

Company Registration No. 07406122 (England and Wales)

DARTFORD GRAMMAR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

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DARTFORD GRAMMAR SCHOOL

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DARTFORD GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

M C Jacobs (Chair of Trustees)*
W J Oakes (Headmaster & Accounting Officer)
N Booker (Staff Trustee)
W Carey* (Resigned 31/08/2020)
D Eastley
M Henwood
A Hughes
D Lawrence*
D Turner*
M Johnson
W Fernandez
S Golding (Responsible Officer)*
R Tibbott (Chair of the Resources Team)
A Metcalf
E Cleary
Z Rahman

* members of the Resources Team

Members

M C Jacobs
W J Oakes
D Eastley
W Carey

Senior management team

- Headmaster and Accounting Officer
- Deputy Head
- Deputy Head
- Deputy Head
- Business Manager

W J Oakes
S Harrington
M Kingham
B Stephenson
N Booker

Company Secretary

J Roblett

Company registration number

07406122 (England and Wales)

Registered office

Dartford Grammar School
West Hill
Dartford
Kent
DA1 2HW
United Kingdom

Independent auditor

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

DARTFORD GRAMMAR SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Barclays Bank PLC
24 Lowfield Street
Dartford
Kent
DA1 1HD

HSBC Bank PLC
38 High Street
Dartford
Kent
DA1 1DG

DARTFORD GRAMMAR SCHOOL TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2019/20 issued by the ESFA.

The principal activity of the company is the operation of a state-funded Academy, Dartford Grammar School, providing a state education to boys of selective ability between the ages of 11 to 16, and to boys/girls aged 16 to 18. There is an emphasis on Science and Languages, and the school follows the International Baccalaureate Diploma programme in Key Stage 5. It had a pupil roll of 1507 in the school census in January 2020.

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 charitable company is known as Dartford Grammar School.

The Trustees of Dartford Grammar School are also the Directors of the charitable company for the purposes of company law and they are the Governors of the Academy.

Details of the Trustees who served during the year are included in the Reference and Administrative Details included at the front of these accounts.

Members' liability

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

Trustees' Indemnities

The academy has not provided any indemnities to third parties during the year on behalf of any Trustee.

Method of recruitment and appointment or election of Trustees

In accordance with Companies House all Governors are Directors/Trustees of the Trust. In accordance with the articles, the Trustees of the charitable company are the Governors. They are appointed as follows:

Headmaster

Foundation Governors (max 5)

- appointed by the Foundation (Dartford Grammar School and the Parish of Dartford)

Staff Governors (max 2)

- appointed by staff election and ballot

Local Authority Governor (max 1)

- appointed by Kent County Council

Parent Governors (max 2)

- appointed by parental election and ballot

Co-opted Governors (max 4)

- appointed by the Governing Body

In respect of those appointed by the Governors, when a vacancy arises, the Governors seek to make an appointment that would maximise the relevant skills and experience on the board as a whole.

DARTFORD GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All Trustees are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as Trustees.

Organisational structure

The Board of Trustees, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The full board meets at least three times a year and has two committees:

- Resources Team.
- Curriculum Committee.

The Resources Team also fulfils the functions of an Audit Committee.

Both committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members, and also each meet three times per year. Trustees delegate specific responsibilities to its committees, the activities of which are reported to and discussed at full Governing Body Meetings.

Day to day management of the company is undertaken by the Headmaster, supported by the Senior Management Team.

The Headmaster is the Accounting Officer and the Business Manager is the Principal Finance Officer.

Arrangements for setting pay and remuneration of key management personnel

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

The pay of the Head is set annually by the Pay Committee, having regards to performance against objectives set the previous year. Pay of other SMT members is also set by the Pay Committee again having regard to performance against previously agreed objectives and the recommendations made by the Head.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total Cost of facility time	£0
Total Pay bill	£0
Percentage of the total pay bill spent on facility time	0%

DARTFORD GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Paid trade union activities

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

The Academy is connected to the following organisations by way of Governors holding positions as follows:

Dartford Arts Centre t/a The Mick Jagger Centre for the Performing Arts:

- W Fernandez (Director)
- WJ Oakes (Director)
- N Booker (Director)

Dartford Sports Centre t/a Becket Sports Centre:

- C Jacobs (Director)
- W J Oakes (Director)
- N Booker (Company Secretary)

Dartfordians Association:

- WJ Oakes (President)
- Vacancy (Chair)
- Vacancy (Vice Chair)
- D Eastley (Trustee)
- N Booker (Treasurer)

Objectives and activities

Objects and aims

The principal object of the company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of Dartford Grammar School, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its students.

Objectives, strategies and activities

The main objectives for the 2019-2020 year were;

To introduce Google Docs to replace Sharepoint

To create a coherent and sustainable Old Dartfordians Association.

To review the new 'vertical' PHSE programme through dedicated agenda time at Leadership Group, Governing Body and Teaching and Learning committees.

To provide annual staff training in Emotional Health and Wellbeing (Staff and Students).

To raise the profile of SEND matters through staff briefings.

To complete a thorough review of 'easy gains' to improve efficiency and manage staff workloads.

To produce a comprehensive Teacher Recruitment and Retention strategy through the use of advertising, marketing and contact with a greater range of HEIs.

To achieve the Key Performance Indicators of a national lead Hub for Mfl.

To complete a review of Mfl departmental organization and responsibilities.

To encourage more IB Diploma examiner and workshop leader applications.

To present a weekly maintenance log as part of the fully costed 5 year maintenance plan.

To improve the active engagement of Form Tutors as key pastoral support points.

To map the IB continuum across the school.

To invigorate the schools CPD programme. Revenue Steam

To develop the schools 'brand' by marketing potential new lines through the school shop.

To review and update the Business Plan for the Becket Sports Centre.

DARTFORD GRAMMAR SCHOOL TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

In setting the objectives and planning the associated activities, Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance (Summer 2020)

In 2020 at GCSE the following national benchmarking data shows: Attainment 8 as 76.6 and Ebacc APS as 7.68 .

In Year 13, 282 students sat the International Baccalaureate (IB) Diploma examination, the largest number of students in any one centre in the AEM region and for this school. There was a 100% pass rate and the average point score of 38.5 (the highest ever achieved) and an average QCA score of 230. Over 90% of students achieved a place at their first or second choice university (72% at a Russell Group university), 93% of grades were A*, A or B or IB equivalent, 4 students achieved the maximum score of 45 points and further 9 students achieved 44 points. All 13 students are within the top 1% globally.

Both sets of external examination results (Key Stage 4 and 5) are excellent with particular pleasure gained from the amount of progress students make between the ages of 11 and 16, and 16 – 18. All Progress 8 elements will not be available this academic year.

Extra-curricular activities continued to play a big part in school life with significant achievements at local and national level in MFL, drama and music as well as county and national successes in sport. However, with the school closure this year due to Covid 19 the school was unable to participate in the national and county sports but hope to continue our successes in the next academic year.

During the period of school closure staff worked successfully and remotely from home using Google classroom and continued to maintain a high level of teaching online. All school trips were subsequently cancelled or postponed and monies transferred to the next academic year. Parents were refunded where appropriate. We have two claims for school trips via the school's direct insurance policy.

The school were able to provide all the Pupil Premium students with food vouchers using the Government funded voucher scheme. This was very successful and was gratefully received by all the parents.

Key financial performance indicators

- Operating Surplus

In general the Schools expenditure should not exceed the income received in year.

- Solvency

The School should maintain sufficient working capital to ensure that all short term debts can be met. It is the Schools policy to ensure a Solvency ratio of at least 2:1. As at 31 August 2020 this ratio was 7:1 (2019: 5.2:1).

- Staff Costs (excl movement in LGPS deficit) as a % of Total Grant Income

Staff Costs are set at a level that can be maintained despite uncertainty regarding future funding streams. 84% of grant income was spent on staffing in the year just ended (2019: 82%).

Other key performance indicators

The school continues to be oversubscribed has more than 1300 eligible applications for year 7 entry for 180 places. The school is able to accommodate the number of students keen to undertake the prestigious and rigorously academic international baccalaureate diploma and the Governing Body has recently determined to expand the sixth form roll to take advantage of the new facilities. There has been a steady increase in IB diploma average point scores at DGS in the last 10 years even though global comparisons show no grade inflation.

DARTFORD GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

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

Financial review

During the Covid 19 period the school had additional expenditure in order to ensure all control measures were in place. Additional cleaning and sanitising materials and staffing costs were funded from the school's reserves but had not been provided for in the school's budget at the beginning of the academic year. A claim has been submitted to the ESFA in order to cover these additional costs. There are no long term serious implications of any financial loss during this period and reimbursement of the additional costs is anticipated.

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

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending. Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

DARTFORD GRAMMAR SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The following balances held were held at 31 August:

Fund	Category	2020 £'000	2019 £'000
GAG	Restricted General Funds	680	479
Other DfE/ESFA Grants	Restricted General Funds	3	-
Other Income	Restricted General Funds	405	239
Sub-total General Restricted Funds		1,088	718
Unspent Capital Grants	Restricted Fixed Asset Fund	-	112
Other Income	Unrestricted General Fund	1,325	1,003
Sub-Total Spendable Funds		2,413	1,833
Net Book Value of Fixed Assets (net of related KCC loan)	Restricted Fixed Asset Fund	13,743	13,896
Share of LGPS Deficit	Restricted Pension Reserve	(3,096)	(2,291)
Total All Funds		<u>13,060</u>	<u>13,438</u>

During the year under review, there was a surplus of £370k (2019: deficit £(9k)) on general restricted funds, a surplus of £322k (2019: surplus £503k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall deficit of £(378k) (2019: deficit £(432k)).

Reserves policy

The schools reserves are currently committed towards its building development programme retention and to ensure a minimum 2% free reserves is held.

Investment policy and powers

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

Principal risks and uncertainties

The Trustees have assessed the major risks to which the company is exposed, in particular those relating to academic performance/finances/child welfare. The Governors have implemented a number of systems to assess risks that the company faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The company has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The risk management process has been codified in a risk register implemented by the Senior Management Team and overseen by Trustees.

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the Governors of actual financial performance, mitigates the risk.

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

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

DARTFORD GRAMMAR SCHOOL TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Financial and risk management objectives and policies

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Our fundraising practices

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

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

There have been no complaints about fundraising activity this year.

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

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

Plans for future 2020-2021

From September 2020, the school will continue with the control measures in place in conjunction with the COVID 19 regulations. Staggered arrival and departure times will continue and all students will work within their year group bubbles (mini schools). The school has also made every endeavour to successfully introduce the recommended systems of control. These measures will continue until the government announce any changes and requirements for schools nationally. The future plans for the school will continue in the best way, taking into account all the restrictions in place.

Future plans for 2020-21 are as follows:

- To create a coherent and sustainable Old Dartfordians Association.
- To review the new 'vertical' PHSE programme through dedicated agenda time at Leadership Group, Governing Body and Teaching and Learning committees.
- To provide annual staff training in Emotional Health and Wellbeing (Staff and Students).
- To raise the profile of SEND matters through staff briefings.
- To rejuvenate a comprehensive, dynamic and innovative Teacher Recruitment and Retention strategy.
- To implement new professional development and INSET programmes.
- To achieve the Key Performance Indicators of a national lead Hub for Computer Science
- To encourage more IB Diploma examiner and workshop leader applications.
- To present a weekly maintenance log as part of the fully costed 5 year maintenance plan.
- To improve the active engagement of Form Tutors and the consistent use of the SIMs behavior module across all Key Stages.
- To develop the schools 'brand' by marketing potential new lines through the school shop.
- To review and update the Business Plan for the Becket Sports Centre.
- To oversee the introduction of a new Dartford Music School strategy
- To achieve the Eco-Schools Award
- To recover the school from the Coronavirus Pandemic lockdown imposed since 20th March 2020 (Educational and Financial recovery)
- To create an effective Visual Impairment unit for September

DARTFORD GRAMMAR SCHOOL TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

School Development: Strategic Plan 2020 to 2025

To sustain the quality of external examination results with a focus on grades 9 and 8 in Key Stage 4, and 6 and 7s for the Diploma.

To respond strategically to the funding challenges facing state schools in the UK.

To consider the increase in IB Diploma places available in each Dp year (Target 400 initiative) against a review for expansion to 8fe? Costs per pupil, restructuring, organisational, opening an annex, or 'free school'.

To keep the IB curriculum under constant review, balancing IBO expectations (assessment, online, reliability) against what is practical and achievable for large cohort schools.

To build a more dynamic ITT hub as a lead school in the Kent and Medway School Based Initial Teaching Training hub to successfully recruit and retain the best teachers.

To improve the facilities and capacity for Games and Sports, build a 3G / 4G training area.

To complete a major overhaul and refurbishment of the Hardy Block.

To manage the staff 'workload challenge' in the key areas of 'feedback and marking', 'collaborative planning and resources' and streamlined data driven intervention.

To be a leading National Centre of excellence for Modern Foreign Language Learning and Computer Science.

To research external funding sources to provide a language assistant in each of the main taught languages.

To promote the school as a centre of excellence for Sixth Form sports.

To be active and collaborative with IB schools and the IBO, responding to the challenges presented by IB on-screen e-assessment and poor implementation of subject reviews.

To maintain a strategic plan for IB training and promote further cluster based workshops to develop IB support to other IB schools.

To complete the mapping of IB core across the school.

To create a sustainable and coherent Digital Strategy.

To give careful consideration to the purpose, effectiveness and impact of school homework.

To recover the school from the lockdown imposed since 20th March 2020 (Educationally and Financially) Details to follow.

Funds held as custodian trustee on behalf of others

No funds are held as custodian trustee on behalf of others.

Auditor

In so far as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, approved by order of the Board of Trustees, as the company Directors, on DD MMM YYYY and signed on the Board's behalf by:

18/11/2020



M C Jacobs

Chair of Trustees

DARTFORD GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headmaster, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Dartford Grammar School and the Secretary of State for Education. The accounting Officer are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

During the period of school closure all Governors continued to receive all information via the Google drive. Minutes/bulletins of the regular Senior Leadership Team meetings were used to inform and update Governors. Socially distanced meetings of the Resources and Full Governing Body took place during the summer term.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
M C Jacobs (Chair of Trustees)	4	4
W J Oakes (Headmaster & Accounting Officer)	4	4
N Booker (Staff Trustee)	4	4
W Carey	3	4
D Eastley	3	4
W Fernandez	1	4
S Golding (Responsible Officer)	4	4
M Henwood	3	4
A Hughes	4	4
D Lawrence (Vice Chair)	3	4
D Turner	1	4
M Johnson	3	4
J Roblett (Clerk)	4	4
A Metcalf	3	4
R Tibbott (Chair of Resources Team)	3	4
E Cleary	3	4
Z Rahman	3	4

Governance reviews:

A review of governance was carried out at the same time as these membership changes. Terms of Reference for the full governing body and each of the 2 teams were updated. An external review of governance is not planned for this year.

The Resources Team is a sub-committee of the main board of governors.

A key function of the Governing Body is to oversee financial performance and strategy of the school, making sure financial resources are carefully managed.

DARTFORD GRAMMAR SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Attendance at Resource Team meetings during the year was as follows:

Governors	Meetings attended	Out of possible
R Tibbott (Chair of Committee)	3	3
W J Oakes	3	3
W Fernandez	1	3
S Golding	2	3
M C Jacobs	3	3
M Johnson	2	3
D Lawrence	0	3
D Turner	2	3
N Booker	3	3
J Roblett	3	3
W Carey	1	3
E Cleary	2	3

Review of Value for Money

As accounting officer the Headmaster 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:

Improving educational results. Resources are directed where they are most needed in meeting educational requirements such as; the development of new national MFL and Computer Science hubs, the new reformed GCSE, IB subject reviews requiring the careful targeting of resources for subjects and key subject areas, and monitoring the needs of all students ensuring appropriate and relevant support is provided. Pupil Premium is targeted at individual students and those on the SEND register. Scrutinising the annual performance of staff through an evidenced based appraisal and offering appropriate training and development. This has resulted in excellent external exam results with a 76% of GCSE grades at level 7-9, and an average IB Diploma point score of 38.5 (Global average is < 29.9) following the upgrades supplied globally.

Financial Governance and Oversight – The Governing Body and the Resources Team meet at least 3 times per year. The Responsible Officer, Chair of Finance and the external auditors support the work of the Governing body. The systems of financial control include segregation of duties, production of annual budget and cash flow reporting, identification and management of risks improved benchmarking for services and supplies against local schools. Best value is applied when purchasing a range of supplies. We are still members of the Crescent Purchasing Consortium (CPC).

The school actively promotes the use of its facilities for sports and the arts via the two separate companies;

- Dartford Arts Centre t/a The Mick Jagger Centre – Hosts to over 23 community organisations, including Dartford Music School and the Red Rooster Project, together with private hires and commercial events – t/o of approximately £404k pa
- Dartford Sports Centre t/a Becketts Sports Centre – Provides gym and sports hall facilities to the local community at evenings and weekends – t/o approximately £114k pa.

A risk register is in place to manage controls and risks and is updated where appropriate and reviewed regularly by the Governing Body. Regular finance reports are prepared and progress against budgets and targets reviewed and challenged as appropriate. Detailed reports are distributed to Governors on a monthly basis via the Governors secure Google Drive. Insurance is reviewed annually to ensure appropriate levels of cover are in place.

DARTFORD GRAMMAR SCHOOL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Dartford Grammar School for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal 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 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Resources Team of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed S Golding, a Governor, as Responsible Officer 'RO'. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems, following which the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The Responsible Officer visited three times during the year.

Checks carried out included

- September 2019 (testing of Purchasing)
- January 2020 (testing of Income and Accounting Systems)
- July 2020 (testing of Payroll Systems)

The RO has delivered their schedule of work as planned and no material controlled issues have been identified.

DARTFORD GRAMMAR SCHOOL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

Review of effectiveness

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

- the work of the responsible officer (S Golding)
- the work of the external auditor; (Baxter & Co.)
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources Team and a plan to address weaknesses (should any be identified) and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on DD/MM/YYYY and signed on its behalf by:

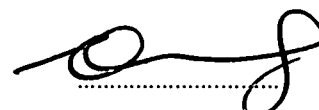
18/11/2020



.....

M C Jacobs

Chair of Trustees



W J Oakes

Headmaster & Accounting Officer

DARTFORD GRAMMAR SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

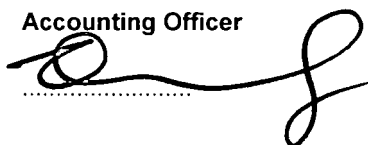
FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Dartford Grammar School, I have considered my responsibility to notify the Academy Trust Board of Trust and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust's Board of Trust 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 2019.

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

W Oakes
Accounting Officer



18/11/2020

DARTFORD GRAMMAR SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Dartford Grammar School for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trust on 18/11/20 and signed on its behalf by:



M C Jacobs
Chair of Trustees

DARTFORD GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DARTFORD GRAMMAR SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the Financial Statements of Dartford Grammar School for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Trustees have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

DARTFORD GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DARTFORD GRAMMAR SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

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

DARTFORD GRAMMAR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DARTFORD GRAMMAR SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

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

Dated: 2 December 2020

DARTFORD GRAMMAR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DARTFORD GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 1 November 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dartford Grammar School during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Dartford Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Dartford Grammar School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Dartford Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Dartford Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Dartford Grammar School's funding agreement with the Secretary of State for Education dated 26 November 2010 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of internal scrutiny implemented by the Academy Trust in order to comply with its obligations under 3.1 of the Academies Financial Handbook 2019, issued by the ESFA.

DARTFORD GRAMMAR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DARTFORD GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Dated: 2 December 2020

DARTFORD GRAMMAR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	3	322	2	32	356	233
Charitable activities:						
- Funding for educational operations	4	-	8,915	-	8,915	8,332
- Funding for teaching school	27	-	-	-	-	6
Other trading activities	5	-	13	-	13	10
Total		322	8,930	32	9,284	8,581
Expenditure on:						
Raising funds	6	-	13	-	13	5
Charitable activities:						
- Educational operations	7	-	8,734	396	9,130	8,531
- Teaching School	27	-	-	-	-	37
Total	6	-	8,747	396	9,143	8,573
Net income/(expenditure)		322	183	(364)	141	8
Transfers between funds	17	-	(99)	99	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	-	(519)	-	(519)	(440)
Net movement in funds		322	(435)	(265)	(378)	(432)
Reconciliation of funds						
Total funds brought forward		1,003	(1,573)	14,008	13,438	13,870
Total funds carried forward		1,325	(2,008)	13,743	13,060	13,438

DARTFORD GRAMMAR SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000
Income and endowments from:					
Donations and capital grants	3	120	-	113	233
Charitable activities:					
- Funding for educational operations	4	-	8,332	-	8,332
- Funding for teaching school	27	-	6	-	6
Other trading activities	5	-	10	-	10
Total		120	8,348	113	8,581
Expenditure on:					
Raising funds	6	-	5	-	5
Charitable activities:					
- Educational operations	7	-	8,136	395	8,531
- Teaching School	27	-	37	-	37
Total	6	-	8,178	395	8,573
Net income/(expenditure)		120	170	(282)	8
Transfers between funds	17	383	(448)	65	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(440)	-	(440)
Net movement in funds		503	(718)	(217)	(432)
Reconciliation of funds					
Total funds brought forward		500	(855)	14,225	13,870
Total funds carried forward		1,003	(1,573)	14,008	13,438

DARTFORD GRAMMAR SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020	2019
	Notes	£'000	£'000
Fixed assets			
Tangible assets	11	13,902	14,110
Current assets			
Stocks	12	38	24
Debtors	13	354	198
Cash at bank and in hand		2,357	1,982
		2,749	2,204
Current liabilities			
Creditors: amounts falling due within one year	14	(392)	(427)
Net current assets		2,357	1,777
Total assets less current liabilities		16,259	15,887
Creditors: amounts falling due after more than one year	16	(103)	(158)
Net assets before defined benefit pension scheme liability		16,156	15,729
Defined benefit pension scheme liability	19	(3,096)	(2,291)
Total net assets		13,060	13,438
Funds of the Academy Trust:			
Restricted funds	17		
- Fixed asset funds		13,743	14,008
- Restricted income funds		1,088	718
- Pension reserve		(3,096)	(2,291)
Total restricted funds		11,735	12,435
Unrestricted income funds	17	1,325	1,003
Total funds		13,060	13,438

The Financial Statements on pages 22 to 48 were approved by the Trustees and authorised for issue on 18/11/20 and are signed on their behalf by:



M C Jacobs

Chair of Trustees

Company Number 07406122

DARTFORD GRAMMAR SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	20		586		421
Cash flows from investing activities					
Capital grants from DfE Group		32		113	
Purchase of tangible fixed assets		(188)		(77)	
Net cash (used in)/provided by investing activities			(156)		36
Cash flows from financing activities					
Repayment of long term loan		(55)		(56)	
Net cash used in financing activities			(55)		(56)
Net increase in cash and cash equivalents in the reporting period			375		401
Cash and cash equivalents at beginning of the year			1,982		1,581
Cash and cash equivalents at end of the year			<u>2,357</u>		<u>1,982</u>

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

1.1 Basis of preparation

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

Leasehold land & buildings	50 Years (Straight Line)
Freehold land & buildings	50 Years (Straight Line)
ICT / Computer equipment	5 Years (Straight Line)
Fixtures, fittings & equipment	10 Years (Straight Line)

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

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.10 Taxation

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

1.11 Pensions benefits

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

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

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

1.12 Fund accounting

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

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

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

1.13 Agency arrangements

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

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Capital grants	-	32	32	113
Other donations	322	2	324	120
	<u>322</u>	<u>34</u>	<u>356</u>	<u>233</u>

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	7,113	7,113	7,059
Other DfE group grants	-	547	547	206
	-	7,660	7,660	7,265
Other government grants				
Local authority grants	-	45	45	32
Exceptional government funding				
Coronavirus Job Retention Scheme grant	-	50	50	-
	-	95	95	32
Other funding				
Voluntary Fund income	-	844	844	790
Other incoming resources	-	316	316	245
	-	1,160	1,160	1,035
Total funding	-	8,915	8,915	8,332

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Lettings income	-	13	13	10

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Expenditure on raising funds					
- Direct costs	-	-	13	13	5
Academy's educational operations					
- Direct costs	5,709	317	1,161	7,187	6,605
- Allocated support costs	1,084	610	249	1,943	1,926
Teaching School					
- Direct costs	-	-	-	-	12
- Allocated support costs	-	-	-	-	25
	<u>6,793</u>	<u>927</u>	<u>1,423</u>	<u>9,143</u>	<u>8,573</u>

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Fees payable to auditor for:		
- Audit	8	8
- Other services	7	6
Operating lease rentals	33	34
Depreciation of tangible fixed assets	396	395
Net interest on defined benefit pension liability	41	39
	<u></u>	<u></u>

Included within expenditure are the following transactions:

	2020 £
Gifts made by the Academy Trust - total	<u>428</u>

Clarification note - While many of the disclosures within these accounts are rounded to £'000, the above is not; i.e. the value of gifts and unrecoverable debts during the year was £428 (not £428k).

7 Charitable activities

	2020 £'000	2019 £'000
All from restricted funds:		
Direct costs		
Educational operations	7,187	6,605
Teaching School	-	12
Support costs		
Educational operations	1,943	1,926
Teaching School	-	25
	<u>9,130</u>	<u>8,568</u>

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

	2020	2019
	£'000	£'000
7 Charitable activities - Analysis of costs		
Direct costs		
Teaching and educational support staff costs	5,709	5,109
Staff development	7	13
Depreciation	317	311
Technology costs	98	86
Educational supplies and services	162	170
Examination fees	230	248
Educational consultancy	5	1
Other direct costs	659	679
	<u>7,187</u>	<u>6,617</u>
Support costs		
Support staff costs	839	841
Defined benefit pension scheme - staff costs (FRS102 adjustment)	245	230
Depreciation	79	84
Maintenance of premises and equipment	273	179
Cleaning	22	18
Energy costs	131	146
Rent, rates and other occupancy costs	64	87
Insurance	41	48
Catering	35	35
Defined benefit pension scheme - finance costs (FRS102 adjustment)	41	39
Other support costs	120	177
Governance costs	53	67
	<u>1,943</u>	<u>1,951</u>
8 Staff		
Staff costs		
Staff costs during the year were:		
	2020	2019
	£'000	£'000
Wages and salaries	5,037	4,752
Social security costs	461	437
Pension costs	1,050	761
Defined benefit pension scheme - staff costs (FRS102 adjustment)	245	230
	<u>6,793</u>	<u>6,180</u>

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Staff

Staff numbers

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

	2020 Number	2019 Number
Teachers	91	92
Administration and support	106	106
Management	10	9
	<u>207</u>	<u>207</u>

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

	2020 Number	2019 Number
Teachers	82	86
Administration and support	56	61
Management	10	9
	<u>148</u>	<u>156</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,000 - £70,000	3	3
£70,001 - £80,000	2	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>6</u>	<u>5</u>

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £585,658 (2019: £528,283).

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headmaster and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headmaster and staff members under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees.

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

W J Oakes (Headmaster):

- Remuneration: £130,000 - £135,000 (2019: £120,000 - £125,000)
- Employer's pension contributions: £30,000 - £35,000 (2019: £20,000 - £25,000)

N Booker (Staff Trustee):

- Remuneration: £45,000 - £50,000 (2019: £45,000 - £50,000)
- Employer's pension contributions: £nil (2019: £nil)

R Tibbott (Staff Trustee)

- Remuneration: £10,000 - £15,000 (2019: £5,000 - £10,000)
- Employer's pension contributions: £0 - £5,000 (2019: £0 - £5,000)

A Metcalf (Staff Trustee)

- Remuneration: £45,000 - £50,000 (2019: £30,000 - £35,000)
- Employer's pension contributions: £10,000 - £15,000 (2019: £5,000 - £10,000)

During the year, travel and subsistence payments totalling £243 (2019: £96) were reimbursed or paid directly to 1 Trustee (2019: 2 Trustees) in respect of expenses incurred in performing their duties of employment.

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

10 Insurance for Trustees and officers

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2020 was £212 (2019: £212). The cost of this insurance is included in the total insurance cost.

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Tangible fixed assets

	Leasehold land & buildings £'000	Freehold land & buildings £'000	ICT / Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost					
At 1 September 2019	15,822	526	80	167	16,595
Additions	127	-	54	7	188
At 31 August 2020	15,949	526	134	174	16,783
Depreciation					
At 1 September 2019	2,188	118	71	108	2,485
Charge for the year	352	13	14	17	396
At 31 August 2020	2,540	131	85	125	2,881
Net book value					
At 31 August 2020	13,409	395	49	49	13,902
At 31 August 2019	13,634	408	9	59	14,110

The Academy occupies the leasehold buildings at a peppercorn rent under the terms of a 125 year lease that commenced on 01 December 2010. The landlords are three of the trustees of a separately registered charitable trust, "Dartford Grammar School" (charity number 307836), who act in this matter on behalf of the registered charity. The Academy occupies the playing fields and sports pavilion on a freehold basis.

12 Stocks

	2020 £'000	2019 £'000
School uniform	38	24

13 Debtors

	2020 £'000	2019 £'000
VAT recoverable	27	19
Other debtors	69	-
Prepayments and accrued income	258	179
	354	198

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Government loans	56	56
Other taxation and social security	118	118
Accruals and deferred income	218	253
	<u>392</u>	<u>427</u>

15 Deferred income

	2020 £'000	2019 £'000
Deferred income is included within:		
Creditors due within one year	<u>119</u>	<u>216</u>
Deferred income at 1 September 2019	216	325
Released from previous years	(216)	(325)
Resources deferred in the year	<u>119</u>	<u>216</u>
Deferred income at 31 August 2020	<u>119</u>	<u>216</u>

The balance of deferred income represents income collected in advance for trips and activities that had not yet taken place at 31 August 2020 of £72k (2019: £168k), the balance of 16-19 bursary funding of £44k (2019: £45k) and NCTL funding of £3k (2019: £3k) unspent at 31 August 2020.

16 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Government loans	<u>103</u>	<u>158</u>

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Creditors: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Analysis of loans		
Wholly repayable within five years	159	214
Less: included in current liabilities	(56)	(56)
	<hr/>	<hr/>
Amounts included above	103	158
	<hr/>	<hr/>
Loan maturity		
Debt due in one year or less	56	56
Due in more than one year but not more than two years	56	56
Due in more than two years but not more than five years	47	102
	<hr/>	<hr/>
	159	214
	<hr/>	<hr/>

During 2017-18 the Academy received a loan of £270k as part of the CIF award for works on the 6th form centre. Repayments on this loan started in September 2018 and the total balance is expected to be repaid within 5 years.

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	479	7,113	(6,881)	(31)	680
Other DfE / ESFA grants	-	470	(467)	-	3
Pupil Premium	-	77	(77)	-	-
Other government grants	-	95	(95)	-	-
Other restricted funds	239	1,175	(941)	(68)	405
Pension reserve	(2,291)	-	(286)	(519)	(3,096)
	<u>(1,573)</u>	<u>8,930</u>	<u>(8,747)</u>	<u>(618)</u>	<u>(2,008)</u>
Restricted fixed asset funds					
Transfer on conversion	4,979	-	(165)	-	4,814
DfE group capital grants	7,406	32	(188)	(13)	7,237
Capital expenditure from GAG and other funds	1,593	-	(42)	112	1,663
Private sector capital sponsorship	30	-	(1)	-	29
	<u>14,008</u>	<u>32</u>	<u>(396)</u>	<u>99</u>	<u>13,743</u>
Total restricted funds	<u>12,435</u>	<u>8,962</u>	<u>(9,143)</u>	<u>(519)</u>	<u>11,735</u>
Unrestricted funds					
General funds	<u>1,003</u>	<u>322</u>	<u>-</u>	<u>-</u>	<u>1,325</u>
Total funds	<u>13,438</u>	<u>9,284</u>	<u>(9,143)</u>	<u>(519)</u>	<u>13,060</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

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

The Restricted Fixed Asset Fund represents the net book value of fixed assets £13,902k (2019: £14,110k), plus the unspent element of Capital funds £nil (2019: £112k), less the balance on an inherited government capital loan £159k (2019: £214k) used to fund building works. When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	171	7,059	(6,722)	(29)	479
Other DfE / ESFA grants	16	133	(149)	-	-
Pupil Premium	-	73	(73)	-	-
Other government grants	-	32	(32)	-	-
Teaching School	31	6	(37)	-	-
Other restricted funds	509	1,045	(896)	(419)	239
Pension reserve	(1,582)	-	(269)	(440)	(2,291)
	<u>(855)</u>	<u>8,348</u>	<u>(8,178)</u>	<u>(888)</u>	<u>(1,573)</u>
Restricted fixed asset funds					
Transfer on conversion	5,143	-	(164)	-	4,979
DfE group capital grants	7,468	113	(175)	-	7,406
Capital expenditure from GAG and other funds	1,583	-	(55)	65	1,593
Private sector capital sponsorship	31	-	(1)	-	30
	<u>14,225</u>	<u>113</u>	<u>(395)</u>	<u>65</u>	<u>14,008</u>
Total restricted funds	<u>13,370</u>	<u>8,461</u>	<u>(8,573)</u>	<u>(823)</u>	<u>12,435</u>
Unrestricted funds					
General funds	<u>500</u>	<u>120</u>	<u>-</u>	<u>383</u>	<u>1,003</u>
Total funds	<u>13,870</u>	<u>8,581</u>	<u>(8,573)</u>	<u>(440)</u>	<u>13,438</u>

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	13,902	13,902
Current assets	1,325	1,424	-	2,749
Creditors falling due within one year	-	(336)	(56)	(392)
Creditors falling due after one year	-	-	(103)	(103)
Defined benefit pension liability	-	(3,096)	-	(3,096)
Total net assets	1,325	(2,008)	13,743	13,060

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	14,110	14,110
Current assets	1,003	1,089	112	2,204
Creditors falling due within one year	-	(371)	(56)	(427)
Creditors falling due after one year	-	-	(158)	(158)
Defined benefit pension liability	-	(2,291)	-	(2,291)
Total net assets	1,003	(1,573)	14,008	13,438

19 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £846k (2019: £565k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20% for employers and 5.5% to 6.5% for employees.

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

Total contributions made	2020 £'000	2019 £'000
Employer's contributions	204	196
Employees' contributions	60	57
Total contributions	264	253

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.30	3.75
Rate of increase for pensions in payment/inflation	2.30	2.25
Discount rate for scheme liabilities	1.60	1.85
RPI increases	3.10	3.25
CPI increases	2.30	2.25

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	22.1
- Females	23.8	24.0
Retiring in 20 years		
- Males	23.2	23.7
- Females	25.2	25.8

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

	2020 £'000	2019 £'000
Discount rate + 0.1%	6,742	5,411
Discount rate - 0.1%	7,046	5,639
Mortality assumption + 1 year	7,149	5,722
Mortality assumption - 1 year	6,644	5,333
Pension rate + 0.1%	7,033	5,627
Pension rate - 0.1%	6,754	5,423
Salary rate + 0.1%	6,904	5,536
Salary rate - 0.1%	6,880	5,512

Defined benefit pension scheme net liability

Scheme assets	3,796	3,233
Scheme obligations	(6,892)	(5,524)
Net liability	(3,096)	(2,291)

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

The Academy Trust's share of the assets in the scheme	2020 Fair value £'000	2019 Fair value £'000
Equities	2,459	2,204
Bonds	490	292
Gilts	25	23
Cash	116	86
Property	417	377
Other assets	289	251
Total market value of assets	<u>3,796</u>	<u>3,233</u>

The actual return on scheme assets was £250,000 (2019: £134,000).

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	449	373
Past service cost	-	53
Interest income	(62)	(79)
Interest cost	103	118
Total operating charge	<u>490</u>	<u>465</u>

Changes in the present value of defined benefit obligations	2020 £'000
At 1 September 2019	5,524
Current service cost	447
Interest cost	103
Employee contributions	60
Actuarial loss	785
Benefits paid	(27)
At 31 August 2020	<u>6,892</u>

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

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

	2020 £'000
At 1 September 2019	3,233
Interest income	60
Actuarial gain	266
Employer contributions	204
Employee contributions	60
Benefits paid	(27)
At 31 August 2020	<u>3,796</u>

20 Reconciliation of net income to net cash flow from operating activities

	2020 £'000	2019 £'000
Net income for the reporting period (as per the statement of financial activities)	141	8
Adjusted for:		
Capital grants from DfE and other capital income	(32)	(113)
Defined benefit pension costs less contributions payable	245	230
Defined benefit pension scheme finance cost	41	39
Depreciation of tangible fixed assets	396	395
(Increase) in stocks	(14)	(17)
(Increase)/decrease in debtors	(156)	52
(Decrease) in creditors	(35)	(173)
Net cash provided by operating activities	<u>586</u>	<u>421</u>

21 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	1,982	375	2,357
Loans falling due within one year	(56)	-	(56)
Loans falling due after more than one year	(158)	55	(103)
	<u>1,768</u>	<u>430</u>	<u>2,198</u>

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	33	34
Amounts due in two and five years	43	64
	<u>76</u>	<u>98</u>

23 Capital commitments

	2020 £'000	2019 £'000
Expenditure contracted for but not provided in the Financial Statements	<u>-</u>	<u>67</u>

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Related party transactions

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

The Academy occupies the leasehold buildings at a peppercorn rent under the terms of a 125 year lease that commenced on 01 December 2010. The landlords are three of the trustees of a separately registered charitable trust, "Dartford Grammar School" (charity number 307836), who act in this matter on behalf of the registered charity. The unincorporated registered charitable trust (which bears the same name as the incorporated, exempt charitable company) is a related party by virtue of all of its trustees also being Governors (trustees) of the charitable company. No premium was payable in the lease and no balances were outstanding at the period end.

Donation income of £129,519 (2019: £nil) was receivable in the period from Dartford Sports Centre (trading as the Becket Sport Centre), a company incorporated in the U.K (England and Wales), company number 04417789. The balance outstanding at the end of the year was £55,000 (2019: £nil), and is included in debtors. This is a related party because both of its directors are Governors (trustees) of the charitable company.

Dartford Arts Centre (trading as the Mick Jagger Centre), a company incorporated in the U.K (England and Wales), company number 03958793 is also a related party by virtue of one of the Governors and a member of the Academy management being a Trustee. The academy recovers staff and other costs incurred on behalf of the Arts Centre via a monthly invoice. Total charges in the year amounted to £216,904 (2019: £208,753) and payments of £52,130 (2019: £16,288) were made to it during the year. The balance due to the charitable company at 31 August 2020 was £7,211 (2019: £18,084) which is off set by a creditor for the same amount.

IB Schools and Colleges Association, is also a related party by virtue of one of the Governors being the Chief Executive. Payments made in the year were £2,250 (2019: £775) and income received of £nil (2019: £nil). No balances were outstanding at year end.

H Oakes, who is related to W J Oakes, the Headmaster, is employed by the academy trust as a teacher. H Oakes' appointment was made in open competition and W J Oakes was not involved in the decision making process regarding appointment. H Oakes is paid within normal pay scale for her role and receives no special treatment as a result of her relation to the Headmaster.

In entering into the transactions above the Academy Trust has complied with the requirements of the Academies Financial Handbook 2019.

25 Members' liability

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

DARTFORD GRAMMAR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

26 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the Trust had unspent funds brought forward of £44k (2019: £26k), received £27k (2019: £31k) and disbursed £27k (2019: £11k) and from the fund and retained £nil (2019: £2k) of the funds received for administration expenditure. Unspent balances of £44k (2019: £44k) are included within creditors: amounts falling due within one year.

The Academy Trust distributes DfE Teacher Training funds to Academies as an agent. In the accounting period ending 31 August 2020 the Trust had unspent funds brought forward of £4k (2019: £130k), received £124k (2019: £118k) and disbursed £125k (2019: £244k) from the fund. Unspent balances of £3k (2019: £4k) are included within creditors: amounts falling due within one year.

27 Teaching School trading account

	2020		2019	
	£'000	£'000	£'000	£'000
Direct income				
Other external funding		-		6
Direct costs				
Direct staff costs	-		12	
Other costs				
Other support costs	-		25	
Total operating costs		-		(37)
Deficit from teaching school		-		(31)
Teaching School balances at 1 September 2019		-		31
Teaching School balances at 31 August 2020		-		-