

Registered number: 07900248
Charity number:

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 August 2015

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MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

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**Reference and administrative details of the academy, its members/ trustees and advisers
for the year ended 31 August 2015**

Members	V A Green, Chairman ^{1,2} M Fielder-White ² E D Wilson ^{1,2} D J Wesley ^{1,2}
Trustee Member	M D Collin
Trustees	D M Foulger ² M R Joyce P K Patel ¹ A E Sewell R D Wickens ¹ S P Gibson (appointed 29 January 2014) D P Holton (appointed 9 December 2013) M Bhullar (appointed 22 May 2015)
	¹ members of the Finance and Premises committee ² Member and Trustee
Company registered number	07900248
Principal and registered office	Pelham Road Gravesend Kent DA11 0JE
Senior management team	Mrs E Wilson, Headteacher Mrs C Kemp, Assistant Headteacher Miss S Dixon, Assistant Headteacher Mr R McCorkell, Assistant Headteacher Mrs L Absolon, Assistant Headteacher Mrs D Sandeford, Business Manager
Independent auditors	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds TSB 78 New Road Gravesend Kent DA11 0AR
Solicitors	Kent Legal Services Kent County Council County Hall Maidstone Kent ME14 1XQ

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

Trustees' report
for the year ended 31 August 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in Gravesham. It has a pupil capacity of 1015 and had a roll of 936 in the school census on 21 May 2015.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy trust.

The governors of Mayfield Grammar School, Gravesend are also the directors of the charitable company for the purposes of company law. The charitable company is known as Mayfield Grammar School, Gravesend (MGSG).

Details of the trustees who served during the year are included in the Reference and Administrative Details on Page 1.

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

c. Method of recruitment and appointment or election of Trustees

Governors are recruited as per the categories outlined in the Articles of Association. Parent and Staff governor elections are held when required. Community governors are appointed taking into consideration their experience and expertise.

d. Policies and procedures adopted for the induction and training of Trustees

All governors are expected to complete the initial governor training programme and subsequent training is provided as appropriate.

e. Organisational structure

The governing body operates through the following sub-committees

- (a) Finance and Premises Committee
- (b) Curriculum and Staffing Committee
- (c) Student Affairs, Community and Admissions Committee

f. Connected organisations, including related party relationships

No current federation / consortium exists.

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Trustees' report (continued)
for the year ended 31 August 2015

g. Risk management

The school has in place policies and procedures for identifying and mitigating risk. The main areas of risk are:

Financial – controlled by segregation of duties and a finance manual plus monthly monitoring and an external auditor. Additional checks are carried out by the external auditor who also acts as the internal auditor for the school.

Building condition – monthly inspections / tours, risk assessments, Health & Safety policies. Accident reports are reviewed and investigated where appropriate and mitigating action taken wherever possible.

Internet and e-safety policies – staff and students agree safe use of internet before gaining access to ICT facilities.

Safer recruitment and child protection policies are in place.

Governors' and the Senior Leadership Team regularly meet and review key areas of risk to identify and mitigate areas of concern.

h. Trustees' indemnities

The governors' indemnity insurance is for one million pounds.

i. Principal activities

- To provide public benefit education by offering a broad and balanced curriculum.
- The provision of facilities for recreation and leisure to affiliated sports, clubs and associations.

Objectives and Activities

a. Objects and aims

The Objects of the school are specifically restricted to:

- To provide public benefit education by offering a broad and balanced curriculum
- The provision of facilities for recreation and leisure to affiliated sports, clubs and associations

The Aims of the school:

- To stimulate and challenge the minds of our students in order for them to attain the highest academic qualifications.
- For our students to exceed at the highest level possible in public examinations at GCSE, AS, and A2.

b. Objectives, strategies and activities

- Achieve a successful pass rate (in excess of Government national floor targets) at GCSE, AS and A2 examinations
- Identify and make provision for students who have Special Education Needs or Disability
- Develop Gifted and Talented students
- Develop the school website and Virtual Learning Environment

c. Public benefit

The academy trust governors have complied with their duty to have due regard to the guidance on public benefit

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Trustees' report (continued)
for the year ended 31 August 2015

published by the Charity Commission (on their website) in exercising their powers or duties. A definition of public benefit entities is included in the glossary to the SORP (item GL49).

Strategic report

Achievements and performance

a. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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.

b. Key financial performance indicators

There is an in-year deficit in the restricted funds (resourced by the GAG funding from the EFA to provide the main Objects of the school). This deficit is mitigated by income in unrestricted funds formed by the rollover from the previous year and income from lettings, catering and other activities for generating funds.

c. Review of activities

The school is primarily funded by the Department of Education. As an academy the funding is received directly by the school. The school forecast an in-year deficit at the beginning of the academic year. Income and expenditure has been monitored on a monthly basis. During the year savings were made and non-essential expenditure has been cut. As a result the school finished the year with a smaller in-year deficit than predicted in the budget forecast.

Key achievements

- 55.61% of students achieved A*-B grades at A-level in public examinations in 2015
- 71.31% of students achieved A*-B at GCSE in public examinations in 2015
- The school was rated as Outstanding in all categories in its last Ofsted inspection

Financial review

a. Principal risks and uncertainties

The principal risk faced by the school is financial risk due to reductions in funding from the Department of Education heightened by the government's decision to increase National Insurance and pension contributions without increasing funding allocations. In addition the government did not fund the teacher and support staff pay rises or provide additional revenue to cover rises in the minimum wage. There is an operational deficit in the school's annual budget.

There is a secondary risk with regard to the age and condition of the school buildings. Some of the roofs, in particular the flat roof to the LRC and the Music annexe, the flat roof on the Key Stage 3 science laboratories and the pitched roof above the main staff room are in an extremely poor condition and need replacement. During bad weather these roofs leak continually and constant repair and making good is required. The school has been advised that some of these issues may be addressed under the PSPB2 programme but has not yet received confirmation of funding or timescales.

It is anticipated that action will be needed this financial year to repair or replace some or all of these roofs. This will be on an emergency basis as there is no capacity in the budget for this work.

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Trustees' report (continued)
for the year ended 31 August 2015

b. Reserves policy

The school is not in a position to operate a reserves policy as it is currently running with an in-year deficit in its operational funding. Ideally the school would like to operate a reserves policy of a minimum of one month's costs in case of a delay or problem with funding.

Plans for future periods

a. Future developments

The school plans to maintain the quality and breadth of education offered. The priorities for school improvement are to achieve the highest level possible in public examinations. The school plans to continue to develop outstanding practice and increase the percentage of outstanding teaching in all subjects and key stages.

In order to deliver an "outstanding" education for all students it is essential that the school receives funding for building and facilities development as a result of the cancellation of the BSF (building schools for the future) project. The school has devised a four phase capital/building development programme and has applied for funding. The school has been advised that it has been successful for its bid for funding of phase one of the programme under the PSPB2 programme but has yet to be advised of details including the extent of the funding and the timescale.

Disclosure of information to auditors

In so far as the trustees are aware:

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

Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Finance and Premises committee.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2015 and signed on the board's behalf by:



V A Green
Chair of Trustees



E D Wilson
Accounting Officer

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, 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 Mayfield Grammar School, Gravesend and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met three times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
V A Green, Chairman	3	3
M Fielder-White	3	3
E D Wilson	3	3
D J Wesley	3	3
M D Collin	3	3
D M Foulger	2	3
M R Joyce	3	3
P K Patel	2	3
R D Wickens	3	3
S P Gibson	2	3
D P Holton	3	3
A E Sewell	3	3
M Bhullar	0	0

Governance reviews:

The Governing Body regularly reviews the composition and structure of all its Committees. This took place at the first full meeting of 2014/2015. In addition, the delegated functions of each committee are reviewed on an annual basis. The Governing Body ensures each committee retains a core group of experienced personnel who are clear about their function, roles and responsibilities.

The Finance and Premises Committee is a sub-committee of the main board of trustees. Its purpose is to receive, consider and approve the allocation of the school's delegated budget and the annual end of academic year statements and report to the full Governing Body.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
V Green	3	3
P Patel	2	3
D Wesley	3	3
R Wickens	2	3
E Wilson	3	3

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Governance Statement (continued)

Review of Value for Money

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

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

The accounting officer, together with other colleagues, regularly reviews all contracts and renewals to continue to ensure value for money. This year cashless catering was introduced and the telephone contract reviewed. Benchmarking data is used to compare key indicators and is discussed and reviewed as appropriate.

The trust will be carrying out a 3 year review of Audit services and obtaining comparative quotes in order to ensure we maintain best value.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Mayfield Grammar School, Gravesend for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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 ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Williams Giles Limited, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the

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Governance Statement (continued)

academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of wages and salaries
- review of VAT claims
- review of budget monitoring process and management reporting
- review of Governance arrangements and procedures
- review of contract management and procurement processes

On a semi-annual basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year the external auditor carried out additional checks. Whilst no major issues were identified there were some suggestions for best practise which have now been adopted. These include:

- Finance office reconciling 16+ travelcard and bursary payments
- Checks to be made on the asset register throughout the year

The school has two external audit visits in the academic year.

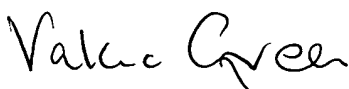
Review of Effectiveness

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 external auditors;
- the financial management and governance self-assessment process;
- the work of the managers and staff within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of the review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 7 December 2015



V A Green
Chair of Trustees



E D Wilson
Accounting Officer

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Statement on Regularity, Propriety and Compliance

As accounting officer of Mayfield Grammar School, Gravesend I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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 EFA.



E D Wilson
Accounting Officer

Date: 7 December 2015

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
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Trustees' responsibilities statement
for the year ended 31 August 2015

The Trustees (who act as governors of Mayfield Grammar School, Gravesend and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 7 December 2015 and signed on its behalf by:



V A Green
Chair of Trustees

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
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Independent auditors' report to the members of Mayfield Grammar School, Gravesend

We have audited the financial statements of Mayfield Grammar School, Gravesend for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. 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 Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2015 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

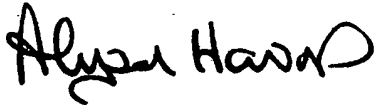
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Independent auditors' report to the members of Mayfield Grammar School, Gravesend

Matters on which we are required to report by exception

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

- 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.



Alyson Howard FCCA CF (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date: 16 December

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
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**Independent reporting accountants' assurance report on regularity to Mayfield Grammar School,
Gravesend and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 16 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mayfield Grammar School, Gravesend during the year 1 September 2014 to 31 August 2015 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 Mayfield Grammar School, Gravesend and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Mayfield Grammar School, Gravesend and EFA 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 Mayfield Grammar School, Gravesend and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Mayfield Grammar School, Gravesend's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Mayfield Grammar School, Gravesend's funding agreement with the Secretary of State for Education dated 1 February 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

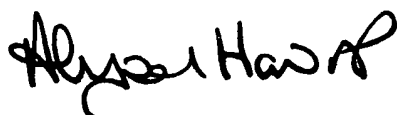
- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

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**Independent reporting accountants' assurance report on regularity to Mayfield Grammar School,
Gravesend and the Education Funding Agency (continued)**

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 year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alyson Howard FCCA CF

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 16 December 2015

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
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Statement of financial activities
(incorporating income and expenditure account and statement of total recognised gains and losses)
for the year ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	As restated Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	5	-	-	5	585
Activities for generating funds	3	79,029	206,008	-	285,037	248,393
Investment income	4	389	-	-	389	571
Incoming resources from charitable activities	5	-	4,582,217	22,129	4,604,346	4,714,972
Other incoming resources	6	-	-	-	-	20,436
Total incoming resources		79,423	4,788,225	22,129	4,889,777	4,984,957
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	7	9,843	-	-	9,843	15,828
Charitable activities		-	5,016,150	240,092	5,256,242	5,212,856
Governance costs	8	-	13,811	-	13,811	13,326
Total resources expended	11	9,843	5,029,961	240,092	5,279,896	5,242,010
Net incoming / (outgoing) resources before transfers		69,580	(241,736)	(217,963)	(390,119)	(257,053)
Transfers between Funds	21	(148,607)	170,736	(22,129)	-	-
Net expenditure for the year		(79,027)	(71,000)	(240,092)	(390,119)	(257,053)
Actuarial gains and losses on defined benefit pension schemes		-	5,000	-	5,000	93,000
Net movement in funds for the year		(79,027)	(66,000)	(240,092)	(385,119)	(164,053)
Total funds at 1 September 2014		89,203	(789,000)	11,249,288	10,549,491	10,713,544
Total funds at 31 August 2015		10,176	(855,000)	11,009,196	10,164,372	10,549,491

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 36 form part of these financial statements.

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(A company limited by guarantee)

Registered number: 07900248

**Balance sheet
as at 31 August 2015**

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	18	11,009,196	11,249,288
Current assets			
Debtors	19	54,877	54,846
Cash at bank		58,164	152,738
		<u>113,041</u>	<u>207,584</u>
Creditors: amounts falling due within one year	20	<u>(102,865)</u>	<u>(118,381)</u>
Net current assets		<u>10,176</u>	<u>89,203</u>
Total assets less current liabilities		<u>11,019,372</u>	<u>11,338,491</u>
Defined benefit pension scheme liability	27	<u>(855,000)</u>	<u>(789,000)</u>
Net assets including pension scheme liability		<u><u>10,164,372</u></u>	<u><u>10,549,491</u></u>
Funds of the academy			
Restricted funds:			
Restricted funds excluding pension liability		11,009,196	11,249,288
Pension reserve		<u>(855,000)</u>	<u>(789,000)</u>
Total restricted funds		<u>10,154,196</u>	<u>10,460,288</u>
Unrestricted funds	21	<u>10,176</u>	<u>89,203</u>
Total funds		<u><u>10,164,372</u></u>	<u><u>10,549,491</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2015 and are signed on their behalf, by:



V A Green
Chair of Trustees



E D Wilson
Trustee

The notes on pages 18 to 36 form part of these financial statements.

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

**Cash flow statement
for the year ended 31 August 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	23	(94,185)	22,564
Returns on investments and servicing of finance	24	(389)	(571)
Capital expenditure and financial investment	24	-	(88,582)
Decrease in cash in the year		<u><u>(94,574)</u></u>	<u><u>(66,589)</u></u>

**Reconciliation of net cash flow to movement in net funds
for the year ended 31 August 2015**

	2015 £	2014 £
Decrease in cash in the year	(94,574)	(66,589)
Movement in net funds in the year	(94,574)	(66,589)
Net funds at 1 September 2014	152,738	219,327
Net funds at 31 August 2015	<u><u>58,164</u></u>	<u><u>152,738</u></u>

The notes on pages 18 to 36 form part of these financial statements.

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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 and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2015

1. Accounting policies (continued)

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Resources expended

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

The valuation for freehold property is taken from the Drivers Jonas Deloitte desktop valuation completed for the EFA. The basis of the value is Fair Value, as defined by the International Financial Reporting Standards (IFRS). No value for land had been included.

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2015

1. Accounting policies (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% Straight Line
Motor vehicles	-	10% Straight Line
Fixtures and fittings	-	10% Straight Line
Computer equipment	-	20% Straight Line

1.8 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Taxation

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

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2015

1. Accounting policies (continued)

1.10 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.11 Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

2. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	5	-	5	585
	<u>5</u>	<u>-</u>	<u>5</u>	<u>585</u>

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	21,670	-	21,670	13,998
School trips	23,670	-	23,670	34,688
Catering	-	113,086	113,086	112,830
Other income	33,689	92,922	126,611	86,877
	<u>79,029</u>	<u>206,008</u>	<u>285,037</u>	<u>248,393</u>

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Short term deposits	389	-	389	571
	<u>389</u>	<u>-</u>	<u>389</u>	<u>571</u>

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

5. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	4,472,323	4,472,323	4,592,655
Other DfE/EFA grants	-	40,516	40,516	29,307
Pupil premium	-	47,389	47,389	48,177
16-19 Bursary	-	16,236	16,236	4,262
	-	4,576,464	4,576,464	4,674,401
Other government grants				
Other government grants	-	5,753	5,753	20,050
	-	5,753	5,753	20,050
Capital funding				
Devolved formula capital	-	22,129	22,129	20,521
	-	22,129	22,129	20,521
	-	4,604,346	4,604,346	4,714,972

6. Other incoming resources

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Insurance claim	-	-	-	20,436

7. Costs of generating voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other costs	9,843	-	9,843	15,828

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
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**Notes to the financial statements
for the year ended 31 August 2015**

8. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	12,593	12,593	12,025
Legal and professional	-	1,218	1,218	1,301
	<u>-</u>	<u>13,811</u>	<u>13,811</u>	<u>13,326</u>

9. Direct costs

	Educational operations £	Total 2015 £	Total 2014 £
Educational supplies	191,964	191,964	185,807
Examination fees	131,278	131,278	122,356
Staff development	31,783	31,783	31,787
Educational consultancy	4,872	4,872	8,530
Other direct costs	9,938	9,938	7,469
Loss on disposal of fixed assets	(79)	(79)	4,236
Agency supply cost	25,910	25,910	39,626
Wages and salaries	2,650,867	2,650,867	2,559,025
National insurance	203,552	203,552	196,135
Pension cost	324,178	324,178	316,013
Depreciation	240,171	240,171	238,829
	<u>3,814,434</u>	<u>3,814,434</u>	<u>3,709,813</u>

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

10. Support costs

	Educational operations £	Total 2015 £	Total 2014 £
LGPS costs	11,000	11,000	30,000
Recruitment and support	8,125	8,125	16,760
Maintenance of premises and equipment	38,235	38,235	41,504
Cleaning	19,617	19,617	16,003
Rent & rates	33,407	33,407	30,250
Light & heat	71,774	71,774	77,812
Insurance	37,683	37,683	30,487
Security & transport	12,757	12,757	11,263
Catering	87,867	87,867	86,731
Bank charges	64	64	94
Computer costs	58,937	58,937	50,992
Printing, postage and stationery	47,157	47,157	50,369
Other support costs	82,035	82,035	95,379
Wages and salaries	730,795	730,795	788,867
National insurance	32,072	32,072	33,312
Pension cost	170,283	170,283	143,220
	<u>1,441,808</u>	<u>1,441,808</u>	<u>1,503,043</u>

11. Resources expended

	Staff costs 2015 £	Non Pay Expenditure Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	-	-	9,843	9,843	15,828
Costs of generating funds	<u>-</u>	<u>-</u>	<u>9,843</u>	<u>9,843</u>	<u>15,828</u>
Direct costs	3,204,507	240,171	369,756	3,814,434	3,709,813
Support costs	933,150	-	508,658	1,441,808	1,473,043
Charitable activities	<u>4,137,657</u>	<u>240,171</u>	<u>878,414</u>	<u>5,256,242</u>	<u>5,182,856</u>
Governance	<u>-</u>	<u>-</u>	<u>13,811</u>	<u>13,811</u>	<u>13,326</u>
	<u>4,137,657</u>	<u>240,171</u>	<u>902,068</u>	<u>5,279,896</u>	<u>5,212,010</u>

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

12. Net incoming / (outgoing) resources

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	240,171	238,829
Auditors' remuneration	12,593	12,025
	<u>252,764</u>	<u>250,854</u>

13. Auditors' remuneration

	2015 £	2014 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	8,000	8,000
Fees payable to the academy's auditor and its associates in respect of:		
Internal audit services	650	650
All other non-audit services not included above	3,943	3,375
	<u>12,593</u>	<u>12,025</u>

14. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	3,381,662	3,347,892
Social security costs	235,624	229,447
Other pension costs (Note 27)	494,461	459,233
	<u>4,111,747</u>	<u>4,036,572</u>
Supply teacher costs	25,910	39,626
	<u>4,137,657</u>	<u>4,076,198</u>

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teaching staff	60	62
Support staff	39	41
Management	6	5
	<u>105</u>	<u>108</u>

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
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**Notes to the financial statements
for the year ended 31 August 2015**

14. Staff (continued)

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	2014 No.
In the band £100,001 - £110,000	0	1
In the band £110,001 - £120,000	1	0

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contribution for this member of staff amounted to £15,335 (2014 £14,967).

15. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

	2015 £	2014 £
E Wilson - Remuneration	110,000-115,000	105,000-110,000
- Employer's pension contributions	15,000-20,000	10,000-15,000
R Wickens - Remuneration	25,000-30,000	25,000-30,000
- Employer's pension contributions	5,000-10,000	5,000-10,000
M Collin - Remuneration	45,000-50,000	45,000-50,000
- Employer's pension contributions	5,000-10,000	5,000-10,000

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

16. 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 one claim and the cost for the year ended 31 August 2015 is included in the total insurance cost.

17. Other finance income

	2015 £	2014 £
Expected return on pension scheme assets	61,000	44,000
Interest on pension scheme liabilities	(72,000)	(74,000)
	<u>(11,000)</u>	<u>(30,000)</u>

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

18. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	11,543,625	15,000	112,411	166,064	11,837,100
Disposals	-	-	1,475	(4,028)	(2,553)
At 31 August 2015	11,543,625	15,000	113,886	162,036	11,834,547
Depreciation					
At 1 September 2014	498,261	3,876	27,589	58,086	587,812
Charge for the year	192,875	1,500	13,389	32,407	240,171
On disposals	-	-	590	(3,222)	(2,632)
At 31 August 2015	691,136	5,376	41,568	87,271	825,351
Net book value					
At 31 August 2015	10,852,489	9,624	72,318	74,765	11,009,196
At 31 August 2014	11,045,364	11,124	84,822	107,978	11,249,288

Included in land and buildings is freehold land at valuation of £1,899,858 (2014 - £1,899,858), which is not depreciated.

19. Debtors

	2015 £	2014 £
Trade debtors	5,974	4,958
Other debtors	15,573	16,737
Prepayments and accrued income	33,330	33,151
	<u>54,877</u>	<u>54,846</u>

**20. Creditors:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	10,189	3,588
Other taxation and social security	73,692	70,716
Other creditors	11,534	11,947
Accruals and deferred income	7,450	32,130
	<u>102,865</u>	<u>118,381</u>

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
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**Notes to the financial statements
for the year ended 31 August 2015**

20. Creditors:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2014	17,988
Amounts released from previous years	(17,988)
	<hr/>
Deferred income at 31 August 2015	-
	<hr/> <hr/>

21. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	89,203	79,423	(9,843)	(148,607)	-	10,176
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted funds						
General Annual Grant (GAG)	-	4,472,323	(4,643,059)	170,736	-	-
Pupil Premium	-	47,389	(47,389)	-	-	-
16 -19 Bursary Fund	-	16,236	(16,236)	-	-	-
Other DfE/EFA grants	-	40,515	(40,515)	-	-	-
Other government grants	-	5,754	(5,754)	-	-	-
Generated income	-	206,008	(206,008)	-	-	-
Pension reserve	(789,000)	-	(71,000)	-	5,000	(855,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(789,000)	4,788,225	(5,029,961)	170,736	5,000	(855,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted fixed asset funds						
Assets received on conversion	11,249,288	-	(240,092)	-	-	11,009,196
Devolved capital	-	22,129	-	(22,129)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	11,249,288	22,129	(240,092)	(22,129)	-	11,009,196
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	10,460,288	4,810,354	(5,270,053)	148,607	5,000	10,154,196
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	10,549,491	4,889,777	(5,279,896)	-	5,000	10,164,372
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

21. Statement of funds (continued)

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds	89,203	79,423	(9,843)	(148,607)	-	10,176
Restricted funds	(789,000)	4,788,225	(5,029,961)	170,736	5,000	(855,000)
Restricted fixed asset funds	11,249,288	22,129	(240,092)	(22,129)	-	11,009,196
	<u>10,549,491</u>	<u>4,889,777</u>	<u>(5,279,896)</u>	<u>-</u>	<u>5,000</u>	<u>10,164,372</u>

22. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	11,009,196	11,009,196	11,249,288
Current assets	10,176	102,865	-	113,041	207,584
Creditors due within one year	-	(102,865)	-	(102,865)	(118,381)
Provisions for liabilities and charges	-	(855,000)	-	(855,000)	(789,000)
	<u>10,176</u>	<u>(855,000)</u>	<u>11,009,196</u>	<u>10,164,372</u>	<u>10,549,491</u>

MAYFIELD GRAMMAR SCHOOL, GRAVESEND
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2015**

23. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	(390,119)	(257,053)
Returns on investments and servicing of finance	389	571
Depreciation of tangible fixed assets	240,171	238,829
Surplus on disposal of tangible fixed assets	(78)	-
Deficit on disposal of tangible fixed assets	-	4,236
(Increase)/decrease in debtors	(32)	9,685
Decrease in creditors	(15,516)	(29,704)
FRS 17 adjustments	71,000	56,000
Net cash (outflow)/inflow from operations	(94,185)	22,564

24. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	(389)	(571)
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	-	(88,582)

25. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	31 August 2015 £
Cash at bank and in hand:	152,738	(94,574)	58,164
Net funds	152,738	(94,574)	58,164

26. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

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Notes to the financial statements
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27. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2014.

Contributions amounting to £11,534 were payable to the scheme at 31 August 2015 (2014 - £11,947) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £324,461 (2014: £315,233).

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

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27. Pension commitments (continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £143,000, of which employer's contributions totalled £110,000 and employees' contributions totalled £33,000. The agreed contribution rates for future years at 19.8% for employers and variable% 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 academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.00	750,000	6.70	665,000
Bonds	6.00	121,000	3.60	115,000
Property	6.00	148,000	5.90	99,000
Cash	6.00	29,000	2.90	41,000
Target return portfolio	6.00	48,000	5.90	42,000
Gilts	6.00	11,000	3.00	12,000
Total market value of assets		1,107,000		974,000
Present value of scheme liabilities		(1,962,000)		(1,763,000)
Deficit in the scheme		(855,000)		(789,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,962,000)	(1,763,000)
Fair value of scheme assets	1,107,000	974,000
Net liability	(855,000)	(789,000)

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**Notes to the financial statements
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27. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(170,000)	(144,000)
Interest on obligation	(72,000)	(74,000)
Expected return on scheme assets	61,000	44,000
	<u>(181,000)</u>	<u>(174,000)</u>
Total	<u>(181,000)</u>	<u>(174,000)</u>
Actual return on scheme assets	<u>25,000</u>	<u>78,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2015 £	2014 £
Opening defined benefit obligation	1,763,000	1,503,000
Current service cost	170,000	144,000
Interest cost	72,000	74,000
Contributions by scheme participants	33,000	32,000
Actuarial (Gains)/losses	(41,000)	23,000
Benefits paid	(35,000)	(13,000)
	<u>1,962,000</u>	<u>1,763,000</u>
Closing defined benefit obligation	<u>1,962,000</u>	<u>1,763,000</u>

Movements in the fair value of the academy's share of scheme assets:

	2015 £	2014 £
Opening fair value of scheme assets	974,000	677,000
Expected return on assets	61,000	44,000
Actuarial gains and (losses)	(36,000)	116,000
Contributions by employer	110,000	118,000
Contributions by employees	33,000	32,000
Benefits paid	(35,000)	(13,000)
	<u>1,107,000</u>	<u>974,000</u>
	<u>1,107,000</u>	<u>974,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £54,000 (2014 - £49,000).

The academy expects to contribute £110,000 to its Defined benefit pension scheme in 2016.

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**Notes to the financial statements
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27. Pension commitments (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	68.00 %	69.00 %
Gilts	1.00 %	1.00 %
Other bonds	11.00 %	12.00 %
Property	13.00 %	10.00 %
Cash	3.00 %	4.00 %
Target return portfolio	4.00 %	4.00 %

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

	2015	2014
Discount rate for scheme liabilities	4.00 %	3.90 %
Expected return on scheme assets at 31 August	6.00 %	6.00 %
Rate of increase in salaries	4.40 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.60 %
RPI Increases	3.50 %	3.40 %

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(1,962,000)	(1,763,000)	(1,503,000)	(1,200,000)
Scheme assets	1,107,000	974,000	677,000	428,000
Deficit	(855,000)	(789,000)	(826,000)	(772,000)
Experience adjustments on scheme liabilities	41,000	(23,000)	(68,000)	(1,070,000)
Experience adjustments on scheme assets	(36,000)	116,000	50,000	318,000

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28. Operating lease commitments

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	3,175	17,631
Between 2 and 5 years	24,847	15,359
	<u><u> </u></u>	<u><u> </u></u>

29. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.