	13	5,726		18,824	
Cash at bank and in hand		<u>30,775</u>		<u>36,434</u>	
		36,501		55,258	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	<u>(13,936)</u>		<u>(36,787)</u>	
<b>Net current assets</b>			<u>22,565</u>		<u>18,471</u>
<b>Total assets less current liabilities</b>			1,170,623		1,198,042
Defined benefit pension scheme liability	19		<u>(261,000)</u>		<u>(175,000)</u>
<b>Total net assets</b>			<u>909,623</u>		<u>1,023,042</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>					
Fixed asset funds	15	1,148,058		1,182,707	
General funds	15	-		-	
Pension reserve	15	<u>(261,000)</u>		<u>(175,000)</u>	
<b>Total restricted funds</b>			887,058		1,007,707
<b>Unrestricted funds</b>					
General funds	15	<u>22,565</u>		<u>15,335</u>	
<b>Total unrestricted funds</b>			<u>22,565</u>		<u>15,335</u>
<b>Total funds</b>			<u>909,623</u>		<u>1,023,042</u>

The financial statements on pages nineteen to thirty nine were approved by the Board of Trustees on 28th November 2019 and were signed on its behalf by:

*Russell Kitto*

Mr R Kitto  
Chair

The notes form part of these financial statements

**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

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

	Notes	31.8.19 £	31.8.18 £
<b>Cash flows from operating activities</b>			
Net cash (used in) operating activities	1	(5,687)	(50,542)
<b>Cash flows from investing activities</b>	2	28	2,727
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(5,659)</u>	<u>(47,815)</u>
<b>Cash and cash equivalents at 1 September 2018</b>		<u>36,434</u>	<u>84,249</u>
<b>Cash and cash equivalents at 31 August 2019</b>	3	<u>30,775</u>	<u>36,434</u>

**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

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

<b>1. Reconciliation of net expenditure to net cash flow from operating activities</b>	<b>31.8.19</b>	<b>31.8.18</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period (as per the statement of financial activities)	(55,419)	(104,583)
Adjustments for:		
Depreciation (note 6)	42,884	35,306
Capital grants from DfE/ESFA (note 2)	(11,378)	(5,136)
Interest received (note 5)	(28)	(41)
Decrease/(increase) in debtors	13,098	(1,732)
Increase/(decrease) in creditors	(22,853)	(5,356)
Loss on disposal of tangible fixed asset	9	-
Defined benefit pension scheme cost less contributions payable (note 19)	23,000	26,000
Defined benefit pension scheme finance cost (note 19)	<u>5,000</u>	<u>5,000</u>
<b>Net cash used in operating activities</b>	<b><u>(5,687)</u></b>	<b><u>(50,542)</u></b>
<b>2. Cash flows from investing activities</b>		
	<b>31.8.19</b>	<b>31.8.18</b>
	<b>£</b>	<b>£</b>
Dividends, interest and rents from investments (note 5)	28	41
Purchase of tangible fixed assets (note 12)	(11,378)	(2,450)
Capital grants from DfE/ESFA (note 2)	<u>11,378</u>	<u>5,136</u>
<b>Net cash provided by (used in) investing activities</b>	<b><u>28</u></b>	<b><u>2,727</u></b>
<b>3. Analysis of cash and cash equivalents</b>		
	<b>31.8.19</b>	<b>31.8.18</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>30,775</u>	<u>36,434</u>



**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.

**Basis of preparing the financial statements**

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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of approval of the financial statements. Having reviewed budget forecasts and the letter of funding issued by the ESFA, the Governors are confident that the going concern basis of accounting is appropriate.

**Income**

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable.

Capital grants are recognised when there is an unconditional entitlement to the grant and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund.

- **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 assets**

Donated 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.

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

**1. ACCOUNTING POLICIES – continued**

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Governance costs**

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

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

Long leasehold	- straight line over 50 years and straight line over 125 years
Leasehold property improvements	- straight line over 10 years
Fixtures and fittings	- straight line over 5 years
Computer equipment	- straight line over 4 years

Assets are capitalised on a case by case basis, after consideration by the Trustees. Once capitalised, tangible fixed assets 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

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.

**Taxation**

The Academy 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 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.

**Fund accounting**

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

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

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

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

**1. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

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

**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:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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.

**Critical accounting estimates and areas of judgement**

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

*Critical accounting estimates and assumptions*

The academy trust 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 key assumption about the future is that the academy trust will continue to be funded, at a comparable level, by the ESFA.

The key source of estimation uncertainty is the valuation of the Local Government Pension Scheme (LGPS). The present value of the LGPS 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

**Pension 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy trust.

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

**1. ACCOUNTING POLICIES – continued****Pension benefits - continued**

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 quinquennial valuations using a prospective benefit method. As stated in note 19, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**Leasehold property**

The land and buildings from which the academy operates are leased from Kent County Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the lease the risks and rewards of ownership have been substantially transferred to Graveney Primary School and accordingly to reflect its use, the value of the property has been included in fixed assets with an appropriate credit to voluntary income within the restricted fixed asset fund. The property was valued at depreciated replacement cost by professional valuers who specialise in public sector property valuation. The valuation was specifically carried out in accordance with the capital accounting requirements of the Charities SORP.

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted Funds £	Restricted Funds £	31.8.19 Total Funds £	31.8.19 Total Funds £
Capital grants:				
Devolved capital	-	11,378	11,378	5,136
Other donations	7,563	-	7,563	2,038
	<u>7,563</u>	<u>11,378</u>	<u>18,941</u>	<u>7,174</u>

**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

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

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	438,113	438,113	436,737
Other DfE/ESFA Grants	-	44,966	44,966	42,871
	-	483,079	483,079	479,608
<b>Other government grant</b>				
Local Authority grants	-	4,892	4,892	4,658
Other income from the academy trust's educational operations	27,494	5,588	33,082	21,403
	<u>27,494</u>	<u>493,559</u>	<u>521,053</u>	<u>505,669</u>

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
Trading activities	<u>1,637</u>	<u>-</u>	<u>1,637</u>	<u>1,272</u>

**5. INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
Deposit account interest	<u>28</u>	<u>-</u>	<u>28</u>	<u>41</u>

**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

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

**6. EXPENDITURE**

			Non-pay expenditure	31.8.19	31.8.18
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	302,241	55,817	95,074	453,132	464,707
Allocated support costs	<u>108,082</u>	<u>15,296</u>	<u>20,568</u>	<u>143,946</u>	<u>154,031</u>
	<u>410,323</u>	<u>71,113</u>	<u>115,642</u>	<u>597,078</u>	<u>618,738</u>

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

	31.8.19	31.8.18
	£	£
Auditor's remuneration	5900	5,060
Auditor's fees, non-audit work	400	695
Depreciation - owned assets	42,884	35,306
Hire of plant and machinery	<u>935</u>	<u>1,028</u>

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds	Restricted funds	31.8.19 Total funds	31.8.18 Total funds
	£	£	£	£
<b>Direct costs</b>	9,650	443,482	453,132	464,707
<b>Support costs</b>	<u>4,086</u>	<u>139,860</u>	<u>143,946</u>	<u>154,031</u>
	<u>13,736</u>	<u>583,342</u>	<u>597,078</u>	<u>618,738</u>

	31.8.19 Total	31.8.18 Total
	£	£
<b>Analysis of support costs</b>		
Support staff costs	108,082	115,514
Depreciation	9,224	7,911
Technology costs	2,029	2,031
Premises costs	6,072	6,456
Other support costs	12,239	16,364
Governance costs	<u>6,300</u>	<u>5,755</u>
<b>Total support costs</b>	<u>143,946</u>	<u>154,031</u>

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

**8. TRUSTEES' REMUNERATION AND BENEFITS**

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The Headteacher and Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of the Trustees' remuneration and other benefits was as follows:

Alison Blackwell (head teacher and staff trustee)

Remuneration	£45,000 - £50,000	(2018: £45,000 - £50,000)
Employer's pension contributions	£5,000 - £10,000	(2018: £5,000 - £10,000)

Dreena Knibbs (staff trustee)

Remuneration	£35,000 - £40,000	(2018: £35,000 - £40,000)
Employer's pension contributions	£5,000 - £10,000	(2018: £5,000 - £10,000)

Sarah Dunkin (staff trustee, reappointed 05.09.17)

Remuneration	£10,000 - £15,000	(2018: £0 - £5,000)
Employer's pension contributions	£0 - £5,000	(2018: £0 - £5,000)

Mr R Kay, who has a relationship with Sarah Dunkin, a Staff Trustee, is an employee of the Trust. The remuneration of Mr Kay for the year ended 31 August 2019 was in the range £5,000 – £10,000 (2018: £5,000 – £10,000).

**Trustees' expenses**

There were trustees' expenses of £36 paid to one trustee for the year ended 31 August 2019 (2018: £35).

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

**9. STAFF COSTS**  
**a. Staff costs**

	31.8.19	31.8.18
	£	£
Wages and salaries	302,047	297,150
Social security costs	27,363	26,753
Other pension costs	52,913	53,112
Operating costs of LGPS	<u>28,000</u>	<u>31,000</u>
	410,323	408,015
Supply teacher costs	-	170
Supply teacher insurance	-	-
Staff restructuring costs	<u>-</u>	<u>10,539</u>
	<u>410,323</u>	<u>418,724</u>

Staff restructuring costs comprise:

Redundancy payments	<u>-</u>	<u>10,539</u>
	<u>-</u>	<u>10,539</u>

**b. Non statutory/non-contractual staff severance payments**

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

**c. Staff numbers**

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.19	31.8.18
Teachers	5	5
Administration and support	8	8
Management	<u>2</u>	<u>2</u>
	<u>15</u>	<u>15</u>

No employees received emoluments in excess of £60,000 in the year to 31 August 2019 or in the year to 31 August 2018.

**a. Key management personnel**

The key management personnel of the academy trust comprise the trustees. The Head Teacher, the School Business Manager/Finance Officer and Admin Assistant who are also trustees, are deemed to be key positions.

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 £129,947 (2018: £126,362).



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

**10. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>INCOME AND ENDOWMENTS</b>				
<b>FROM:</b>				
Donations and capital grants	2,038	-	5,136	7,174
<b>Charitable activities:</b>				
Funding for the academy's educational operations	20,703	484,966	-	505,669
Other trading income	1,272	-	-	1,272
Investment income	41	-	-	41
<b>Total</b>	<b>24,054</b>	<b>484,966</b>	<b>5,136</b>	<b>514,156</b>
<b>EXPENDITURE ON:</b>				
<b>Charitable activities:</b>				
Academy's educational operations	63,502	519,930	35,306	618,738
<b>Total</b>	<b>63,502</b>	<b>519,930</b>	<b>35,306</b>	<b>618,738</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(39,448)</b>	<b>(34,964)</b>	<b>(30,170)</b>	<b>(104,582)</b>
<b>Transfers between funds</b>	-	(450)	450	-
<b>Other recognised gains/(losses):</b>				
Actuarial gains/losses on defined benefit schemes	-	57,000	-	57,000
<b>Net movement in funds</b>	<b>(39,448)</b>	<b>21,586</b>	<b>(29,720)</b>	<b>(47,582)</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>54,783</b>	<b>(196,586)</b>	<b>1,212,427</b>	<b>1,070,624</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>15,335</b>	<b>(175,000)</b>	<b>1,182,707</b>	<b>1,023,042</b>

**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

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

**12. TANGIBLE FIXED ASSETS**

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 September 2018	1,311,474	13,078	70,811	1,395,363
Additions	-	6,760	4,618	11,378
Disposals	-	(273)	(5,721)	(5,994)
At 31 August 2019	<u>1,311,474</u>	<u>19,565</u>	<u>69,708</u>	<u>1,400,747</u>
<b>DEPRECIATION</b>				
At 1 September 2018	147,488	10,024	58,280	215,792
Charge for year	34,500	1,610	6,774	42,884
Eliminated on disposal	-	(264)	(5,721)	(5,985)
At 31 August 2019	<u>181,988</u>	<u>11,370</u>	<u>59,333</u>	<u>252,691</u>
<b>NET BOOK VALUE</b>				
At 31 August 2019	<u>1,129,486</u>	<u>8,195</u>	<u>10,375</u>	<u>1,148,056</u>
At 31 August 2018	<u>1,163,986</u>	<u>3,054</u>	<u>12,531</u>	<u>1,179,571</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.19 £	31.8.18 £
Prepayments and accrued income	3,949	11,645
VAT	1,777	5,164
Other debtors	-	2,015
	<u>5,726</u>	<u>18,824</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.19 £	31.8.18 £
Trade creditors	-	5,262
Accruals and deferred income	<u>13,936</u>	<u>31,525</u>
	<u>13,936</u>	<u>36,787</u>

**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

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

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**  
**Deferred income**

	31.8.19	31.8.18
	£	£
Deferred income at 1 September	7,393	6,501
Released from previous years	(7,393)	(6,501)
Resources deferred in the year	<u>7,393</u>	<u>7,393</u>
Deferred income at 31 August	<u>7,393</u>	<u>7,393</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals of £7,393 (2018: £7,393).

**15. FUNDS**

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

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	438,113	(457,012)	18,899	-
Other DfE/ESFA grants	-	44,966	(44,966)	-	-
Other government grants	-	4,892	(4,892)	-	-
Other restricted grants	-	5,588	(5,588)	-	-
Pension reserve	<u>(175,000)</u>	-	<u>(28,000)</u>	<u>(58,000)</u>	<u>(261,000)</u>
	<u>(175,000)</u>	<u>493,559</u>	<u>(540,458)</u>	<u>(39,101)</u>	<u>(261,000)</u>
<b>Restricted fixed asset funds</b>					
Inherited assets	1,129,231	-	(22,267)	-	1,106,964
DfE/ESFA capital grants	28,059	11,378	(11,452)	(3,143)	24,842
Capital expenditure from GAG	<u>25,417</u>	-	<u>(9,165)</u>	-	<u>16,252</u>
	<u>1,182,707</u>	<u>11,378</u>	<u>(42,884)</u>	<u>(3,143)</u>	<u>1,148,058</u>
<b>Total restricted funds</b>	<u>1,007,707</u>	<u>504,937</u>	<u>(583,342)</u>	<u>(42,244)</u>	<u>887,058</u>
<b>Unrestricted funds</b>					
General fund	<u>15,335</u>	<u>36,722</u>	<u>(13,736)</u>	<u>(15,756)</u>	<u>22,565</u>
<b>Total funds</b>	<u>1,023,042</u>	<u>541,659</u>	<u>(597,078)</u>	<u>(58,000)</u>	<u>909,623</u>

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

**15. FUNDS - continued**

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

**General Annual Grant (GAG)**

Funds must be used for the normal running costs of the Academy. 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.

**Other restricted general funds**

Funding is provided by Government grants and the Kent Music Hub in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities.

**Restricted fixed asset funds**

Funding is provided by way of Government grants or capital expenditure from the GAG in order to acquire specified fixed assets for use by the Academy in achieving its educational objectives. A one-off transfer of buildings and other fixed assets previously in use by Graveney Primary School occurred upon conversion to an Academy.

**Unrestricted funds**

Unrestricted funds can be used for any purpose at the discretion of the Academy.

**Transfers between funds**

In 2019 a total of £3,143 was transferred from fixed asset fund for revenue expenditure. £15,756 was transferred from unrestricted funds to cover the deficit on restricted funds.

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

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	4,248	436,737	(440,535)	(450)	-
Other DfE/ESFA grants	166	42,871	(43,037)	-	-
Other government grants	-	4,658	(4,658)	-	-
Other restricted funds	-	700	(700)	-	-
Pension reserve	(201,000)	-	(31,000)	57,000	(175,000)
	<u>(196,586)</u>	<u>484,966</u>	<u>(519,930)</u>	<u>56,550</u>	<u>(175,000)</u>
<b>Restricted fixed asset funds</b>					
Inherited assets	1,151,956	-	(22,725)	-	1,129,231
DfE/ESFA capital grants	49,760	5,136	(7,600)	(19,237)	28,059
Capital expenditure from GAG	10,711	-	(4,981)	19,687	25,417
	<u>1,212,427</u>	<u>5,136</u>	<u>(35,306)</u>	<u>450</u>	<u>1,182,707</u>
<b>Total restricted funds</b>	<u>1,015,841</u>	<u>490,102</u>	<u>(555,236)</u>	<u>57,000</u>	<u>1,007,707</u>
<b>Unrestricted funds</b>					
General fund	54,783	24,054	(63,502)	-	15,335
<b>Total funds</b>	<u>1,070,624</u>	<u>514,156</u>	<u>(618,738)</u>	<u>57,000</u>	<u>1,023,042</u>

**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

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

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,148,058	1,148,058
Current assets	22,565	13,936	-	36,501
Current liabilities	-	(13,936)	-	(13,936)
Pension scheme liability	-	(261,000)	-	(261,000)
	<u>22,565</u>	<u>(261,000)</u>	<u>1,148,058</u>	<u>909,623</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,179,571	1,179,571
Current assets	25,873	26,249	3,136	55,258
Current liabilities	(10,538)	(26,249)	-	(36,787)
Pension scheme liability	-	(175,000)	-	(175,000)
	<u>15,335</u>	<u>(175,000)</u>	<u>1,182,707</u>	<u>1,023,042</u>

**17. OPERATING LEASE COMMITMENTS**

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

	31.8.19 £	31.8.18 £
Amounts due within one year	767	1,624
Amounts due between one and five years	<u>1,585</u>	<u>2,571</u>
	<u>2,352</u>	

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

**18. MEMBERS LIABILITY**

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

**19. 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 Kent County 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 2012 and for the LGPS 31 March 2016.

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

**Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

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

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

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

**Scheme Changes - continued**

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

The employer's pension costs paid to TPS in the period amounted to £32,345 (2018: £29,588).

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 scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £26,000 (2018: £31,000), of which employer's contributions totalled £20,000 (2018: £24,000) and employees' contributions totalled £6,000 (2018: £7,000). The agreed contribution rate for the current year is 20% for employers and between 2.75% - 12.5% for employees.

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

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	31.8.19	3
Rate of increase in salaries	3.75%	
Rate of increase for pensions in payment/inflation	2.25%	
Discount rate for scheme liabilities	1.80%	

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

	31.8.19	3
<b>Retiring today</b>		
Males	22.1	2
Females	24.0	2
<b>Retiring in 20 years</b>		
Males	23.7	2
Females	25.8	2

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

**19. PENSION AND SIMILAR OBLIGATIONS - continued****Local Government Pension Scheme - continued****Sensitivity analysis**

Impact of change in assumptions on obligation:	31.8.19 £	31.8.18 £
0.1% increase in real discount rate	675,000	547,000
0.1% decrease in real discount rate	700,000	567,000
1 year increase in member life expectancy	712,000	575,000
1 year decrease in member life expectancy	663,000	540,000
0.1% increase in the pension increase rate	698,000	566,000
0.1% decrease in the pension increase rate	676,000	548,000

The academy trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2019 £	Fair value at 31 August 2018 £
Equities	291,000	260,000
Gilts	3,000	3,000
Other Bonds	38,000	34,000
Property	50,000	47,000
Absolute return fund	33,000	26,000
Cash	11,000	12,000
<b>Total market value of assets</b>	<b>426,000</b>	<b>382,000</b>
Present value of scheme liabilities		
-Funded	(687,000)	(557,000)
<b>Deficit in the scheme</b>	<b>(261,000)</b>	<b>(175,000)</b>

The actual return on scheme assets was £18,000 (2018: £15,000).

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

	31.8.19 £	31.8.18 £
Current service cost	(40,000)	(50,000)
Past service cost	(3,000)	-
Interest income	10,000	9,000
Interest cost	(15,000)	(14,000)
<b>Total operating charge</b>	<b>(48,000)</b>	<b>(55,000)</b>
Recognised in other gains / losses:		
Remeasurement gains	(58,000)	57,000
<b>Total amount recognised in the SOFA</b>	<b>(106,000)</b>	<b>2,000</b>



**GRAVENEY PRIMARY SCHOOL (A COMPANY LIMITED BY GUARANTEE)**

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

**19. PENSION AND SIMILAR OBLIGATIONS - continued**

**Local Government Pension Scheme – continued**

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

	31.8.19	31.8.18
	£	£
Opening defined benefit obligation	557,000	537,000
Current service cost	40,000	50,000
Interest cost	15,000	14,000
Change in financial assumptions	101,000	(51,000)
Change in demographic assumptions	(35,000)	-
Past service costs, including curtailments	3,000	-
Employee contributions	6,000	7,000
Closing defined benefit obligation	<u>687,000</u>	<u>557,000</u>

Changes in the fair value of academy trust's share of scheme assets were as follows:

	31.8.19	31.8.18
	£	£
Opening fair value of scheme assets	382,000	336,000
Interest income	10,000	9,000
Return on assets less interest	8,000	6,000
Employer contributions	20,000	24,000
Employee contributions	6,000	7,000
Closing fair value of scheme assets	<u>426,000</u>	<u>382,000</u>

The estimated value of employer contributions for the year ending August 2020 is £20,000.

**20. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations or individuals in which a trustee or member of senior management has an interest. All transactions involving such organisations or individuals are conducted in accordance with the requirements of the Academies Financial Handbook, subject to the regularity issue mentioned on page 13 and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There was a related party transaction during the year involving staff trustee, Sarah Dunkin's, daughter. Bethany Dunkin invoiced the school £186 for attending a residential trip as a sports helper. There are no other related party transactions during the year ended 31 August 2019 (2018: £nil) other than those transactions involving trustees disclosed in note 8.

**21. CAPITAL COMMITMENTS**

At 31 August 2019 the academy trust had no capital commitments.