

REGISTERED COMPANY NUMBER: 07847021 (England and Wales)

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**  
**FOR**  
**GRAVENEY PRIMARY SCHOOL**



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

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**FOR THE YEAR ENDED 31 AUGUST 2020**

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# **GRAVENEY PRIMARY SCHOOL**

## **REFERENCE AND ADMINISTRATIVE DETAILS** **FOR THE YEAR ENDED 31 AUGUST 2020**

### **MEMBERS**

Mr R Kitto (Chairman - resigned 7<sup>th</sup> September 20)  
Mrs M E Hewitt (Chair)  
Mr A Bowles  
Mrs E Bell  
Mr B Snashall  
Mr D D Cavallina

### **TRUSTEES**

Mrs A Blackwell (Headteacher and Accounting Officer, Staff Trustee)  
Mr R Kitto (Chairman resigned 7<sup>th</sup> September 20)  
Mrs S A Dunkin (Staff Trustee)  
Mrs V L Keep (Vice Chair)  
Mrs D M Knibbs (Finance Officer, Staff Trustee)  
Mrs M E Hewitt (Chairman)  
Mrs S Jefferys  
Mr M Wicks (Vice Chair)  
Ms T Mizen (appointed 1<sup>st</sup> January 20)

### **Senior Management Team**

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

### **COMPANY NAME**

Graveney Primary School

### **PRINCIPAL AND REGISTERED OFFICE**

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

### **COMPANY REGISTRATION NUMBER**

07847021 (England and Wales)

### **INDEPENDENT AUDITOR**

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

### **BANKERS**

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

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

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area of Faversham and the surrounding area. It has a pupil capacity of 105) and had a roll of 103 in the school census on 1st October 2020. This is an increase from last year's intake, which was 95, and was due to the low birth rate in the area.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

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

The following objectives were included in the School Improvement Plan for 2019-20:

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

## **GRAVENEY PRIMARY SCHOOL**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2020**

#### **OBJECTIVES AND ACTIVITIES**

##### **Significant activities**

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

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

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

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

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

##### **Public Benefit**

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

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

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

##### **FUNDRAISING**

The school received a donation from a local trust which helped the school to replace the artificial grass on our outdoor play area.

PTA has not been re-established due to the pandemic. The school has continued to hold small events to raise funds including; Christmas Shopping event, Christmas crafts, a Disco, and second hand book stall.

We received a small donation from a local book club.

## **GRAVENEY PRIMARY SCHOOL**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2020**

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

The School has 103 students on roll (maximum capacity is 105).

Attendance was 96.7% (up to lockdown). Slightly below the target set for this year. Attendance prior to the closure of the school had already been impacted by illness. During the closure/Lockdown attendance within school remains above national average with between 3-10 key worker pupils attending before partial opening. After partial opening, we have increased our pupil capacity and had 39% of pupils returned to school. Of these pupils the average attendance was 97%, some identified pupils are only attending part time as part of their transition returning back to school, this has been completed following discussions with parents and to meet individual family needs. Staff attendance has been excellent with only one member of staff needing to isolate with their family earlier in the lockdown. Attendance is currently 94.49% (November 2020). Whilst this is below what we would normally expect at this time in the year, attendance is in line with national average with many schools during this pandemic.

There are 11.7% SEN currently on our register. Two pupils in school have an EHCP and a third has been successfully applied for and is currently being drafted by KCC. On annual review is currently underway – this is being completed remotely. Children with an EHCP all have their own individual provision maps.

Provision maps each year group also identifies individuals and groups showing their additional support. Higher Level Teaching assistants are used to support groups of children and individuals, including those with additional health and care needs. Children's progress is carefully tracked using SIMs Assessment Manager.

This year Graveney Primary School has seen an increase in the number of children eligible for Pupil Premium increasing to 13.6%. Provision and interventions for these pupils have been re-evaluated since their return to school following the lockdown.

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

During 2019-20 due to the pandemic the normal key performance indicators have not been available for the school to measure against due to the cancellation of all Statutory Assessments in Primary Schools.

The school continues to strive to ensure that our pupil achievements continue to improve, even during the closure period. Staff kept in contact with their pupils, via regular contact and weekly tasks. As a school we strived to ensure that pupil wellbeing remain strong during the closure period, this focus has helped our pupils to return to school confidently.

Staff have needed to evolve their teaching during this challenging year, this has been done through various online learning platforms during the closure period. All staff, pupils and trustees now have access to Office 365 which enable them to work more effectively remotely (should this be necessary). Teams is now being used as the main platform for our remote learning.

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

**ACHIEVEMENT AND PERFORMANCE**

**Key financial performance indicators**

Staff costs as a percentage of total income, excluding capital grants, for the year to 31 August 2020:

	2019/20	2018/19
Teaching and educational support salaries	59.0%	58.0%
Other support staff	21.0%	21.0%
Total staff	80.0%	79.0%

Staff costs as a percentage of GAG for the year to 31 August 2020:

	2019/20	2018/19
Teaching and educational support salaries	70.0%	69.0%
Other support staff	24.0%	25.0%
Total staff	94.0%	94.0%

**FINANCIAL REVIEW**

**Financial position**

The Academy's accounting period covers the year to 31 August 2020.

The majority of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

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

The result for the year ended 31 August 2020 was a surplus of £29,598 (2019: deficit £7,230) (before accounting for fixed assets and the pension reserve). Reserves at 31 August 2020 were £52,163 (before accounting for fixed assets and the pension reserve) (2019: £22,565).

**Investment policy and objectives**

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

## **GRAVENEY PRIMARY SCHOOL**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2020**

#### **FINANCIAL REVIEW**

##### **Reserves policy**

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments of the School, including future capital projects, and the nature of the reserves. The Trustees recognise the need for a level of financial reserves that will shield the school from the possibility of adverse unforeseen circumstances. The school will seek to have reserves that will cover from one to three months of annual expenditure. For the 19/20 year such reserves amount to £45,000.

The Trustees have considered the risks and opportunities and reviewed the level of cash reserves which it deems prudent to maintain for the year 20/21. The available funds held as at 31 August 2020 are £52,162 (2019: £22,565), which are now in line with the reserves policy.

The academy held fund balances at 31 August 2020 of £999,629 (2019: £909,623) comprising £1,273,754 of restricted funds (before accounting for the pension) (2019: £1,148,058) and £27,875 (2019: £22,565) of unrestricted general funds. Restricted funds (excluding restricted fixed asset funds) are £ (277,713) at the year-end (2019: (£261,000)) after accounting for the deficit on the local government pension scheme. The deficit on the scheme as at 31 August 2020 was £302,000 (2018: £261,000). It should be noted however that this deficit will not crystallise in the foreseeable future and that the academy follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. This level of contributions has been taken into account when preparing the academy's budgets for the year ending 31 August 2021. The combined balance of restricted general funds (excluding pension reserve) plus unrestricted funds at 31 August 2020 was £52,162 (2019: £22,565).

##### **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.

##### **FUTURE PLANS**

The School seeks continuous improvement in its provision of education and a similar improvement in its fixed assets and its resources. Our collaboration continues with Luddenham and Sheldwich Primary Schools, with regular meetings between our headteachers, managers and governing bodies to share good practice and resources. The School also works in collaboration through the School Partnership Programme (EDF). The SPP is a partnership-based approach to school improvement that is developed through groups of schools building capacity and capability in effective school self-review, peer review and school-to-school support and improvement. Graveney Primary school works with a group of schools in the Ashford area. Partnerships with both of these will continue in 2020-21.



## **GRAVENEY PRIMARY SCHOOL**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2020**

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

##### **Charity constitution**

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

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

The charitable company is known as Graveney Primary School.

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

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

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

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

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

## **GRAVENEY PRIMARY SCHOOL**

### **REPORT OF THE TRUSTEES** **FOR THE YEAR ENDED 31 AUGUST 2020**

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

##### **Recruitment and appointment of new trustees**

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

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

Members may appoint up to 5 Trustees and any number of staff Trustees, providing the number of staff Trustees does not exceed one third of total trustees. The Board of Trustees is aware that the current balance is greater than one third of trustees who are staff members (due to the resignation of the chairman). This is being address with the recruitment of a new co-opted trustee.

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

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

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

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

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

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

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

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

##### **Organisational structure**

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

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

The Headteacher is the accounting officer of the academy trust.

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Induction and training of new trustees**

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

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

**Key management remuneration**

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

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

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

**Related parties**

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

**FUNDS HELD AS CUSTODIAN FOR OTHERS**

The Trustees hold no funds as custodian trustee.

**FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational area (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimize risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk and uncertainty in respect of the School relates to the future funding available. Due to the drop in birth rate in our Year 1 cohort; which affected the local area. The school has sought to increase publicity and recruitment of pupils during 2019-20. Our new reception class has been fully subscribed this year. The School must continue to maintain a healthy pupil roll. By preparing budgets which are prudent, and well informed to ensure that the level of anticipated funding is sufficient to meet the requirements of the School. Monitoring of actual performance of budgets is undertaken monthly by the Finance Officer and the Trustees. Any shortfall identified is considered by the Trustees and remedial action taken with a view to balancing the budget.

**GRAVENEY PRIMARY SCHOOL**

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

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.

Approved by order of the board of trustees on 26 November 2020 and signed on its behalf by:



M E Hewitt - Chair

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Scope of Responsibility**

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

The board of the trustees has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Graveney Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

## **GRAVENEY PRIMARY SCHOOL**

### **GOVERNANCE STATEMENT** **FOR THE YEAR ENDED 31 AUGUST 2020**

#### **Governance**

The Trustee Board operates a "Circle Model" of governance. This method has been evaluated and implemented to ensure that the body is truly Strategic. The Trustees work as a whole team, meeting at least 6 times per year, once in each term, without any separate committees. An agenda for each meeting will include all the tasks which the Trustee Board is required to consider, and the Trustees will 'commission' assignments or activities arising from the business of the meeting, which will be recorded in the minutes.

In addition to 'commissioning' activities or actions on their behalf, the Trustees may wish to delegate monitoring activities to 'Monitoring Pairs' or individuals. This could apply to statutory functions, and/or the priorities of the School Plan.

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

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

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

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

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

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

#### **Working Together**

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

#### **Membership**

Mr R Kitto ~ Member ~ Trustee ~ Chair (resigned 7<sup>th</sup> September 20)

Mrs M Hewitt

Mr A Bowles ~ Member

Ms E Bell ~ Member

Mr B Snashall ~ Member

Mr D Cavallina ~ Member

The members have met once this year.

## **GRAVENEY PRIMARY SCHOOL**

### **GOVERNANCE STATEMENT** **FOR THE YEAR ENDED 31 AUGUST 2020**

#### **Trustees**

Mrs A Blackwell ~ Trustee ~ Headteacher ~ Accounting Officer

Responsible for: Teaching & Assessment, Leadership & Management, Sports Premium,

Mrs M Hewitt ~ Trustee ~ Chair

Responsible for: SEN, Teaching and Assessment, Leadership & Management, Early Years Goals, Headteacher PM Panel, GDPR.

Mrs D Knibbs ~ Staff Trustee. Finance Officer

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

Mrs S Dunkin ~ Staff Trustee,

Responsible for: Leadership & Management, Training & Development

Mrs V Keep ~ Trustee – Vice chair

Responsible for: Early Years Goals, Leadership & Management, Safeguarding Trustee, Child Protection

Mrs S Jefferys ~ Parent Trustee

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

Mr M Wicks ~ Co-opted Trustee – Vice Chair

Responsible for: Finance, Budget Monitoring, Internal Scrutiny & audit, Leadership & Management

Ms T Mizen – Parent Trustee,

Responsible for: Personal Development and Wellbeing, Leadership & Management

#### **Governance**

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
A Blackwell (headteacher)	5	6
S Jefferys	5	6
S Dunkin (staff trustee)	6	6
R Kitto (chairman) (resigned)	5	6
D Knibbs (staff trustee)	6	6
V Keep (vice chair)	4	6
M Hewitt(chair)	6	6
M Wicks (vice chair)	6	6
T Mizen (appointed 1 <sup>st</sup> Jan 20)	3	4

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Review of Value for Money**

As accounting officer, the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by: ensuring that the school continues to provide a rich and challenging curriculum, even during the period of closure for our pupils. The development of our Maths curriculum continues to be a key priority with investment in resources, and staff CPD to ensure the quality of teaching in this subject is strong. All staff have received training and CPD opportunities developing the teaching of Maths using White Rose (Mastery), this was limited during the year due to the pandemic. Pupils' attainment across the school not been consistent due to the pandemic, ensuring that all pupils are able to access learning is a priority for improvement this year.

The focus for 2020-21 will be ensuring that pupils receive high quality teaching both when in school and if required remotely. Some pupils who have missed learning due to the school closures need every opportunity to catch up their learning and make accelerated progress.

**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 charitable company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Graveney Primary School for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the charitable company 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 charitable company's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.



## **GRAVENEY PRIMARY SCHOOL**

### **GOVERNANCE STATEMENT** **FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

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

The Governing Body has considered the need for a specific internal audit function and has appointed a Trustee, Martin Wicks a Chartered Accountant and Auditor to carry out a programme of internal checks. Has a Finance Monitoring pair and a peer review of Finance and school management is undertaken by the manager of another Primary school. Their findings are reported to the Trustees. Four reports were undertaken during the accounting period.

The following areas were covered this year:

- Budget and Staffing Structure
- School Resource Management Self-Assessment Dashboard and Benchmarking
- Health & Safety
- Efficiencies
- Year budget projections
- KPI's
- Bank Reconciliations
- Income
- Governance, including related party transactions and a DBS check status
- Assets & Depreciation

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

**GRAVENEY PRIMARY SCHOOL**

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Review of Effectiveness**

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

- the work of the finance monitoring pair and peer reviews
- Internal scrutiny
- the work of the external auditor;
- the work of the business manager within the Academy Trust who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 26 November 2020 and signed on its behalf by:



M Hewitt - Chair



A Blackwell - Accounting Officer

**GRAVENEY PRIMARY SCHOOL**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

As accounting officer of Graveney Primary School I have considered my responsibility to notify the charitable company board of trustees 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 charitable company, under the funding agreement in place between the charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2019.

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

A Blackwell - Accounting Officer



26 November 2020

## **GRAVENEY PRIMARY SCHOOL**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES** **FOR THE YEAR ENDED 31 AUGUST 2020**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by order of the board of trustees on 26 November 2020 and signed on its behalf by:



M E Hewitt - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GRAVENEY PRIMARY SCHOOL**

### **Opinion**

We have audited the financial statements of Graveney Primary School (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

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 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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. 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 charitable company'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.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
GRAVENY PRIMARY SCHOOL**

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

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

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

We have nothing to report in this regard.

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

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

- the information given in the report of the trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GRAVENEY PRIMARY SCHOOL**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

As explained more fully in the statement of trustees' responsibilities set out on page 16, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Our responsibilities for the audit of the financial statements**

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**GRAVENY PRIMARY SCHOOL**

**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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



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

26 November 2020



**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
GRAVENEY PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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

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

The accounting officer is responsible, under the requirements of Graveney Primary School's funding agreement with the Secretary of State for Education 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
GRAVENEY PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

**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.

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 year ended 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

26 November 2020

**GRAVENEY PRIMARY SCHOOL**

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

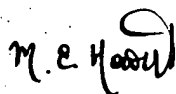
				31.8.20	31.8.19

The notes form part of these financial statements

**BALANCE SHEET**  
**31 AUGUST 2020**

	Notes	31.8.20 £	31.8.19 £
<b>FIXED ASSETS</b>			
Tangible assets	12	1,204,401	1,148,058
<b>CURRENT ASSETS</b>			
Debtors	13	93,383	5,726
Cash at bank		<u>67,111</u>	<u>30,775</u>
		160,494	36,501
<b>CREDITORS</b>			
Amounts falling due within one year	14	(63,266)	(13,936)
<b>NET CURRENT ASSETS</b>		<u>97,228</u>	<u>22,565</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,301,629	1,170,623
<b>PENSION LIABILITY</b>	19	(302,000)	(261,000)
<b>NET ASSETS</b>		<u>999,629</u>	<u>909,623</u>
<b>FUNDS</b>	18		
Unrestricted funds		27,875	22,565
<b>Restricted funds:</b>			
Fixed asset funds		1,249,467	1,148,058
General funds		24,287	-
Pension fund		<u>(302,000)</u>	<u>(261,000)</u>
Total Restricted funds		<u>971,754</u>	<u>887,058</u>
<b>TOTAL FUNDS</b>		<u>999,629</u>	<u>909,623</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 26 November 2020 and were signed on its behalf by:



M.E Hewitt - Chair

**GRAVENEY PRIMARY SCHOOL****CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	31.8.20 £	31.8.19 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(5,701)	(5,623)
Interest paid		<u>(64)</u>	<u>(64)</u>
Net cash used in operating activities		<u>(5,765)</u>	<u>(5,687)</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(89,747)	(11,378)
Capital grants from DfE/EFA		131,817	11,378
Interest received		<u>31</u>	<u>28</u>
Net cash provided by investing activities		<u>42,101</u>	<u>28</u>
 <b>Change in cash and cash equivalents in the reporting period</b>		<u>36,336</u>	<u>(5,659)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>30,775</u>	<u>36,434</u>
 <b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>67,111</u></u>	<u><u>30,775</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2020**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.8.20 £	31.8.19 £
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	100,006	(55,419)
<b>Adjustments for:</b>		
Depreciation charges	33,404	42,884
Capital grants from DfE/ESFA	(131,817)	(11,378)
Loss on disposal of fixed assets	-	9
Interest received	(31)	(28)
Interest paid	64	64
(Increase)/decrease in debtors	(87,657)	13,098
Increase/(decrease) in creditors	49,330	(22,853)
Difference between pension charge and cash contributions	<u>31,000</u>	<u>28,000</u>
<b>Net cash used in operations</b>	<u>(5,701)</u>	<u>(5,623)</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.9.19 £	Cash flow £	At 31.8.20 £
<b>Net cash</b>			
Cash at bank	<u>30,775</u>	<u>36,336</u>	<u>67,111</u>
	<u>30,775</u>	<u>36,336</u>	<u>67,111</u>
<b>Total</b>	<u>30,775</u>	<u>36,336</u>	<u>67,111</u>

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

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

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.

**Going concern**

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

**Critical accounting judgements and key sources of estimation uncertainty**

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

**Critical accounting estimates and assumptions**

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

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

The key source of estimation uncertainty is the valuation of the Local Government Pension Scheme (LGPS). The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis, using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and full actuarial valuation would impact on the carrying amount of the pension liability.

**Critical areas of judgement**

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

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

**1. ACCOUNTING POLICIES - continued**

**Income**

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

**Grants**

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

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

**Donations**

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

**Other income**

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

**Donated fixed assets**

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

**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.



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

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Assets are capitalised on a case by case basis, after consideration by the Trustees. Once capitalised, tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

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

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

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

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.

**Leasehold Property**

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

**Financial instruments**

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

**1. ACCOUNTING POLICIES - continued**

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objectives 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.

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement 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. The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(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

**GRAVENEY PRIMARY SCHOOL****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2020****2. DONATIONS AND CAPITAL GRANTS**

	31.8.20	31.8.19
	£	£
Donations	4,490	7,563
Grants	<u>131,817</u>	<u>11,378</u>
	<u>136,307</u>	<u>18,941</u>

Grants received, included in the above, are as follows:

	31.8.20	31.8.19
	£	£
Devolved Capital Grant	5,136	11,378
CIF	<u>126,681</u>	-
	<u>131,817</u>	<u>11,378</u>

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

	Unrestricted funds	Restricted funds	31.8.20 Total funds	31.8.19 Total funds
	£	£	£	£
Grants	2,705	486,706	489,411	493,559
After School Club	6,349	-	6,349	10,345
Music Lessons	1,448	-	1,448	3,074
Contributions to visits	446	-	446	7,842
Catering Income	3,834	-	3,834	6,233
Supply teacher insurance claim	<u>2,500</u>	-	<u>2,500</u>	-
	<u>17,282</u>	<u>486,706</u>	<u>503,988</u>	<u>521,053</u>

An analysis of grants received is given below:

	Unrestricted funds	Restricted funds	31.8.20 Total funds	31.8.19 Total funds
	£	£	£	£
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	423,681	423,681	438,113
Other DfE/ESFA Grants	<u>-</u>	<u>58,680</u>	<u>58,680</u>	<u>44,966</u>
	-	482,361	482,361	483,079
<b>Other government grant</b>				
Local Authority grants	-	1,858	1,858	4,892

**GRAVENEY PRIMARY SCHOOL****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020****3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued**

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
<b>Non government grants</b>				
London Array	2,705	-	2,705	2,642
Edward Vinson 1957 Charity Settlement	-	2,487	2,487	-
Other Non-Government	-	-	-	2,946
	<u>2,705</u>	<u>2,487</u>	<u>5,192</u>	<u>5,588</u>
	<u>2,705</u>	<u>486,706</u>	<u>489,411</u>	<u>493,559</u>

**4. OTHER TRADING ACTIVITIES**

	31.8.20 £	31.8.19 £
Other Trading Activities	<u>-</u>	<u>1,637</u>

(Year ended 31 August 2019: unrestricted: £1,637, restricted nil.)

**5. INVESTMENT INCOME**

	31.8.20 £	31.8.19 £
Deposit account interest	<u>31</u>	<u>28</u>

(Year ended 31 August 2020: unrestricted £31, restricted £nil. Year ended 31 August 2019: unrestricted £28, restricted £nil).

**6. EXPENDITURE**

	Non-pay expenditure			31.8.20	31.8.19
	Staff costs £	Premises £	Other costs £	Total £	Total £
<b>Charitable activities</b>					
<b>Academy's educational operations</b>					
Direct costs	298,353	39,741	69,733	407,827	453,132
Allocated support costs	<u>103,784</u>	<u>9,732</u>	<u>18,977</u>	<u>132,493</u>	<u>143,946</u>
	<u>402,137</u>	<u>49,473</u>	<u>88,710</u>	<u>540,320</u>	<u>597,078</u>

**GRAVENEY PRIMARY SCHOOL****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2020****6. EXPENDITURE - continued**

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

	31.8.20	31.8.19
	£	£
Auditors' remuneration	6,070	5,900
Auditors remuneration non audit work	450	400
Depreciation - owned assets	33,404	42,884
Hire of plant and machinery	126	935
Deficit on disposal of fixed assets	-	9
	<u>-</u>	<u>9</u>

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

	Unrestricted funds £	Restricted funds £	31.8.20 Total funds £	31.8.19 Total funds £
Direct costs	12,799	395,028	407,827	453,132
Support costs	<u>3,186</u>	<u>129,307</u>	<u>132,493</u>	<u>143,946</u>
	<u>15,985</u>	<u>524,335</u>	<u>540,320</u>	<u>597,078</u>

	31.8.20 Total £	31.8.19 Total £
<b>Analysis of support costs</b>		
Support staff costs	103,784	108,082
Depreciation	1,469	1,803
Technology costs	1,575	2,029
Premises costs	9,732	13,493
Other support costs	9,413	12,239
Governance costs	<u>6,520</u>	<u>6,300</u>
Total support costs	<u>132,493</u>	<u>143,946</u>

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

**8. TRUSTEES' REMUNERATION AND BENEFITS**

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The Head Teacher and Staff Trustees only receive remuneration in respect of services they provide undertaking roles of Head Teacher and Staff and not in respect of their services as trustees.

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

Alison Blackwell (Head Teacher and Staff Trustee):

Remuneration £45,000 - £50,000, (2019: £45,000 - £50,000)

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

Dreena Knibbs (Staff Trustee):

Remuneration £35,000 - £40,000, (2019: £35,000 - £40,000)

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

Sarah Dunkin (Staff Trustee):

Remuneration £10,000 - £15,000, (2019: £10,000 - £15,000)

Employer's pension contributions £nil - £5,000, (2019: £nil - £5,000)

Mr R Kay, who has a relationship with Sarah Dunkin, a Staff Trustee, is an employee of the Trust. The remuneration of Mr Kay for the year ended 31 August 2020 was in the range of £5,000 - £10,000 (2019: £5,000 - £10,000).

Miss B Dunkin, the daughter of Sarah Dunkin, a Staff Trustee, is an employee of the Trust. The remuneration of Miss B Dunkin received for the year ended 31 August 2020 was in the range of £5,000 - £10,000 (2019: nil).

Other related party transactions involving the Trustees are set out in note 21.

**Trustees' expenses**

During the year ended 31 August 2020, no travel and subsistence expenses were reimbursed or paid directly to Trustees (year ended 2019: £36).

**9. STAFF COSTS**

	31.8.20	31.8.19
	£	£
Wages and salaries	282,937	302,047
Social security costs	25,027	27,363
Operating costs of defined benefit pension schemes	<u>90,442</u>	<u>75,913</u>
	398,406	405,323
Supply teacher costs	165	-
Supply teacher insurance	<u>3,566</u>	<u>5,000</u>
	<u>402,137</u>	<u>410,323</u>

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

**9. STAFF COSTS - continued**

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

	31.8.20	31.8.19
Teachers	5	5
Administration and support	8	8
Management	<u>2</u>	<u>2</u>
	<u>15</u>	<u>15</u>

No employees received emoluments in excess of £60,000 in the year to 31 August 2020 or in the year to 31 August 2019.

**Key Management Personnel:**

The key management personnel of the academy trust comprise the trustees. The Head Teacher, the School Business Manager/Finance Officer and Admin Assistant, who are also trustees, are deemed to be key positions. The Head Teacher, School Business Manager/Finance Officer and Admin Assistant only receive remuneration in respect of services they provide undertaking the roles of Head Teacher School Business Manager/Finance Officer and Admin Assistant under their contracts of employment.

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 £137,112 (2019: £129,947).

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

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any claim and the cost for the period ended 31 August 2020 was £1,800 (2019: £2,100). The cost of this insurance is included in the total insurance cost.

The charitable company has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

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

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

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



**GRAVENEY PRIMARY SCHOOL****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2020****12. TANGIBLE FIXED ASSETS**

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 September 2019	1,311,475	19,565	69,708	1,400,748
Additions	<u>84,611</u>	<u>5,136</u>	<u>-</u>	<u>89,747</u>
At 31 August 2020	<u>1,396,086</u>	<u>24,701</u>	<u>69,708</u>	<u>1,490,495</u>
<b>DEPRECIATION</b>				
At 1 September 2019	181,988	11,370	59,332	252,690
Charge for year	<u>25,928</u>	<u>2,442</u>	<u>5,034</u>	<u>33,404</u>
At 31 August 2020	<u>207,916</u>	<u>13,812</u>	<u>64,366</u>	<u>286,094</u>
<b>NET BOOK VALUE</b>				
At 31 August 2020	<u>1,188,170</u>	<u>10,889</u>	<u>5,342</u>	<u>1,204,401</u>
At 31 August 2019	<u>1,129,487</u>	<u>8,195</u>	<u>10,376</u>	<u>1,148,058</u>

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

	31.8.20	31.8.19
	£	£
VAT	7,439	1,777
Prepayments and accrued income	<u>85,944</u>	<u>3,949</u>
	<u>93,383</u>	<u>5,726</u>

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

	31.8.20	31.8.19
	£	£
Accruals and deferred income	<u>63,266</u>	<u>13,936</u>

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

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued****DEFERRED INCOME**

	31.8.20	31.8.19
	£	£
Deferred income at 1 September 2019	7,393	7,393
Resources deferred in the year	6,983	7,393
Amounts released from previous periods	<u>(7,393)</u>	<u>(7,393)</u>
Deferred income at 31 August 2020	<u>6,983</u>	<u>7,393</u>

Deferred income at 31 August 2020 represents funds received in advance for free school meals of £6,614 (2019: £7,393) and £369 of payments received in advance for school trips (2019: nil).

**15. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.20	31.8.19
	£	£
Within one year	606	767
Between one and five years	<u>980</u>	<u>1,585</u>
	<u>1,586</u>	<u>2,352</u>

**16. MEMBERS' LIABILITY**

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

**GRAVENEY PRIMARY SCHOOL****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2020****17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	31.8.20 Total funds £
Fixed assets	-	-	1,204,401	1,204,401
Current assets	27,875	37,170	95,449	160,494
Current liabilities	-	(12,883)	(50,383)	(63,266)
Pension liability	-	(302,000)	-	(302,000)
	<u>27,875</u>	<u>(277,713)</u>	<u>1,249,467</u>	<u>999,629</u>

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

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	31.8.19 Total funds £
Fixed assets	-	-	1,148,058	1,148,058
Current assets	22,565	13,936	-	36,501
Current liabilities	-	(13,936)	-	(13,936)
Pension liability	-	(261,000)	-	(261,000)
	<u>22,565</u>	<u>(261,000)</u>	<u>1,148,058</u>	<u>909,623</u>

**GRAVENEY PRIMARY SCHOOL****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020****18. MOVEMENT IN FUNDS**

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
<b>Unrestricted funds</b>				
Unrestricted funds	22,565	5,818	(508)	27,875
<b>Restricted funds</b>				
General Annual Grant	-	18,315	(1)	18,314
Other DfE/EFA grants	-	4,115	-	4,115
Pension reserve	(261,000)	(41,000)	-	(302,000)
Other income	-	1,858	-	1,858
Transfer of property	1,106,964	(22,267)	-	1,084,697
DfE/EFA capital grants	24,842	127,552	509	152,903
Capital expenditure from GAG	16,252	(6,789)	-	9,463
Edward Vinson - Artificial grass	-	2,404	-	2,404
	<u>887,058</u>	<u>84,188</u>	<u>508</u>	<u>971,754</u>
<b>TOTAL FUNDS</b>	<u>909,623</u>	<u>90,006</u>	<u>-</u>	<u>999,629</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted funds	21,803	(15,985)	-	5,818
<b>Restricted funds</b>				
General Annual Grant	424,634	(406,319)	-	18,315
Other DfE/EFA grants	57,727	(53,612)	-	4,115
Pension reserve	-	(31,000)	(10,000)	(41,000)
Other income	1,858	-	-	1,858
Transfer of property	-	(22,267)	-	(22,267)
DfE/EFA capital grants	131,817	(4,265)	-	127,552
Capital expenditure from GAG	-	(6,789)	-	(6,789)
Edward Vinson - Artificial grass	2,487	(83)	-	2,404
	<u>618,523</u>	<u>(524,335)</u>	<u>(10,000)</u>	<u>84,188</u>
<b>TOTAL FUNDS</b>	<u>640,326</u>	<u>(540,320)</u>	<u>(10,000)</u>	<u>90,006</u>

**GRAVENEY PRIMARY SCHOOL****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020****18. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.9.18 £	Net movement in funds £	Transfers between funds £	At 31.8.19 £
<b>Unrestricted funds</b>				
Unrestricted funds	15,335	22,986	(15,756)	22,565
<b>Restricted funds</b>				
General Annual Grant	-	(18,899)	18,899	-
Other DfE/EFA grants	-	-	-	-
Pension reserve	(175,000)	(86,000)	-	(261,000)
Transfer of property	1,129,231	(22,267)	-	1,106,964
DfE/EFA capital grants	28,059	(74)	(3,143)	24,842
Capital expenditure from GAG	25,417	(9,165)	-	16,252
	<u>1,007,707</u>	<u>(136,405)</u>	<u>15,756</u>	<u>887,058</u>
<b>TOTAL FUNDS</b>	<u>1,023,042</u>	<u>(113,419)</u>	<u>-</u>	<u>909,623</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted funds	36,722	(13,736)	-	22,986
<b>Restricted funds</b>				
General Annual Grant	438,113	(457,012)	-	(18,899)
Other DfE/EFA grants	44,966	(44,966)	-	-
Pension reserve	-	(28,000)	(58,000)	(86,000)
Other government grants	4,892	(4,892)	-	-
Other income	5,588	(5,588)	-	-
DfE/EFA capital grants	11,378	(11,452)	-	(74)
Transfer of property	-	(22,267)	-	(22,267)
Capital expenditure from GAG	-	(9,165)	-	(9,165)
	<u>504,937</u>	<u>(583,342)</u>	<u>(58,000)</u>	<u>(136,405)</u>
<b>TOTAL FUNDS</b>	<u>541,659</u>	<u>(597,078)</u>	<u>(58,000)</u>	<u>(113,419)</u>

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

**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 the independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

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

**Teachers' pension scheme**

**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.

**Valuation of the teachers' pension scheme**

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return of 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 pensions costs paid to TPS in the period amounted to £39,436 (2019:£32,345).

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.

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

**19. PENSION AND SIMILAR OBLIGATIONS - continued****Local government pension scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £31,000 (2019: £26,000), of which employer's contributions totalled £24,000 (2019: £20,000) and employees' contributions totalled £7,000 (2019: £6,000). The agreed contribution rate for the current year is 20% for employers and between 2.75% - 12.5% for employees.

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

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

	31.8.20	31.8.19
<b>Retiring today</b>		
Males	21.8	22.1
Females	23.8	24.0
<b>Retiring in 20 years</b>		
Males	23.2	23.7
Females	25.2	25.8

**Sensitivity Analysis**

Impact of change in assumptions on obligation:	31.8.20	31.8.19
	£	£
0.1% increase in real discount rate	746,000	675,000
0.1% decrease in real discount rate	774,000	700,000
1 year increase in member life expectancy	788,000	712,000
1 year decrease in member life expectancy	733,000	663,000
0.1% increase in the pension increase rate	772,000	698,000
0.1% decrease in the pension increase rate	748,000	676,000

The actual return on scheme assets was £33,000 (2019: £18,000).

The estimated value of employer contributions for the year ending August 2021 is £24,000.

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

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

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

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
Current service cost	51,000	40,000
Net interest from net defined benefit asset/liability	4,000	5,000
Past service cost	-	3,000
	<u>55,000</u>	<u>48,000</u>
Actual return on plan assets	<u>8,000</u>	<u>10,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
Opening defined benefit obligation	687,000	557,000
Current service cost	51,000	40,000
Past service cost	-	3,000
Contributions by scheme participants	7,000	6,000
Interest cost	12,000	15,000
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(15,000)	(35,000)
Actuarial (gains)/losses from changes in financial assumptions	41,000	101,000
Oblig other remeasurement	<u>(23,000)</u>	<u>-</u>
	<u>760,000</u>	<u>687,000</u>



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

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

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
Opening fair value of scheme assets	426,000	382,000
Contributions by employer	24,000	20,000
Contributions by scheme participants	7,000	6,000
Interest on assets	8,000	10,000
Remeasurements:		
Return on plan assets (excluding interest income)	25,000	8,000
Assets other remeasurement	(32,000)	-
	<u>458,000</u>	<u>426,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	15,000	35,000
Actuarial (gains)/losses from changes in financial assumptions	(41,000)	(101,000)
Oblig other remeasurement	23,000	-
Return on plan assets (excluding interest income)	25,000	8,000
Assets other remeasurement	(32,000)	-
	<u>(10,000)</u>	<u>(58,000)</u>

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

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

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£	£
Equities	297,000	291,000
Gilts	3,000	3,000
Bonds	59,000	38,000
Property	50,000	50,000
Absolute return fund	35,000	33,000
Cash	14,000	11,000
	<u>458,000</u>	<u>426,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.20	31.8.19
Discount rate	1.55%	1.80%
Future salary increases	3.35%	3.75%
Future pension increases	2.35%	2.25%

**20. CAPITAL COMMITMENTS**

	31.8.20	31.8.19
	£	£
Contracted but not provided for in the financial statements	<u>47,070</u>	<u>-</u>

**21. RELATED PARTY DISCLOSURES**

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

There were no related party transactions during the year ended 31 August 2020.

**22. CONTINGENT LIABILITY**

The Trust has a contingent liability in respect of term time only workers' annual leave. During the year, certain trades unions began looking at potentially making claims against Kent based education employers regarding the calculation of term time only workers' annual leave. This has arisen across the Local Authority as a whole and is not unique to the Trust. The ultimate liability, if any, cannot be determined with any certainty and arises in respect of calculations of full time equivalent hours for teaching assistants. The ultimate incidence of such liability is uncertain, as is the amount. It is also possible that the trust will be reimbursed for some or all of any liability arising. For these reasons, the Trustees do not believe any liability should be included in the accounts for the year ended 31 August 2020.