

The Gryphon School

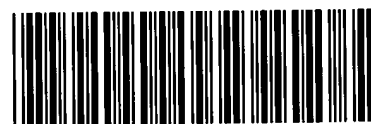
(Company limited by Guarantee and
not having a share capital)
Exempt Charity

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 August 2016

Company Registration No. 08130468

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The Gryphon School

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The Gryphon School

REFERENCE AND ADMINISTRATIVE DETAILS for the year ended 31 August 2016

Members

Mr N Rees* (Chairman)
Mr P Tebbatt*
Mr D Smart
Canon E Woods (Vice Chairman)

Governors (Trustees / Directors)

Ms J Atyeo*
Mr G Booth
Mr B Brown*
Mr A Cooke*
Mr T Crassweller*
Mrs M George
Mr A Harding (until 06.11.15)
Mr S Hillier (Headteacher and Accounting Officer)*
Mrs C Moses (until 31.08.16)
Mr S Murcer*
Mr N Rees (Chair)*
Miss F Roslund-Gustavsson (from 15.09.15 to 08.07.16)
Mr M Sandy
Mrs A Sinnott MBE* (until 17.04.16)
Mr H Straughan (until 31.08.16)
Mr D Smart
Mr P Tebbatt*
Mr N White* (from 15.09.15)
Canon E Woods DL
* Members of the Finance and Resources Committee

Company Secretary

Mr C Vigar

Senior Leadership Team

Headteacher
Deputy Headteacher
Deputy Headteacher
Assistant Headteacher
Assistant Headteacher
Assistant Headteacher
Bursar

Mr S Hillier
Mrs N Edwards
Mr T Ovenden
Miss N Dodgson
Mr J Gower
Mr S Lawson
Mr C Vigar

Principal and Registered Office

The Gryphon School
Bristol Road
Sherborne
Dorset
DT9 4EQ

Company Registration Number

08130468

Independent Auditor

RSM UK Audit LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Bankers

Lloyds Bank
9 High Street
Yeovil
Somerset
BA20 1RN

The Gryphon School
REFERENCE AND ADMINISTRATIVE DETAILS
for the year ended 31 August 2016

Solicitors

Veale Wasbrough Vizards
Narrow Quay House
Narrow Way
Bristol
BS1 4QA

The Gryphon School

TRUSTEES' REPORT

for the year ended 31 August 2016

The Governors present their Annual Report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area around Sherborne in Dorset. It has a pupil capacity of 1,650 and had a roll of 1,633 in the school census on 21st January 2016.

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 Governors act as the trustees for the charitable activities of The Gryphon School Academy Trust and are also the Charitable Company Directors for the purposes of company law. The Charitable Company is known as The Gryphon School.

Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on the preceding pages.

Members' Liability

There are four members of the Academy Trust. 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 an amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities

The Academy Trust has taken out appropriate indemnity insurance to protect the Governors' interests.

Method of Recruitment and Appointment or Election of Governors

The number of Governors shall be not less than three or more than 20 except for appointments of any Additional Governors made by the Secretary of State under Articles 62, 62A, 63 or 68A.

Subject to Articles 48-49 and 64, the Academy Trust shall have the following Governors:

- a. Up to 6 Governors, appointed by the members as a whole under Article 50
- b. Up to 5 Foundation Governors, appointed and/or holding office further to Article 51.
- c. Up to 3 Staff Governors, appointed under Article 50A;
- d. 5 Parent Governors appointed under Articles 53-58;
- e. the Headteacher
- f. any Additional Governors, if appointed under Articles 62, 62A or 68A; and
- g. any Further Governors, if appointed under Article 63 or Article 68A;

The Governors may also appoint up to 2 co-opted Governors.

The Staff Governors shall be elected by staff at the Academy provided that the total number of Governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

The Incumbent shall be treated for all purposes as an ex officio Foundation Governor.

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

Parent Governors shall be elected by parents of registered pupils at the Academy Trust.

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher and the Incumbent. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

The Gryphon School

TRUSTEES' REPORT

for the year ended 31 August 2016

A Governor shall cease to hold office if he resigns his office by notice to the Academy Trust (but only if at least three Governors will remain in office when the notice of resignation is to take effect). A Governor shall cease to hold office if he is removed by the person or persons who appointed him. This Article does not apply in respect of a Parent Governor.

Policies and Procedures adopted for the induction and training of Governors

The Governing Body is committed to ensuring that all Governors are given the information to support their role to provide challenge and support to the Headteacher and the School Leadership Team. New Governors are welcomed by the Chair of Governors and the Headteacher. All Governors have access to all the School policies, the Strategic Plan, the School Self Evaluation Report, all external performance information, all Governors' agendas, minutes and accompanying papers, the Staff Diary, School Newsletters and Headteacher's Reports. The School continues to subscribe to Dorset Governors Services and has access to training courses for Governors. The Governors meet annually to hold a full day Governor Conference.

Organisational Structure

The Governing Body's role in the Academy Trust is a strategic one to ensure that statutory requirements are met as well as challenging and supporting the school leaders to achieve its aims and objectives. The day-to-day management is the responsibility of the Headteacher and the Leadership Team. The Headteacher is the Accounting Officer.

In 2015-16 there were two main committees of the Full Governing Body. These were the Finance and Resources Committee and the Student, Staffing and Community Committee. The Finance and Resources Committee held five meetings and the Student, Staffing and Community Committee held five meetings and reported to the Full Governors who met on five occasions where minutes and reports are ratified. In addition, the Staff Pay Review Committee also met once.

The committees have a responsibility to pursue excellence through challenge and support to school leaders and managers; holding them to account for tackling weaknesses and further improving outcomes for all students; and the rigorous monitoring and evaluation of all aspects of the school.

The areas of focus for each Committee are:

The Finance and Resources Committee – the budget, finance, school audit, the effectiveness with which the School deploys resources to achieve value for money, staff recruitment, site development, health and safety, commercial activity and the Little Gryphons Nursery.

The Students, Staffing and Community Committee - student attainment and achievement, the quality of teaching and learning, curriculum opportunities and the full educational experience of students at the school, behaviour and attendance, spiritual, social, moral and cultural (SMSC), staff development and support, partnerships, equal opportunities, community and parents, safeguarding.

The Staff Pay Review Committee - to review and agree the salary of each member of the staff taking into account the recommendations and appraisal evidence submitted by the Headteacher (in the Headteacher's case the Headteacher performance review group and also to agree the Individual Salary Range of those on the Leadership Spine) in accordance with the pay and appraisal policies for teachers and support staff. In addition to agree the Pay Policy for teachers and non-teachers and to consider annually percentage pay increases.

Other committees that meet on an ad hoc basis and as demand dictates are the Pupil Discipline Committee, Staff Discipline Committee and Complaints Committee. The Executive Group which is not a committee but a working group provides direction, advice and guidance to the Governing Body on matters relating to school improvement and in particular those concerning governance.

Arrangements for setting pay and remuneration of key management personnel

The Staff Pay Review Committee reviews and agrees the salary of each member of the Academy Trust's senior leadership team taking into account the recommendations and appraisal evidence. In the Headteacher's case the Headteacher performance review group conduct the Headteacher appraisal supported by an external independent adviser. The Individual Salary Range of those on the Leadership Spine is set in accordance with the pay and appraisal policies for teachers and support staff. There is a Governor Expenses Policy.

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TRUSTEES' REPORT

for the year ended 31 August 2016

Related Parties and other Connected Charities and Organisations

The Academy Trust is part of a number of wider networks, organisations and other schools but has no direct role in their governance or management. The school is committed to be both outward looking and future focused. We are explicit about using the best ideas from around the country and beyond to help improve the experiences and opportunities of our students and staff. We also share our expertise and excellence by school to school support with others through a host of groups:

The Jubilee Group (JN1) was formed in 2012. JN1 brings together Heads of nine large, semi-rural, high performing 11-18 comprehensives in 'one-school' towns in the South West. The Gryphon School is an inaugural member of the Network. At its core it aims to address current, rising and strategic problems, to provide a safe place for reflection and mutual support, to support each other's efforts to improve at the leading edge and to provide opportunities for further collaboration by other staff.

The South West Academy Group (SWAG) is a group of up to 9 secondary academy schools from across Somerset, Bath and North East Somerset (BANES), and Devon. It has similar aims to the Jubilee Group but also drills into detailed operational issues. Subject leaders also meet across the schools; there is an HE+ programme for gifted students.

The Prince's Teaching Institute. The English, Geography and Languages Departments at The Gryphon School have once again been awarded the Prince's Teaching Institute Mark. The Prince's Teaching Institute (PTI) launched the Schools Programme in 2007 to recognise and reward school departments that develop inspirational ideas and activities which enhance teaching.

PIXL (Partners in Excellence) emerged from the London Challenge in 2007 to further develop and widen the learning and success achieved in the capital's school improvement programme. The network has evolved from 50 schools at its inception to current membership of around 1500 secondary schools, 75 Pupil Referral Units (PRUs), 550 post-16 providers and 200 primary schools – all of whom share a desire to raise standards and inspire young people to achieve excellence in their lives. The Gryphon joined in 2014 and has selectively used strategies to support leadership challenge and provide resources.

The Jurassic Coast Teaching Schools Alliance (JCTSA) is organized through The Woodroffe School which has national Teaching School status. With over 30 schools, including Primary and Secondary, from across Devon, Dorset and Somerset the Alliance has already become a formidable team. The five schools in the North Dorset Partnership joined the JCTSA in 2015. This has provided access to subject training courses and teacher triad work. Four staff have also been designated as Specialist Leaders in Education (SLEs) – they will be trained to provide school to school support through the JCTSA.

The Gryphon has always been at the centre of collaboration across the five North Dorset schools in Sherborne, Gillingham, Blandford, Sturminster Newton and Shaftesbury. This was especially active and impactful when vocational courses were funded and ran across the area. There continues to be close leadership connections. We lead The North Dorset Partnership for School Direct teacher training placements.

The Gryphon Foundation (also known as The Digby and Newland and Foster Educational Foundations) was established in 2011. Its objects are:

(a) the advancement of the education of pupils of The Gryphon School, Sherborne, Dorset ("the School") by providing and assisting in the provision of facilities and special benefits for education at the School (not normally provided by the local education authority);

(b) to fund prizes for the pupils at Prize Giving and Celebration of Achievement events at the School;

(c) the provision of grants, exhibitions or bursaries for the further or higher education of present or past pupils of the School up to and including the age of 25 (save in exceptional circumstances), including assistance to enable them to enter a profession, trade or calling;

(d) otherwise promoting the education of the beneficiaries of the Charity.

(ii) The objects of the Charity shall be furthered in such manner as the Trustees determine and the selection of beneficiaries of the Charity shall be at the Trustees' discretion.

The Gryphon School

TRUSTEES' REPORT

for the year ended 31 August 2016

Objectives and Activities

Objects and Aims

The Academy Trust's main objective is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

The Gryphon School has a clear mission to support and encourage every student to strive for the highest possible levels of academic achievement alongside developing the personal attributes and qualities to thrive and make a positive contribution throughout life. The Gryphon ethos highlights what we value:

- Our students come first.
- Enjoyment, with hard work, and going the extra mile.
- Friendliness and strong sense of community.
- Support and care for everyone and each other.
- Integrity, manners and honesty.
- Inquisitiveness through a breadth of opportunities and experiences.
- An engaging, calm and purposeful learning environment.
- Leadership, aspiration and ambition.
- Pride, quality and excellence – the details matter.

Our ethos is founded upon Christian values as a Church of England School in the Diocese of Salisbury. We are a UNICEF Rights Respecting School.

Objectives, Strategies and Activities

The world in which our students live is changing. The demands of the country on its education system are also evolving. We will continue to thrive and strongly promote our values. We look ahead and around us to provide the long term vision for our school – our students, staff, parents and community. The new Strategic Plan for 2015-2020 gives the direction to provide the highest possible rounded education for all. We will continue to improve and develop as one of the best schools in the country.

The quality of the teaching, the attitudes and expectations of the students, the facilities and resources and the vision of the Governors and leadership are that of a premier school. The Plan has four aims, with key strands for each aim, which are designed to promote achievement and success in the widest sense. Actions, outcomes, timescales and responsibilities are provided for each strand of the plan.

For the period 2015 to 2020 our strategic goals are to continue to ensure and enhance further the following:

Excellence in teaching and learning through:

- 1 Enabling all students to realise their potential in terms of academic attainment and progress, regardless of background and ability.
- 2 Providing personalised support to SEND and FSM students to ensure their progress matches that of others nationally.
- 3 Teaching in a way that students find engaging, relevant and inspiring.
- 4 Ensuring literacy and numeracy skills are developed in all years, student groups and subjects.
- 5 Supporting students to progress through impactful assessment feedback, tracking and academic support.

The well rounded personal development of all students through:

- 1 Promoting the personal qualities of respect, independence, mutual support, motivation, high expectations and resilience.
- 2 Ensuring students feel proud of the school and their own achievements.
- 3 Providing a diversity of extra-curricular opportunities, clubs, trips and experiences.
- 4 Supporting and encouraging spiritual, moral and social stability for Christians, those of all faiths and none in our community.

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for the year ended 31 August 2016

Positive, supportive and challenging leadership and management at all levels through:

- 1 Providing leadership that gives all staff the direction, support and training to sustain high quality actions and performance.
- 2 Empowering leaders through training and sharper evaluation and accountability of what makes a difference.
- 3 Encouraging parental engagement to support learning.
- 4 Working in collaboration to support and lead other schools.

High quality resources, facilities and environment through:

- 1 Providing inspiring facilities and resources for high quality learning.
- 2 Using the latest methods and digital technologies to enhance learning.
- 3 Having a safe, positive and healthy working environment.

In 2015-16 there was also a specific focus on embedding excellent learning for all; SEND/FSM progress; a new KS3 curriculum, literacy and assessment system; new course specifications at KS4 and in the Sixth Form; improving the quality and accessibility of information and resources for students and parents through i-Gryphon, i-Lesson and Assignment Manager.

Public Benefit

The Gryphon School is an outstanding Church of England school and academy in the Diocese of Salisbury. We are at the heart of the Sherborne community which is a centre of educational excellence. The Gryphon admits students from age 11 to 19; our Sixth Form is one of the largest and most successful in the country. We attract students from a large rural catchment area across North and West Dorset as well as South Somerset. We are proud to be one of the best schools in the country.

The Gryphon School offers considerable public benefit through its role as a provider of education and the links it has developed with the local community. The Leisure Centre, fitness suite, all weather pitch and other sports pitches are available for public use outside of school hours.

The school is a larger than average 11-18 community school serving Sherborne and a 60 square mile wide area of North West Dorset and South Somerset. The school took academy status on 1 August 2012. We are a Church of England School but as the secondary school for all Sherborne children our religious character is highly inclusive, embracing those of all faiths and of no faith.

We are very highly regarded by the community with over 25% of students coming from outside the formal catchment area. In the Sixth Form, which has grown to over 450 students, 40% are external. The school is usually oversubscribed by an order of 30+ from a Pupil Admission Number of 240; in 2015/16 all year groups were nearly full or above 240. There is a County Dyslexia Base for 20 students. The school is at the heart of the community including a large and high quality Nursery provision.

There are 9 principal partner primary schools (there are 30 feeder schools in total) who are mainly judged to be good or better. The Sherborne Schools Partnership (SSP) is well established to develop cross-phase academic collaboration and transition.

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. The Governors believe that the charitable company's aims are demonstrably to the public benefit.

The Gryphon School

TRUSTEES' REPORT

for the year ended 31 August 2016

Strategic Report

Achievement and Performance

The School continues to thrive and be the secondary and Sixth Form school of choice in the area. The responses to both the student and parent questionnaire are exceptionally positive and had some of the highest approval ratings possible at 95%. All Year Groups are full despite lower primary school numbers in the catchment area. We have one of the largest and most successful school Sixth Forms in the country because of the high expectations, our facilities and the quality of specialist A Level teaching. The range of opportunities and considerable pastoral support all contribute to the great successes academically but also in a host of ventures, activities and events. Each year around 250 new students join the Sixth Form from The Gryphon and from schools around Dorset and Somerset. We place great value on the personal development of each student.

The A Level results are very high and the pass rates are above national averages. The progress students made from KS4 is very good. The successes are particularly notable when nationally pass rates have fallen as the national expectations have risen and the examinations made tougher. Overall 8.2% of exams achieved the A* grade, 27% of exams taken were awarded an A or A* grade, 54% of exams taken were awarded an A*-B grades and 80% of exams taken were awarded an A*-C grade. Three students gained places at the University of Cambridge or Oxford with 40% gaining places at highly prized Russell Group Universities including in University Schools of Medicine. A total of 145 students applied through UCAS for a university place with 95% gaining their choice place – the vast majority getting into their first choice. Others moved onto Foundation degrees / HNDs, to Further Education colleges and to Apprenticeships.

The 2016 GCSE and BTEC results are very high (and only slightly lower than last year's exceptional results). This is against a backdrop of significantly lower pass rates nationally – the national A*-C pass rate fell by 2.9%. There are some spectacular individual results from students of all abilities with standards significantly above national levels particularly as The Gryphon is a community school serving the full ability range.

- Attainment 8 is high at 54.39 up from 54.15 in 2015 - nationally pass rates fell.
- Progress 8 measure is good at +0.10 but lower than the +0.40 in 2015.
- Basics A*-C in both English and Maths was 71.1% compared to 72.6 in 2015.
- The proportion of students gaining five or more A* to C grades including English and Maths was 70% compared to 56% nationally (in 2015).
- Almost a quarter of grades were A* or an A.
- The A*-C pass rate in Mathematics was the highest in Dorset for the last 2 years at 82% and this has been achieved for the third consecutive year – it compares to 61% nationally. Levels of progress in maths are good.
- The A*-C pass rate in best English (Lang or Lit) increased to 78% compared to 60% nationally. Levels of progress improved. Separate Language and Literature are lower.
- 32 students achieved 8 or more A* or A grades. Two students gained 13 A* grades and four other students each achieved 10 A* grades.
- The gap between the attainment of FSM and non-FSM students for 5+A*-C with EM was 15 compared to 10 in 2015. The gap in levels of progress in English and Maths is small.
- Progress for the more able is good.
- The attainment and progress of SEND students and L3 starters increased and was above targets.
- Virtually all subjects saw very good or better results though there are some which are lower.
- The results in the traditional subjects of the Sciences - Biology, Chemistry and Physics - English, Art, Drama, Music, Geography, Sport, Business Economics and Mathematics are very strong.

There were 246 students sitting examinations in Year 11. There were some tremendous individual achievements in individual subjects including Maths and English. Some students exceeded personal targets with E, F and G grades of which we are very proud – for them a massive personal achievement and just as important.

Overall, students have demonstrated outstanding behaviour for learning, as evidenced in lesson observations, drop ins and visitor feedback. Rewards predominate with school events promoting this including the annual Celebration of Achievement for each year group and Prize Giving in Sherborne Abbey. Expectations are very high and even small issues are followed through rigorously. Exclusion rates are very low. Students are respectful and show dignity and take responsibility. Relationships between staff and students are outstanding. Layers of exceptional care and support create a valued and respectful environment for all. Students display a care for each other and are friendly and supportive. They know the difference between right and wrong. Staff and students act as role models. The School is a safe and civil environment to learn and work with others. Attendance is high.

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for the year ended 31 August 2016

The array of opportunities, trips and activities are amazing from the Duke of Edinburgh scheme to the Lego club. The school had its first ever Gold award winners and students completed Ten Tors over Dartmoor. We are determined to provide a breadth of experiences as evidenced in the sporting achievements and those in the creative Arts. Heather Fell an Olympic medallist was the guest speaker at the Sports Awards Evening which recognised individuals and teams who have competed successfully against local state and independent schools as well as national and internationally. Music diversity was showcased from the concerts, the Carol Service, to the Battle of the Bands. The exceptional production of the Lion, the Witch and the Wardrobe highlighted the quality of sound, light, costume and make up as much as the originality of direction and professionalism of the actors. The drama team went on to excel in the regional Rock Challenge becoming SW winners and taking 12 of the 14 awards. There have been trips, visits and events across the country, Europe and the world including Rwanda.

Overall there is excellent teaching, positive attitudes, an array of curriculum experiences, high expectations, high achievement, with a focus on the personal and academic development of every student which all contributes to outstanding overall effectiveness. The school is exceptionally well placed to enhance the quality of education even further for the community we serve in the years ahead.

Key performance Indicators

The most recent OFSTED inspection in 2014 judged the School to be good overall, with an outstanding Sixth Form and outstanding behaviour and safety of its pupils.

In December the external independent inspection as a Church of England school – SIAMs – took place and judged the school as outstanding. The distinctiveness and effectiveness of The Gryphon School as a Church of England school are outstanding. The school, through its distinctive Christian character, is outstanding at meeting the needs of all learners.

In February 2016 the school received a letter from the Department for Education congratulating the School for being one of the top 100 non-selective state funded schools in England showing the greatest sustained improvement in the percentage of students achieving 5 or more A*-C grades including English and maths. The school also received a Pupil Premium Award 2016, one of only 7 secondary schools in the South West and one of only 127 nationally. The school also gained the DfE LBBT+ Gold Award.

The Real Schools Guide 2016 rated all state-funded secondary schools across the country using 25 different measures, put together from the latest publicly-available data and broken into four categories – attainment, teaching, attendance, and outcomes. There were only 4 out of the 30 secondary schools in Somerset with a 5 star rating; in Dorset there were only two schools with a five star rating including The Gryphon.

Summary Indicators	2016 Target	2016 Actual	2016 England
Academic Performance			
Percentage of Year 11 students achieving five or more GCSEs at grade A* - C including English and Mathematics	74%	70%	53% (2015)
Percentage of Year 13 students achieving A* - C grades at A2	80%	79%	77%
Student Attendance	95%	94.9%	94.8% (2015)
Financial Performance			
Average surplus over rolling three year periods	+1.75%	0%	NA

Going Concern

After making appropriate enquires, the Governing Body 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.

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TRUSTEES' REPORT

for the year ended 31 August 2016

Financial Review

Reserves Policy

The accounting period for this academy year is 1st September 2015 – 31st August 2016.

Most of the Academy's income is obtained from the Education Funding Authority (EFA) in the form of a General Annual Grant (GAG), the use of which is restricted to particular educational purposes. GAG funding received and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA). Voluntary and self-generated funds including catering and school bus income is shown as unrestricted in the SOFA. During the year the academy received total incoming resources of £9,359,582. Expenditure totalled £9,892,507 leaving a deficit of £532,925. Allowing for Restricted Fixed Asset fund income of £133,640 and after incurring tangible capital expenditure of £61,894, reserves are in a surplus position of £10,393 as at 31 August 2016 (2015: £128,562 deficit).

As at 31 August 2016, the school has a Local Government Pension Scheme liability of £4,585,000. Total reserves stood at £15,338,804 (as shown at the Balance Sheet). Reserves carried forward at 31 August 2016 will be utilised as part of the medium and long term plans of the school to improve and update its educational resources, materials and equipment, and additionally provide a continuous improvement plan to maintain and repair the site and facilities.

The school will ensure it will stay within the EFA guidelines on levels and appropriate use of reserves. An operating surplus of £138,955 (see financial review) was made in 2015-16 and this has been added to reserves.

The school aims to maintain its reserves for a number of purposes, including funding current and future spending on fixed assets, financing the school's working capital and providing a contingency against the risks and uncertainties in running a school. The Governors' policy is to hold sufficient reserves to cover these requirements and to use any surpluses generated by the school on improving education and school facilities.

Investment Policy

The school's position is currently to only invest funds in risk free and easily accessible current bank accounts aiming to manage its cash balances to provide for the day-to-day working capital requirements of its operations.

In the future, opportunity permitting, the school would ensure that any investment instruments are such that there would be no tangible risk to the loss of cash funds. The school does not consider the possible future investment of surplus funds as a primary activity, rather it would be the result of good stewardship as and when circumstances allow and investments would only be made when approved by the Governing Body.

Purposes:

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital balances.
- To ensure there is no tangible risk of loss in the capital value of any cash funds invested.
- To protect the capital value of any invested funds against inflation.
- To optimise returns on invested funds.

Financial and Risk Management Objectives and Policies

The school has agreed a Risk Management Strategy, a Risk Register. These have been discussed by Governors and include the financial risks to the school. The register and plan are constantly reviewed in light of information received and is formally reviewed on an annual basis.

The Governors have assessed the major risks to which the school is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including appropriate internal controls described on pages 13 to 15. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at Full Governors and Finance and Resources Committee meetings. The Governors also ensure sufficient funds are held to cover all known and anticipated commitments. At the year end, the

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TRUSTEES' REPORT

for the year ended 31 August 2016

school had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 24 to the Financial Statements, represents a significant potential liability. However, as Governors consider the school is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the school are as follows:

Financial - The school has considerable reliance on continued government funding through the EFA. In the year ended 31 August 2016 85% of the school's incoming resources were ultimately government funded and, whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management - the risk in this area arises from potential failure to effectively manage the school's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - The continuing success of the school is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - The Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline. Members of the staff take part in whole school training sessions in Child Protection.

Staffing - the success of the school is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure the continued development and training of staff as well as ensuring there is a clear succession plan.

Fraud and mismanagement of funds - The school has appointed School Business Services to perform an Internal Audit function which includes performing checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The School has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Gryphon School

TRUSTEES' REPORT

for the year ended 31 August 2016

Plans for Future Periods

The school strategic plan includes development of a single modern new teaching block with up to 12 classrooms to replace two aging temporary wooden hut complexes located separately on site. The temporary buildings are worryingly close to becoming beyond economic repair, however significant investment is required via the Condition Improvement Fund (CIF) in order to replace these ageing structures. A bid for additional funding was rejected in 2016 but repeat bids are to be submitted in 2016/17.

The popularity of the School's 6th Form continues and it is a credit to the School, but however welcome high student numbers are this puts strain on infrastructure. Plans are therefore in place to expand and improve ICT resources particularly within the Learning Resource Centre (LRC). Detailed plans have also been drawn to satisfy an urgent need to extend and improve the 6th Form Common Room and intrinsically provide more seating within the adjacent school café. Funding to support these plans is also subject to a successful CIF bid for funding.

Entry and exit to the school campus has not changed since the school opened in 1993, and since that time the School's student population has doubled and the number of vehicles entering the school site has increased accordingly. There is therefore a need to provide more car parking space and re-address the flow of traffic at peak periods, and as such there is a link to the development of a new teaching block which would allow the demolition of existing wooden huts that currently take up potential vehicle parking and manoeuvring space.

Auditor

Insofar as the Governors are aware:

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

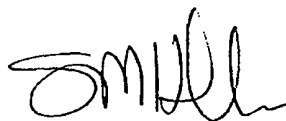
The auditor, RSM UK Audit LLP, is willing to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Trustees' report, incorporating a strategic report, was approved by order of the Members of the Governing Body on 24th November 2016 and signed on its behalf by:



Signed
Nigel I Rees
Chair of Governing Body

Date: 24 Nov 16



Signed
Stephen M Hillier
Accounting Officer/Headteacher

Date: 24/11/2016

The Gryphon School

GOVERNANCE STATEMENT

for the year ended 31 August 2016

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that The Gryphon 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirement and responsibilities assigned to it in the funding agreement between The Gryphon school and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Statement of Governors' responsibilities. The Governing Body has formally met on 5 occasions as well as holding a full day conference. Attendance during the year at the meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible	Notes
Mrs J Atyeo	2	5	
Mr G Booth	2	5	
Mr B Brown	3	5	
Mr A Cooke	5	5	
Mr T Crassweller	5	5	
Mrs M George	1	5	
Mr A Harding	2	2	
Mr S Hillier (Headteacher)	5	5	
Mrs C Moses	1	5	
Mr S Murcer	4	5	
Mr N Rees (Chair)	5	5	
Mr M Sandy	5	5	
Miss F Roslund-Gustavsson	2	4	Elected 15.09.15 and resigned 08.07.16
Mrs A Sinnott MBE	1	3	Deceased 17.04.16
Mr D Smart	5	5	
Mr H Straughan	0	5	Resigned with effect from 31.08.16
Mr P Tebbatt	3	5	
Mr N White	1	4	Elected 15.09.15
Canon E Woods DL	3	5	

There are two main committees of the Full Governing Body. These are the Finance and Resources Committee, and the Student, Staffing and Community Committee. In addition, the Staff Pay Review Committee met once.

The purpose of each Committee is as follows:

Student, Staffing and Community Committee

To focus on attainment and achievements, the quality of teaching and learning, curriculum opportunities and the full educational experience of students at the school; behaviour, spiritual, social and moral culture (SMSC), staff development and support, partnerships, equal opportunities, community and parents, safeguarding; to challenge and support leaders and managers, holding them to account for tackling weaknesses and further improving outcomes for all students.

Staff Pay Review Committee

To review and agree the salary of each member of the Leadership Team, taking into account the recommendation and appraisal evidence submitted by the Headteacher, and in the Headteacher's case the Headteacher performance review group.

To review and agree the Individual Salary Range of each member of the Leadership Team.

The Gryphon School

GOVERNANCE STATEMENT

for the year ended 31 August 2016

To review the salary of every member of staff annually in accordance with the agreed pay policy, considering the Headteacher's recommendations about the application of the discretionary elements of pay provision.

To consider any recommendations for grade or pay review for members of staff.

To consider annually percentage pay increases and to advise the Finance and Resources Committee of recommendations.

Finance and Resources Committee

To focus on the effectiveness with which the school deploys resources to achieve value for money, the budget, finance, school audit, staff recruitment, site development, health and safety, commercial activity and the Little Gryphons Nursery; to challenge and support leaders and managers, holding them to account for tackling weaknesses and further improving outcomes for all students.

Attendance during the period at the meetings of the Finance and Resources Committee was as follows:

Governor	Meetings attended	Out of a possible	Notes
Mrs J Atyeo	0	5	
Mr B Brown	5	5	
Mr A Cooke	3	5	
Mr T Crassweller	5	5	
Mr S Hillier	5	5	
Mr S Murcer	0	5	
Mr N Rees	1	5	
Mrs A Sinnott MBE	2	4	Deceased 17.04.16
Mr P Tebbatt	2	5	
Mr N White	1	4	

Review of Value for Money

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the 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 available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by;

- Restructuring the staff workforce in key areas to ensure educational resources are delivered in a focused manner to ensure academic attainment, levels of progress, and student attainment are maintained and enhanced wherever possible.
- Continuing to work with Internal Audit professionals who report to the Finance & Resources committee on a termly basis. Audit findings are addressed in a timely and appropriate manner.
- Undertaking considered procurement in line with approved policies, and in conjunction with the requirements of the Scheme of Financial Delegation.

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 school 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 The Gryphon School for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

The Gryphon School

GOVERNANCE STATEMENT

for the year ended 31 August 2016

Capacity to Handle Risk

The Governing Body 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 Governing Body 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 year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. The process is reviewed regularly by the Governing Body.

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 Governing Body;
- Regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecast and major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks;

The Finance and Resources Committee has not identified any major concerns of control, regularity or propriety, however the Governing Body considered the need for a specific internal audit function to be carried out 3 times per year, and it decided in 2016 to continue to outsource this function. Internal audits are therefore carried out termly by School Business Services Ltd, Poole, Dorset, which submits written reports to the Finance and Resources Committee.

Review of Effectiveness

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

- the work of the Finance and Resources Committee.
- the work of the External Auditor.
- the financial management and governance self-assessment process.
- the work of the Bursar who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and plan to address weaknesses and ensure continuous improvement of the system in place.

Approved by order of the Governing Body on

and signed on its behalf by



Nigel I Rees
Chair of Governors



Stephen M Hillier
Headteacher/Accounting Officer

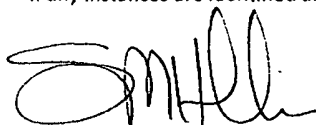
The Gryphon School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE for the year ended 31 August 2016

As Accounting Officer of The Gryphon School I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Stephen M Hillier
Accounting Officer

Date: 24/11/2016

The Gryphon School

STATEMENT OF GOVERNORS' RESPONSIBILITIES

for the year ended 31 August 2016

The Governors (who act as Trustees for charitable activities of The Gryphon School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

The Governors 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 EFA / DFE have been applied for the purposes intended.

The Governors 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 Governing Body on 24th November 2016 and signed on its behalf by:



Nigel I Rees
Chair of Governors

Date: 24 Nov 16

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GRYPHON SCHOOL YEAR ENDING ON 31 AUGUST 2016

We have audited the financial statements of The Gryphon School for the year ended 31st August 2016 on pages 19 to 42. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 (the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland), and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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.

Respective responsibilities of Governors and Auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 17, the Governors (who act as trustees for the charitable activities of the charitable company; and 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' Report and the Incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RSM UK Audit LLP

Kerry Gallagher (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol, BS1 6AD

Date: *15 December 2016*

The Gryphon School

Statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 August 2016

	Notes	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted Fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations and capital grants	2	13,142	-	133,640	146,782	36,345
Other trading activities	4	681,834	709,025	-	1,390,859	1,366,248
Investment income	5	627	-	-	627	746
Funding for the Academy Trust's educational operations	3	-	7,821,314	-	7,821,314	7,779,600
Total		695,603	8,530,339	133,640	9,359,582	9,182,939
Expenditure on:						
Raising funds	6	656,571	626,568	-	1,283,139	1,175,408
Charitable activities						
Academy educational operations	6	-	8,007,954	601,414	8,609,368	8,966,544
Total		656,571	8,634,522	601,414	9,892,507	10,141,952
Net Income / (expenditure)		39,032	(104,183)	(467,774)	(532,925)	(959,013)
Transfers between funds	16	-	(61,894)	61,894	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) of defined benefit pension schemes	24	-	(1,853,000)	-	(1,853,000)	129,000
Net movement in funds		39,032	(2,019,077)	(405,880)	(2,385,925)	(830,013)
Reconciliation of funds						
Fund balances brought forward		4,581	(2,599,143)	20,319,291	17,724,729	18,554,742
Fund balances carried forward		43,613	(4,618,220)	19,913,411	15,338,804	17,724,729


The Gryphon School

Balance Sheet

as at 31 August 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible fixed assets	11	-	2,280
Tangible assets	12	19,851,704	20,319,291
		<u>19,851,704</u>	<u>20,321,571</u>
Current assets			
Stocks	13	10,447	28,115
Debtors	14	191,821	314,921
Cash at bank and in hand	22	452,320	343,227
		<u>654,588</u>	<u>686,263</u>
Liabilities			
CREDITORS: Amounts falling due within one year	15	(582,488)	(817,105)
		<u>72,100</u>	<u>(130,842)</u>
Net current assets / (liabilities)			
		<u>19,923,804</u>	<u>20,190,729</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	24	(4,585,000)	(2,466,000)
		<u>15,338,804</u>	<u>17,724,729</u>
Total net assets			
		<u>15,338,804</u>	<u>17,724,729</u>
Funds of the Academy Trust:			
Restricted funds			
Fixed asset fund	16	19,913,411	20,319,291
Restricted income fund	16	(33,220)	(133,143)
Pension reserve	16	(4,585,000)	(2,466,000)
		<u>15,295,191</u>	<u>17,720,148</u>
Total restricted funds			
		<u>15,295,191</u>	<u>17,720,148</u>
Unrestricted income funds	16	43,613	4,581
		<u>15,338,804</u>	<u>17,724,729</u>
Total funds			
		<u>15,338,804</u>	<u>17,724,729</u>

The financial statements on pages 19 - 42 were approved by the Governors, and authorised for issue on
and are signed on their behalf by:



Nigel I Rees
Chair of Governors

The Gryphon School
Statement of Cash Flows
For the year ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	108,653	(232,205)
Cash flows from Investing activities	21	(187)	(96,687)
Cash flows from financing activities	20	627	746
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		109,093	(328,146)
		<hr/>	<hr/>
Cash and cash equivalents at 1 September 2015		343,227	671,373
		<hr/>	<hr/>
Cash and cash equivalents at 31 August 2016	22	452,320	343,227
		<hr/>	<hr/>

The Gryphon School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

1 Statement of 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 Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Gryphon School meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of The Gryphon School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Gryphon School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Explanation of transition to FRS 102

It is the first year that The Gryphon School has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income / (expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net income / (expenditure)	31 August 2015 £000
Net income/(expenditure) previously reported under UK GAAP	919,013
Change in recognition of LGPS interest cost	40,000
Net movement in funds before revaluations reported under FRS 102	<u>959,013</u>

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income / expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income / expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £40,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the school 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.

The Gryphon School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

Income

All incoming resources are recognised when the school has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **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 year is shown in the relevant funds on the balance sheet.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the year is deducted from income and is recognised as a liability. Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

- **Voluntary Income**

Voluntary income includes private donations and sponsorship which are accounted for when receivable.

- **Activities for generating funds**

Activities for generating funds include music, catering, school trips and school bus income and are accounted for when receivable.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service. All incoming resources are recognised in the Statement of Financial Activities when the school becomes legally entitled to the income and the amount can be quantified with reasonable accuracy.

- **Interest receivable**

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

The Gryphon School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Expenditure on Raising Funds**
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable Activities**
These are costs incurred on the school's educational operations.
- **Governance Costs (included within Academy educational operations)**
These include the costs attributable to the school's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' training courses and membership of the Dorset Governor Scheme.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

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 Trust's depreciation policy.

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

Long leasehold buildings	over 50 years on a straight line basis
Plant and machinery	over 7 years on a straight line basis
Fixtures, fittings and equipment	over 5 years on a straight line basis
ICT equipment	over 4 years on a straight line basis
Motor vehicles	over 4 years on a straight line basis

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Intangible fixed assets

Website costs are recorded at cost and written off over their estimated useful economic life. Amortisation is calculated so as to write off the cost of an intangible fixed asset, less its estimated residual value, over the useful economic life of that asset over 4 years on a straight line basis.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

The Gryphon School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

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

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

Leased Assets

Rentals under operating leases are charged on straight line basis over the lease term.

Stock

Catering, ICT equipment, and clothing stocks are valued at the lower of cost or net realisable value.

Taxation

The school 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 school 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.

Pensions Benefits

Retirement benefits to employees of the school 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 school.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school 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 24, the TPS is a multi-employer scheme and the school 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 in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the school 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 the costs of scheme introductions, benefit changes, 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.

Fund Accounting

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

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

The Gryphon School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education, where the asset acquired or created is held for a specific purpose.

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 present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount in the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2016 £
Donations and grants	13,142	-	-	13,142
Capital grants	-	-	133,640	133,640
	<u>13,142</u>	<u>-</u>	<u>133,640</u>	<u>146,782</u>

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
Donations and grants	2,150	-	-	2,150
Capital grants	-	-	34,195	34,195
	<u>2,150</u>	<u>-</u>	<u>34,195</u>	<u>36,345</u>

The Gryphon School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2016

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2016 £
DfE / EFA grants				
- General Annual Grant (GAG)	-	7,570,342	-	7,570,342
- Other DfE / EFA grants	-	250,972	-	250,972
	-	7,821,314	-	7,821,314
	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
DfE / EFA grants				
- General Annual Grant (GAG)	-	7,574,322	-	7,574,322
- Other DfE / EFA grants	-	205,278	-	205,278
	-	7,779,600	-	7,779,600

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2016 £
Nursery income	-	316,166	-	316,166
Lettings, leisure centre and other income	21,645	103,232	-	124,877
School trip income	-	289,627	-	289,627
Music income	26,325	-	-	26,325
Catering income	364,354	-	-	364,354
School transport income	269,510	-	-	269,510
	681,834	709,025	-	1,390,859
	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
Nursery income	-	371,961	-	371,961
Lettings, leisure centre and other income	51,626	90,253	-	141,879
School trip income	-	250,035	-	250,035
Music income	17,268	-	-	17,268
Catering income	358,551	-	-	358,551
School transport income	226,554	-	-	226,554
	653,999	712,249	-	1,366,248

The Gryphon School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2016

5 Investment income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2016 £
Bank deposit interest	627	-	-	627
	<u>627</u>	<u>-</u>	<u>-</u>	<u>627</u>

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
Bank deposit interest	746	-	-	746
	<u>746</u>	<u>-</u>	<u>-</u>	<u>746</u>

The Gryphon School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2016

6 Expenditure

	Staff costs £	Premises (non pay) £	Other (non pay) £	Total 2016 £
Expenditure on raising funds	448,728	7,545	826,866	1,283,139
Academy's educational operations:				
Direct costs	4,981,747	-	508,551	5,490,298
Allocated support costs	1,487,180	399,749	1,216,391	3,103,320
Governance costs	-	-	15,750	15,750
	<u>6,917,655</u>	<u>407,294</u>	<u>2,567,558</u>	<u>9,892,507</u>
	Staff costs £	Premises (non pay) £	Other (non pay) £	Total 2015 £
Expenditure on raising funds	446,063	8,823	720,522	1,175,408
Academy's educational operations:				
Direct costs	5,159,418	-	537,160	5,696,578
Allocated support costs	1,431,038	426,124	1,387,329	3,244,491
Governance costs	-	-	25,475	25,475
	<u>7,036,519</u>	<u>434,947</u>	<u>2,670,486</u>	<u>10,141,952</u>

Net incoming / (outgoing) resources for the year include:

	Total 2016 £	Total 2015 £
Operating leases	87,678	119,165
Fees payable to auditor - audit	15,000	12,550
	<u>102,678</u>	<u>131,715</u>

Costs of raising funds totalled £1,283,139 (2015: £1,175,408) of which £656,571 (2015: £645,733) was unrestricted and £626,568 (2015: £529,675) was restricted.

The Gryphon School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2016

7 Charitable activities	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total 2016	Total 2015
	£	£	£	£	£
Direct costs					
Teaching and educational support staff	-	4,981,747	-	4,981,747	5,159,418
Educational supplies	-	318,149	-	318,149	357,261
Exam costs	-	190,402	-	190,402	179,899
	-	5,490,298	-	5,490,298	5,696,578
Support costs					
Support staff	-	1,391,180	-	1,391,180	1,431,357
Depreciation and amortisation	-	2,280	601,414	603,694	589,796
Rent and rates	-	70,198	-	70,198	73,825
Light and heat	-	118,051	-	118,051	121,736
Insurance	-	54,708	-	54,708	66,235
Repairs and maintenance (RM)	-	156,792	-	156,792	164,328
Motor and travel	-	-	-	-	-
Office and ICT	-	296,423	-	296,423	270,703
RM contracts, HR, payroll, legal services, photocopying, general admin costs, training etc.	-	316,274	-	316,274	431,511
Finance and administrative expenses - Pension	-	96,000	-	96,000	95,000
	-	2,501,906	601,414	3,103,320	3,244,491
Governance costs					
Governor's expenses	-	750	-	750	750
Audit and professional	-	15,000	-	15,000	24,725
	-	15,750	-	15,750	25,475

8 Staff

a. Staff costs

	2016	2015
	£	£
Wages and salaries	5,390,172	5,520,482
Social security costs	417,469	384,822
Other pension costs	1,110,014	1,018,986
	6,917,655	6,924,290
Staff restructuring costs	-	112,229
	6,917,655	7,036,519

Included in staff costs are settlement payments totalling £11,968 (2015: £112,229). Individually, these payments were £7,500 and £4,468.

The Gryphon School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

b. Staff numbers	2016 No.	2015 No.
The average monthly number of employees (including PT) during the year expressed as full time equivalents was as follows:		
Teaching staff (including TAs)	112	114
Catering staff	8	9
Administrative and other support staff	61	62
Leadership Team	7	8
	<hr/>	<hr/>
	188	193
	<hr/>	<hr/>
	2016 No.	2015 No.
The average monthly number of employees (including PT) during the year expressed as Individual headcount was as follows:		
Teaching staff (including TAs)	129	131
Catering staff	15	16
Administrative and other support staff	84	86
Leadership Team	7	8
	<hr/>	<hr/>
	235	241
	<hr/>	<hr/>

c. Higher paid staff

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

	2016	2015
£70,001 - £80,000	2	2
£90,001 - £100,000		1
£100,001 - £110,000	1	

d. Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £700,653 (2015: £767,085).

The Gryphon School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

9 Related Party Transactions – Governors' remuneration and expenses

The Headteacher and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the School in respect of their role as Governors; their expenses only relates to training courses and membership of the Dorset Governors Scheme.

The staff Governors' remuneration was as follows:

S.Hillier (Headteacher and Trustee):

Remuneration £100,001 - £110,000 (2015: £90,001 - £100,000)

Employer's pension contribution £15,001 - £20,000 (2015: £10,001 - £15,000)

F.Roslund-Gustavsson (Staff Trustee from 15.09.15 to 08.07.16):

Remuneration £15,001 - £20,000 (2015: £nil)

Employer's pension contribution £0 - £4,999 (2015: £nil)

N.White (Staff Trustee from 15.09.15):

Remuneration £40,001 - £45,000 (2015: £nil)

Employer's pension contribution £5,001 - £10,000 (2015: £nil)

T. Crassweller (Staff Trustee):

Remuneration £35,001 - £40,000 (2015: £35,001 - £40,000)

Employer's pension contribution £5,001 - £10,000 (2015: £5,001 - £10,000)

During the year ended 31 August 2016, no travel and subsistence expenses were reimbursed to staff Governors (2015: £nil). No expenses are paid to Governors in their roles as Governors.

10 Governors and officers insurance

In accordance with normal commercial practice the School has purchased Insurance to protect Governors and Officers from claims arising from negligent acts, error omissions occurring whilst on school business. The Insurance provides cover up to £5 million on any one claim and the cost for the year ended 31 August 2016 remains unchanged and was £1,852 (2015: £1,852).

The cost for the year ended 31 August 2016 is included in the total insurance cost.

The Gryphon School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

11 Intangible fixed assets

Cost or valuation	Website £
As at 1 September 2015 and 31 August 2016	9,950
Amortisation	
As at 1 September 2015	7,670
Charge for the year	2,280
As at 31 st August 2016	9,950
Net book value	
As at 31 st August 2016	0
As at 31 st August 2015	2,280

12 Tangible fixed assets	Long leasehold Land and buildings £	Motor vehicles £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost or valuation					
1 September 2015	21,268,743	11,667	11,372	703,520	21,995,302
Additions	39,085	-	37,957	56,785	133,827
31 August 2016	21,307,828	11,667	49,329	760,305	22,129,129
Depreciation					
1 September 2015	1,298,945	8,994	4,840	363,232	1,676,011
Charge for the year	426,157	2,673	1,624	170,960	601,414
31 August 2016	1,725,102	11,667	6,464	534,192	2,277,425
Net book value					
31 August 2016	19,582,726	-	42,865	226,113	19,851,704
31 August 2015	19,969,798	2,673	6,532	340,288	20,319,291

The School occupies land which is owned by the Diocese of Salisbury, which is not included in the cost above but for which they have the right to occupy.

The Gryphon School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2016

13	Stock	2016	2015
		£	£
	Clothing	8,922	17,933
	ICT Equipment	-	6,907
	Catering	1,525	3,275
		<u>10,447</u>	<u>28,115</u>
14	Debtors	2016	2015
		£	£
	Trade debtors	30,497	45,958
	Other debtors	27,888	35,022
	Prepayments and accrued income	133,436	233,941
		<u>191,821</u>	<u>314,921</u>
15	Creditors: amounts falling due within one year	2016	2015
		£	£
	Trade creditors	183,214	340,650
	Social security and other taxes	119,525	110,310
	Other creditors	70,300	103,760
	Accruals and deferred income	209,449	262,385
		<u>582,488</u>	<u>817,105</u>
	Deferred income	2016	
		£	
	Deferred income at 1 September 2015	70,162	
	Resources deferred in the year	118,134	
	Amounts released from previous years	(70,162)	
		<u>118,134</u>	
	Deferred income at 31 August 2016	<u>118,134</u>	

At the balance sheet date the Academy Trust was holding the above balances in advance of the new academic year.

The Gryphon School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2016

16 Funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	(480,150)	7,821,314	(7,741,954)	(61,894)	(462,684)
Pension reserve	(2,466,000)	-	(266,000)	(1,853,000)	(4,585,000)
Funds transferred from Local Authority	-	-	-	-	-
Activities for generating funds	347,007	709,025	(626,568)	-	429,464
	<u>(2,599,143)</u>	<u>8,530,339</u>	<u>(8,634,522)</u>	<u>(1,914,894)</u>	<u>(4,618,220)</u>
Restricted fixed asset fund					
Assets inherited from local authority	19,076,957	-	(601,414)	-	18,475,543
DfE / EFA / Other capital grants	662,443	133,640	-	-	796,083
Capital expenditure from GAG	579,891	-	-	61,894	641,785
	<u>20,319,291</u>	<u>133,640</u>	<u>(601,414)</u>	<u>61,894</u>	<u>19,913,411</u>
Total restricted funds	<u><u>17,720,148</u></u>	<u><u>8,663,979</u></u>	<u><u>(9,235,936)</u></u>	<u><u>(1,853,000)</u></u>	<u><u>15,295,191</u></u>
Total unrestricted funds	<u>4,581</u>	<u>695,603</u>	<u>(656,571)</u>	<u>-</u>	<u>43,613</u>
Total funds	<u><u>17,724,729</u></u>	<u><u>9,359,582</u></u>	<u><u>(9,892,507)</u></u>	<u><u>(1,853,000)</u></u>	<u><u>15,338,804</u></u>

16 (a) Purpose of restricted general funds

General Annual Grant (GAG) is the main grant receivable from the Education Funding Agency (EFA) and is used for the Academy's normal running costs. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2016.

Other restricted grants include Pupil Premium and the restricted activities for generating funds (see note 2). The pension fund is also included in restricted funds, further details can be found at note 24.

The restricted fixed assets funds comprise funding provided by the EFA and Local Authority to support capital expenditure. An annual depreciation charge for these asset is allocated against the restricted fixed asset fund column. Transfers from the restricted fixed asset fund reflect the purchase of fixed assets from GAG.

Unrestricted funds include school catering and transport income, school shop income, lettings income and income from recharge of services.

The Gryphon School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

16 (b) Purposes of the restricted fixed asset funds

The restricted fixed assets funds comprise funding provided by the EFA to support capital expenditure. It is restricted for use on capital items for the Academy's educational operations. The transfer of £61,894 between the restricted general fund and the restricted fixed asset fund increases the value of the fixed asset fund to adjust for capital income in the year being less than the capital expenditure on fixed assets.

16 (c) Purpose of unrestricted funds

These funds are for the general use of the school.

The trust is carrying a net deficit of £33,220 (2015: deficit of £133,143) on restricted general funds (excluding pension reserve) plus a surplus on unrestricted funds of £43,613. In the 2015/16 year The Academy Trust has restructured staff workforce in key areas to ensure educational resources are delivered in a focused manner to ensure academic attainment, levels of progress, and student attainment are maintained and enhanced wherever possible. As a result these measures have allowed the overdrawn funds to return to a small surplus position within the 2015/16 financial year.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2016 £
Fixed assets	-	-	19,851,704	19,851,704
Current assets	43,613	549,268	61,707	654,588
Current liabilities	-	(582,488)	-	(582,488)
Provisions for liabilities and charges	-	(4,585,000)	-	(4,585,000)
	<u>43,613</u>	<u>(4,618,220)</u>	<u>19,913,411</u>	<u>15,338,804</u>
	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
Fixed assets	-	2,280	20,319,291	20,321,571
Current assets	4,581	681,682	-	686,263
Current liabilities	-	(817,105)	-	(817,105)
Provisions for liabilities and charges	-	(2,466,000)	-	(2,466,000)
	<u>4,581</u>	<u>(2,599,143)</u>	<u>20,319,291</u>	<u>17,724,729</u>

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

18	Commitments under operating leases	2016 £	2015 £
	At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:		
	ICT equipment	38,516	46,046
	Minibuses	4,045	11,754
	Software	-	4,256
	Franking machine	5,078	700
		<u>47,639</u>	<u>62,756</u>
	Amounts due within one year	31,823	50,302
	Amounts due between one and five years	15,816	12,454
		<u>47,639</u>	<u>62,756</u>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2016

19	Reconciliation of net income / (expenditure) to net cash flow from operating activities	2016	2015
		£	£
	Reconciliation of operating result to net cash inflow from operating activities		
	Operating result	(532,925)	(959,013)
	Interest received	(627)	(746)
	Defined benefit pension scheme cost less contributions payable	170,000	170,000
	Defined benefit pension scheme finance costs	96,000	95,000
	Depreciation and amortisation	603,694	589,796
	Capital grants from DfE/EFA	(133,640)	(34,195)
	(Increase) / decrease in stock	17,668	(17,214)
	(Increase) / decrease in debtors	123,100	(8,499)
	Increase / (decrease) in creditors	(234,617)	(67,334)
		<hr/>	<hr/>
	Net cash provided by / (used in) Operating Activities	108,653	(232,205)
		<hr/>	<hr/>
20	Cash flows from financing activities	2016	2015
		£	£
	Interest received	627	746
		<hr/>	<hr/>
	Net cash provided by / (used in) financing activities	627	746
		<hr/>	<hr/>
21	Cash flows from investing activities	2016	2015
		£	£
	Purchase of tangible fixed assets	(133,827)	(130,882)
	Capital grants from DfE / EFA	133,640	34,195
		<hr/>	<hr/>
	Net cash provided / (used in) investment activities	(187)	(96,687)
		<hr/>	<hr/>
22	Analysis of cash and cash equivalents	2016	2015
		£	£
	Cash in hand and at bank at 1 September 2015	343,227	671,373
	Cash movement	109,093	(328,146)
		<hr/>	<hr/>
	Cash at bank and in hand at 31 August 2016	452,320	343,227
		<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

23 Members liability

The Gryphon School is a company limited by guarantee. A member's contribution to the assets of the company in the event of it being wound up while he or she is a member or within one year of ceasing to be a member is limited to an amount not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

24 Pensions 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 Dorset County Council (DCC). Both are multi-employer defined-benefit schemes.

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS was 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £649,334 (2015: £577,065).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2016 was £333,000 (2015: £356,000), of which employer's contributions totalled £249,000 (2015: £265,000) and employees' contributions totalled £84,000 (2015: £91,000). The agreed contribution rates for future years are 17.4 per cent for employers and between 5.5% and 7.5% for employees depending on their full time equivalent salary.

Contributions to the scheme are determined by a qualified actuary on the basis of the roll-forward approach using the Barnett Waddingham Valuation as at 31 August 2016 allowing for different financial assumptions required under FRS 102.

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.

The New Academy Valuation involved projecting future cash flows to be paid from the fund and placing a value on them. These cash flows include pensions currently being paid to members of the scheme as well as pensions (and lump sums) that may be payable in future to members of the fund or dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a members death. The projected unit method has been used to calculate service cost.

Principal actuarial assumptions	As at 31/08/2016 %	As at 31/08/2015 %
Rate of increase in salaries	3.80	4.10
Rate of increase for pensions in payment / inflation	2.30	2.60
Discount rate for scheme liabilities	2.20	4.00
Inflation assumption (RPI)	3.20	3.50
Inflation assumption (CPI)	2.30	2.60

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

	As at 31/08/2016	As at 31/08/2015
Retiring today:		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years:		
Males	25.2	25.1
Females	27.7	27.6

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting (deficit) are:

	2016 £ 000's	2015 £ 000's
Equities	1,700	1,384
Gilts	324	297
Other bonds	376	317
Property	303	254
Cash	31	97
Diversified Growth Fund	138	121
Absolute Return Portfolio	-	-
Infrastructure	76	29
Hedge fund	1	3
Total of fair value of assets	2,949	2,502
Present value of scheme liabilities	(7,534)	(4,968)
Deficit in the scheme	(4,585)	(2,466)
Related deferred tax liability	-	-
Net pension (liability)	(4,585)	(2,466)

The actual return on scheme assets was £269,000 (2015: £107,000).

Amount recognised in the statement of financial activities:

	Year ended 31/08/2016 £ 000's	Period ended 31/08/2015 £ 000's
Current service cost (net of employee contributions)	402	435
Interest cost	198	180
Total operating charge	600	615

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

	Year ended 31/08/2016 £ 000's	Period ended 31/08/2015 £ 000's
Opening Defined Benefit Obligation	4,968	4,382
Current service cost	402	435
Interest cost	198	180
Changes in financial assumptions	2,020	(107)
Estimated benefits paid (net of transfers in)	(155)	(13)
Past service costs, including curtailments	17	-
Contributions by Scheme participants	84	91
At 31 August	7,534	4,968

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2016

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

	Year ended 31/08/2016	Period ended 31/08/2015
	£ 000's	£ 000's
Opening fair value of scheme assets	2,502	2,052
Interest on assets	104	87
Actuarial gains / (losses)	167	22
Administration expenses	(2)	(2)
Contributions by employer included unfunded	249	265
Contributions by Scheme participants	84	91
Estimated benefits paid (net of transfers in and including unfunded)	(155)	(13)
At 31 August	2,949	2,502

25 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. Details of Staff Governors remuneration are provided in note 9. No other member of the Board of Governors received any remuneration during the year.

The following Governors of the school are trustees of The Gryphon Foundation, which is separate from the school and a segregated charity with assets of £174,575 as at 31 March 2016 (2015: £182,517).

Mr N I Rees (Chair)	Mr P Tebbatt
Mr S Hillier (Headteacher)	Mrs N J Edwards (Deputy Head and non-governor)
Mrs A Sinnott MBE (deceased 17.04.16)	

The objects of The Gryphon Foundation include:

The advancement of the education of pupils of The Gryphon School by providing and assisting in the provision of facilities and special benefits for education at the school. To fund prizes for the pupils at Prize Giving and Celebration of Achievement events at the school. The provision of grants, exhibitions or bursaries for the further or higher education of present or past pupils of the school up to and including the age of 25, including assistance to enable them to enter a profession, trade or calling.

26 Agency arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £23,508 (2015: £26,774) and disbursed £23,508 (2015: £27,235). The Academy Trust retained a beneficial interest in individual transactions such that £nil (2015: £1,421) has been recognised in income and expenditure in the statement of financial activities. As such an amount of £nil (2015: £nil) is repayable at the 31 August 2016 and included in other creditors.