

Company Registration Number: 07900248 (England & Wales)

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

Annual report and financial statements
for the year ended 31 August 2017



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

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MAYFIELD GRAMMAR SCHOOL, GRAVESEND

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Reference and administrative details for the year ended 31 August 2017

Members	V A Green (Chairman) E D Wilson D J Wesley M Fielder-White D M Foulger
Trustees	M D Collin P K Patel ¹ A E Sewell R D Wickens ¹ D P Holton E D Wilson ¹ V A Green (Chairman) ¹ D J Wesley ¹ M Fielder-White D M Foulger
	¹ members of the Finance and Premises committee
Company registered number	07900248
Company name	Mayfield Grammar School, Gravesend
Principal and registered office	Pelham Road Gravesend Kent DA11 0JE
Senior management team	Mrs E Wilson, Headteacher Mrs C Kemp, Assistant Headteacher Mrs S Jones, Assistant Headteacher Mr R McCorkell, Assistant Headteacher Mrs L Absolon, Assistant Headteacher Mrs D Sandeford, Business Manager
Independent auditors	Williams Giles Limited Chartered Accountants Statutory 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
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Trustees' report
for the year ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. 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 Gravesend. It has a pupil capacity of 1015 and had a roll of 998 in the school census on 17 May 2017.

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 is the primary governing documents of the academy trust.

The Trustees of Mayfield Grammar School, Gravesend are also the directors of the charitable company for the purpose 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. Pay policy for key management personnel

The academy has arrangements in place via its pay policy which is supported by all professional associations within the school and in line with the recommendations of the STRB. A robust system of appraisal operates across the school for all staff, including senior staff, which supports progression through the school's agreed pay scales.

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Trustees' report (continued)
for the year ended 31 August 2017

f. 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

g. Connected organisations, including related party relationships

No current federation / consortium exists.

h. Trustees' indemnities

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 £10.00 for the debts and liabilities contracted before he/she ceases to be a member.

Strategic report

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 possible academic and personal standards
- For our students to succeed at the highest level possible in public examinations at GCSE and A-Level.
- For all students to successfully access the next stage of their career upon leaving the school.

b. Objectives, strategies and activities

- Achieve a successful pass rate (in excess of Government national floor targets) at GCSE and A-Level examinations
- To continue to develop our personal education programme i.e via Adventure Service Challenge and to develop our 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 2017

Achievements and performance

Our overall pass rate at A Level was 97.07%. The Average Point Score per entry achieved was 31.94. The proportion of A*/A grades was 19.95% and 45% of grades were at A*-B grade and 70% of grades at A*-C level.

At GCSE we achieved 15.13% A* (or 9 to 8) grades with the proportion of A*/A (or 9 to 7) grades being 43.23% (which compares favourably with the National figure of 22.1%) and a pass rate of 72.91% at A*/B (or 9 to 6). 99.28% of our students achieved 5A* to C including English and Mathematics.

In the reformed subjects (Maths, English Language and English Literature) we performed very well indeed. In Maths 38.13% achieved 9 to 7 against a National picture of 19.9%. In English Language we achieved 5.76% of the top grade 9 compared with the National figure of 2.6% and the 9 to 7 figure of 35.25% was much better than the National figure of 16.8%. English Literature was even better with 10.07% of our students achieving the top grade (compared to National of 3.3%) and for the 9 to 7 range we achieved 43.17% (compared to the National figure of 19.1%).

The new performance measures of Attainment 8 and Progress 8 were pleasing with an Attainment 8 score of 62.7 and our Progress 8 score of +0.25 indicates that our students are making significantly above the average progress required by the end of GCSE.

a. Key performance indicators

The in year accounting deficit at the end of 2015/2016 was reduced in line with school plans and the school has set another balanced budget for 2017/18. With the view to eliminate the accounting deficit by the end of the next financial year. There has never been any concerns regarding cash flow throughout the 2016/2017 financial year and a surplus was achieved at the close of August 2017.

The accounting deficit arose because of delays in funding streams received but was mitigated by income in unrestricted funds and income from lettings and catering together with robust budget management to ensure the erosion of the accounting deficit and a surplus being achieved in August 2017 whilst still allowing the school to deliver an excellent education for students within the school.

b. Going concern

The company remained a going concern throughout the 16/17 financial year and has adequate resources to continue in operational existence. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

a. Reserves policy

The school does not currently have a reserves policy but operates on the principle that funds should be deployed for the support of students within the financial year monies have been received.

b. Material investments policy

The academy is not in a position to make investments whilst fulfilling its' main objective of providing an outstanding education with current government funding levels.

c. Principal Risks and Uncertainties

The principal risk faced by the school is financial risk due to reductions in funding by the Department of Education decision to previously increase National Insurance and pension contributions without increasing

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Trustees' report (continued)
for the year ended 31 August 2017

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.

Any risk will be further mitigated by the government's introduction of the National Funding Formula which should benefit this school. Capital investment from the Local Authority and ESFA will bring investment in new buildings and facilities that will mitigate the secondary risk of requiring funding to maintain accommodation that is no longer 'fit for purpose'.

Plans for future periods

a. Future developments

The Academy will continue with its aim of delivering an outstanding education for students in the local community and to meet the increasing demand for places.

The school is working with both the Local Authority and ESFA to implement a three phase plan of capital investment and development of new facilities to meet the needs of students within the school..

Disclosure of information to auditors

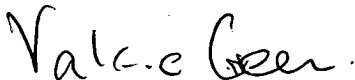
In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are 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.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2017 and signed on its 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 MGSG 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 MGSG 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 Statement of Trustees' responsibilities. 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
P K Patel	3	3
A E Sewell	3	3
D J Wesley	2	3
M D Collin	2	3
R D Wickens	2	3
D P Holton	2	3
D M Foulger	0	3

M D Collin resigned from the Governing Body on 31st August 2017, this was the date she retired from her teaching position in school.

D M Foulger had an agreed leave of absence during this period. Whilst she missed the Full Governing Body meetings, she did manage to attend some committee meetings throughout the year.

An annual skills audit is completed by governors and used to inform training and structure of sub-committees.

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	4	4
P Patel	4	4
D Wesley	3	4
R Wickens	4	4
E Wilson	4	4

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Governance Statement (continued)

Review of Value for Money

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy 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 academy'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 has delivered improved value for money during the year by:

- Review of the leasing arrangements for the school minibus to reduce and ultimately remove these costs
- Purchase of technology equipment to ensure "best value"
- Replacement of vending machines throughout the school providing better quality merchandise at a lower cost

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 MGSG for the year 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 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 to appoint Williams Giles as internal auditor.

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

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Governance Statement (continued)

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

Williams Giles has delivered the 2016/2017 schedule of work as planned.

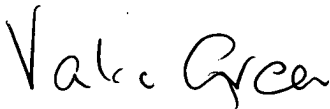
Review of Effectiveness

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 internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers 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 their review of the system of internal control by the Finance and Premises Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 December 2017



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 MGSG I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.



E D Wilson
Accounting Officer

Date: 12 December 2017

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Statement of Trustees' responsibilities for the year ended 31 August 2017

The Trustees (who act as governors of MGSG and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual 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 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 12 December 2017 and signed on its behalf by:



V A Green
Chair of Trustees

MAYFIELD GRAMMAR SCHOOL, GRAVESEND

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

Opinion

We have audited the financial statements of Mayfield Grammar School, Gravesend (the 'academy') for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (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, 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'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 or to cease operations, or have no realistic alternative but to do so.

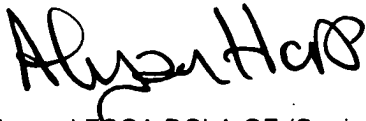
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**Independent auditors' report on the financial statements to the members of Mayfield Grammar School,
Gravesend**

Auditors' responsibilities for the audit of the financial statements

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

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



Alyson Howard FSCA DChA CF (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Statutory Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

19 December 2017

MAYFIELD GRAMMAR SCHOOL, GRAVESEND

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Independent reporting accountants' assurance report on regularity to Mayfield Grammar School, Gravesend and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 March 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA 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 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 Mayfield Grammar School, Gravesend and the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

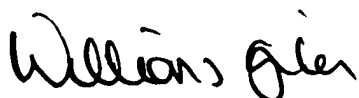
- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity 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 and Skills 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Williams Giles Limited

Chartered Accountants
Statutory Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

19 December 2017

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

**Statement of financial activities incorporating income and expenditure account
for the year ended 31 August 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	-	-	21,663	21,663	63,630
Charitable activities	3	-	4,369,231	-	4,369,231	4,422,871
Other trading activities	4	49,749	207,694	-	257,443	276,279
Investments	5	150	-	-	150	310
Total income		49,899	4,576,925	21,663	4,648,487	4,763,090
Expenditure on:						
Raising funds	6	3,916	-	-	3,916	14,783
Charitable activities		-	4,727,936	241,310	4,969,246	5,228,896
Total expenditure	9	3,916	4,727,936	241,310	4,973,162	5,243,679
Net income / (expenditure) before transfers		45,983	(151,011)	(219,647)	(324,675)	(480,589)
Transfers between Funds	19	(45,983)	53,417	(7,434)	-	-
Net expenditure before other recognised gains and losses		-	(97,594)	(227,081)	(324,675)	(480,589)
Actuarial gains/(losses) on defined benefit pension schemes	24	-	622,000	-	622,000	(725,000)
Net movement in funds		-	524,406	(227,081)	297,325	(1,205,589)
Reconciliation of funds:						
Total funds brought forward		-	(1,814,884)	10,773,667	8,958,783	10,164,372
Total funds carried forward		-	(1,290,478)	10,546,586	9,256,108	8,958,783

MAYFIELD GRAMMAR SCHOOL, GRAVESEND

(A company limited by guarantee)

Registered number: 07900248

**Balance sheet
as at 31 August 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	16	10,546,586	10,773,667
Current assets			
Debtors	17	31,661	43,268
Cash at bank and in hand		41,718	6,810
		<u>73,379</u>	<u>50,078</u>
Creditors: amounts falling due within one year	18	<u>(153,857)</u>	<u>(192,962)</u>
Net current liabilities		<u>(80,478)</u>	<u>(142,884)</u>
Total assets less current liabilities		<u>10,466,108</u>	<u>10,630,783</u>
Defined benefit pension scheme liability	19,24	<u>(1,210,000)</u>	<u>(1,672,000)</u>
Net assets including pension scheme liabilities		<u>9,256,108</u>	<u>8,958,783</u>
Funds of the academy			
Restricted income funds:			
Restricted income funds	19	(80,478)	(142,884)
Restricted fixed asset funds	19	10,546,586	10,773,667
Restricted income funds excluding pension liability		10,466,108	10,630,783
Pension reserve		<u>(1,210,000)</u>	<u>(1,672,000)</u>
Total restricted income funds		<u>9,256,108</u>	<u>8,958,783</u>
Total funds		<u>9,256,108</u>	<u>8,958,783</u>

The financial statements on pages 16 to 39 were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:

V A Green

V A Green
Chair of Trustees

E D Wilson

E D Wilson
Trustee

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

Statement of cash flows
for the year ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	<u>27,324</u>	<u>(69,930)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		150	310
Purchase of tangible fixed assets		(14,229)	(2,935)
Capital grants from DfE/ESFA		<u>21,663</u>	<u>21,201</u>
Net cash provided by investing activities		<u>7,584</u>	<u>18,576</u>
Change in cash and cash equivalents in the year		34,908	(51,354)
Cash and cash equivalents brought forward		<u>6,810</u>	<u>58,164</u>
Cash and cash equivalents carried forward	22	<u><u>41,718</u></u>	<u><u>6,810</u></u>

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

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Mayfield Grammar School, Gravesend constitutes a public benefit entity as defined by FRS 102.

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 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.

The school has set a balanced budget for 2016/2017 and has a 3 year forecast showing a surplus. The budget and three-year plan is constantly being reviewed and monitored to provide accurate information for the Headteacher, thus enabling her to make informed decisions.

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.

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

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies (continued)

1.4 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 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 when there is entitlement 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 receipt is probable and it is measurable.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 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.

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

MAYFIELD GRAMMAR SCHOOL, GRAVESEND

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 August 2017

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed 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

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 incorporating income and expenditure account.

1.7 Operating leases

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

MAYFIELD GRAMMAR SCHOOL, GRAVESEND

(A company limited by guarantee)

Notes to the financial statements for the year ended 31 August 2017

1. Accounting policies (continued)

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. 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 costs as detailed in note 18. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 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 2017

1. Accounting policies (continued)

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

1.15 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 the Department for Education 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 and include grants from the Department for Education.

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

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 16 for the carrying amount of the property, plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	-	-	-	42,429
Capital grants	-	-	21,663	21,663	21,201
	-	-	21,663	21,663	63,630
<i>Total 2016</i>	42,429	-	21,201	63,630	

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

**Notes to the financial statements
for the year ended 31 August 2017**

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,194,952	4,194,952	4,131,136
Other DfE/EFA grants	-	22,178	22,178	19,731
Pupil premium	-	66,128	66,128	70,164
16-19 Bursary	-	250	250	-
	-	4,283,508	4,283,508	4,221,031
Other government grants				
Other government grants	-	85,723	85,723	201,840
	-	85,723	85,723	201,840
	-	4,369,231	4,369,231	4,422,871
<i>Total 2016</i>	-	4,422,871	4,422,871	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	14,725	-	14,725	17,057
School trips	17,669	-	17,669	28,210
Catering	-	171,826	171,826	146,969
Other income	17,355	35,868	53,223	84,043
	49,749	207,694	257,443	276,279
<i>Total 2016</i>	70,616	205,663	276,279	

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

**Notes to the financial statements
for the year ended 31 August 2017**

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	150	-	150	310
<i>Total 2016</i>	310	-	310	

6. Expenditure on raising funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other costs	3,916	-	3,916	14,783
<i>Total 2016</i>	14,783	-	14,783	

7. Direct costs

	Educational operations £	Total 2017 £	Total 2016 £
Educational supplies	134,578	134,578	158,129
Examination fees	110,149	110,149	112,279
Staff development	22,076	22,076	28,008
Educational consultancy	3,844	3,844	7,203
Agency supply cost	56,423	56,423	44,282
Wages and salaries	2,428,848	2,428,848	2,561,479
National insurance	224,987	224,987	233,256
Pension cost	343,209	343,209	369,528
	3,324,114	3,324,114	3,514,164
<i>At 31 August 2016</i>	3,514,164	3,514,164	

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

**Notes to the financial statements
for the year ended 31 August 2017**

8. Support costs

	Educational operations £	Total 2017 £	Total 2016 £
LGPS costs	36,000	36,000	32,000
Recruitment and support	6,029	6,029	5,990
Maintenance of premises and equipment	25,266	25,266	32,229
Cleaning	16,034	16,034	18,793
Rent & rates	30,347	30,347	34,325
Light & heat	58,330	58,330	68,156
Insurance	22,449	22,449	25,344
Security & transport	6,084	6,084	11,911
Catering	100,256	100,256	94,434
Bank charges	94	94	85
Computer costs	47,556	47,556	64,296
Printing, postage and stationery	27,096	27,096	45,557
Other support costs	51,960	51,960	73,270
Governance	21,110	21,110	33,975
Wages and salaries	663,724	663,724	728,188
National insurance	61,481	61,481	36,976
Pension cost	230,006	230,006	170,739
Depreciation	241,310	241,310	238,464
	<u>1,645,132</u>	<u>1,645,132</u>	<u>1,714,732</u>
<i>At 31 August 2016</i>	<u>1,714,732</u>	<u>1,714,732</u>	

During the year ended 31 August 2017, the academy incurred the following Governance costs:
£11,610 (2016 - £33,975) included within the table above in respect of Educational operations.

9. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	-	-	3,916	3,916	14,783
Activities:					
Direct costs	3,053,467	-	270,647	3,324,114	3,514,164
Support costs	955,211	229,869	460,052	1,645,132	1,714,732
	<u>4,008,678</u>	<u>229,869</u>	<u>734,615</u>	<u>4,973,162</u>	<u>5,243,679</u>
<i>Total 2016</i>	<u>4,144,448</u>	<u>391,967</u>	<u>707,264</u>	<u>5,243,679</u>	

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

Notes to the financial statements
for the year ended 31 August 2017

10. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	241,310	238,464
Operating lease rentals	22,951	24,847
	<u>264,261</u>	<u>263,311</u>

11. Auditors' remuneration

	2017 £	2016 £
Fees payable to the academy's auditor for the audit of the academy's annual accounts	7,750	8,000
Fees payable to the academy's auditor in respect of:		
Audit-related assurance services	675	675
Internal audit services	1,300	1,300
All other non-audit services not included above	1,750	1,750
	<u>11,475</u>	<u>11,725</u>

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

Notes to the financial statements
for the year ended 31 August 2017

12. Staff costs

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	3,092,572	3,289,667
Social security costs	286,468	270,232
Operating costs of defined benefit pension schemes	573,215	540,267
	<hr/>	<hr/>
	3,952,255	4,100,166
Supply teacher costs	56,423	44,282
	<hr/>	<hr/>
	4,008,678	4,144,448
	<hr/>	<hr/>

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

	2017	2016
	No.	No.
Teaching staff	53	67
Support staff	60	58
Management	6	6
	<hr/>	<hr/>
	119	131
	<hr/>	<hr/>

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £110,001 - £120,000	1	1

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £400,954 (2016: £518,830).

MAYFIELD GRAMMAR SCHOOL, GRAVESEND

(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

13. 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:

		2017	2016
		£	£
E D Wilson	Remuneration	110,000-115,000	110,000-115,000
	Pension contributions paid	15,000-20,000	15,000-20,000
R D Wickens	Remuneration	30,000-35,000	25,000-30,000
	Pension contributions paid	5,000-10,000	5,000-10,000
M D Collin	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	0-5,000	5,000-10,000

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £208 to 3 Trustees).

14. 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 2017 is included in the total insurance cost.

15. Net pension interest

	2017	2016
	£	£
Interest income on pension scheme assets	32,000	47,000
Interest on pension scheme liabilities	(68,000)	(79,000)
	(36,000)	(32,000)

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

**Notes to the financial statements
for the year ended 31 August 2017**

16. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	11,543,625	15,000	116,821	162,036	11,837,482
Additions	-	-	-	14,229	14,229
At 31 August 2017	11,543,625	15,000	116,821	176,265	11,851,711
Depreciation					
At 1 September 2016	884,011	6,876	53,250	119,678	1,063,815
Charge for the year	192,875	1,500	11,682	35,253	241,310
At 31 August 2017	1,076,886	8,376	64,932	154,931	1,305,125
Net book value					
At 31 August 2017	10,466,739	6,624	51,889	21,334	10,546,586
At 31 August 2016	10,659,614	8,124	63,571	42,358	10,773,667

17. Debtors

	2017 £	2016 £
Trade debtors	4,618	1,161
VAT recoverable	9,686	19,619
Other debtors	15	541
Prepayments and accrued income	17,342	21,947
	<u>31,661</u>	<u>43,268</u>

18. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,898	88,478
Other taxation and social security	71,537	77,615
Other creditors	69,922	18,004
Accruals and deferred income	9,500	8,865
	<u>153,857</u>	<u>192,962</u>

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

**Notes to the financial statements
for the year ended 31 August 2017**

19. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	-	49,899	(3,916)	(45,983)	-	-
Restricted funds						
General annual grant	(142,884)	4,194,952	(4,191,936)	53,417	-	(86,451)
Pupil premium	-	66,128	(66,128)	-	-	-
Other DfE/EFA grants	-	22,178	(22,178)	-	-	-
Other government grants	-	85,723	(85,723)	-	-	-
General funds	-	207,944	(201,971)	-	-	5,973
Pension reserve	(1,672,000)	-	(160,000)	-	622,000	(1,210,000)
	<u>(1,814,884)</u>	<u>4,576,925</u>	<u>(4,727,936)</u>	<u>53,417</u>	<u>622,000</u>	<u>(1,290,478)</u>
Restricted fixed asset funds						
Assets held for depreciation	10,773,667	-	(241,310)	14,229	-	10,546,586
Devolved Formula Capital Grant	-	21,663	-	(21,663)	-	-
	<u>10,773,667</u>	<u>21,663</u>	<u>(241,310)</u>	<u>(7,434)</u>	<u>-</u>	<u>10,546,586</u>
Total restricted funds	<u>8,958,783</u>	<u>4,598,588</u>	<u>(4,969,246)</u>	<u>45,983</u>	<u>622,000</u>	<u>9,256,108</u>
Total of funds	<u>8,958,783</u>	<u>4,648,487</u>	<u>(4,973,162)</u>	<u>-</u>	<u>622,000</u>	<u>9,256,108</u>

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted funds	10,176	113,355	(14,783)	(108,748)	-	-
	<u>10,176</u>	<u>113,355</u>	<u>(14,783)</u>	<u>(108,748)</u>	<u>-</u>	<u>-</u>

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19. Statement of funds (continued)

Restricted funds

General annual grant	-	4,131,136	(4,401,034)	127,014	-	(142,884)
Pupil premium	-	70,164	(70,164)	-	-	-
Other DfE/EFA grants	-	215,871	(215,871)	-	-	-
Other government grants	-	5,700	(5,700)	-	-	-
General funds	-	205,663	(205,663)	-	-	-
Pension reserve	(855,000)	-	(92,000)	-	(725,000)	(1,672,000)
	<u>(855,000)</u>	<u>4,628,534</u>	<u>(4,990,432)</u>	<u>127,014</u>	<u>(725,000)</u>	<u>(1,814,884)</u>

Restricted fixed asset funds

Assets held for depreciation	11,009,196	-	(238,464)	2,935	-	10,773,667
Devolved Formula Capital Grant	-	21,201	-	(21,201)	-	-
	<u>11,009,196</u>	<u>21,201</u>	<u>(238,464)</u>	<u>(18,266)</u>	<u>-</u>	<u>10,773,667</u>
Total restricted funds	<u>10,154,196</u>	<u>4,649,735</u>	<u>(5,228,896)</u>	<u>108,748</u>	<u>(725,000)</u>	<u>8,958,783</u>
Total of funds	<u>10,164,372</u>	<u>4,763,090</u>	<u>(5,243,679)</u>	<u>-</u>	<u>(725,000)</u>	<u>8,958,783</u>

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.

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 2017.

The academy is carrying a net deficit of £86,451 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason.

The increase in operating costs associated with the growth in student numbers in recent year has not been matched by an equivalent increase in grant funding.

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19. Statement of funds (continued)

The academy is taking the following action to return these funds to surplus:

The results of this action are reflected in the annual accounts as expenditure has decreased leading to an increase in cash amount at the end of the financial year as well as the reduction of the accounting deficit in line with predictions. In addition the income and expenditure including cash flow is monitored on a daily basis. Staff workloads have been increased – this includes reducing the non-contact time for teachers and reducing some subject time in the lower school. Additionally vacancies in both teaching and support as a result of natural wastage have not been replaced. The results of this action can be seen in the annual accounts as expenditure in most areas including staffing is lower than the previous year.

20. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	10,546,586	10,546,586
Current assets	426	72,953	-	73,379
Creditors due within one year	(426)	(153,431)	-	(153,857)
Provisions for liabilities and charges	-	(1,210,000)	-	(1,210,000)
	<u>-</u>	<u>(1,290,478)</u>	<u>10,546,586</u>	<u>9,256,108</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	10,773,667	10,773,667
Current assets	-	50,078	-	50,078
Creditors due within one year	-	(192,962)	-	(192,962)
Provisions for liabilities and charges	-	(1,672,000)	-	(1,672,000)
	<u>-</u>	<u>(1,814,884)</u>	<u>10,773,667</u>	<u>8,958,783</u>

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Notes to the financial statements for the year ended 31 August 2017

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(324,675)	(480,589)
Adjustment for:		
Depreciation charges	241,310	238,464
Dividends, interest and rents from investments	(150)	(310)
Decrease in debtors	11,607	11,609
(Decrease)/increase in creditors	(39,105)	90,097
Capital grants from DfE and other capital income	(21,663)	(21,201)
Defined benefit pension scheme cost less contributions payable	160,000	92,000
Net cash provided by/(used in) operating activities	27,324	(69,930)

22. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	41,718	6,810
Total	41,718	6,810

23. 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 ESFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the ESFA 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 ESFA.

24. 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 Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 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' 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.

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24. Pension commitments (continued)

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

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
- 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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £343,209 (2016 - £369,528).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £136,000 (2016 - £145,000), of which employer's contributions totalled £105,000 (2016 - £111,000) and employees' contributions totalled £31,000 (2016 - £34,000). The agreed contribution rates for future years are 20.0% 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.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Commutation of pensions to lump sums	50.00 %	50.00 %
RPI Increases	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	23.0	22.9
Females	25.1	25.3
Retiring in 20 years		
Males	25.2	25.2
Females	27.4	27.7

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	2,882,000	3,012,000
Discount rate -0.1%	2,999,000	3,139,000
Mortality assumption - 1 year increase	3,038,000	3,157,000
Mortality assumption - 1 year decrease	2,845,000	2,995,000
CPI rate +0.1%	2,990,000	3,128,000
CPI rate -0.1%	2,891,000	3,023,000

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,218,000	948,000
Gilts	12,000	13,000
Corporate bonds	167,000	150,000
Cash	-	-
Property	212,000	197,000
Cash and other liquid assets	55,000	34,000
Absolute return fund	66,000	61,000
Total market value of assets	1,730,000	1,403,000

The actual return on scheme assets was £242,000 (2016 - £167,000).

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Notes to the financial statements
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24. Pension commitments (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(228,000)	(170,000)
Interest income	32,000	47,000
Interest cost	(68,000)	(79,000)
	<u>(264,000)</u>	<u>(202,000)</u>
Total	<u>(264,000)</u>	<u>(202,000)</u>
Actual return on scheme assets	<u>242,000</u>	<u>167,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,075,000	1,962,000
Current service cost	228,000	170,000
Interest cost	68,000	79,000
Employee contributions	31,000	34,000
Actuarial (gains)/losses	(445,000)	845,000
Benefits paid	(17,000)	(15,000)
	<u>2,940,000</u>	<u>3,075,000</u>
Closing defined benefit obligation	<u>2,940,000</u>	<u>3,075,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,403,000	1,107,000
Interest income	32,000	47,000
Actuarial gains/(losses)	177,000	120,000
Employer contributions	104,000	110,000
Employee contributions	31,000	34,000
Benefits paid	(17,000)	(15,000)
	<u>1,730,000</u>	<u>1,403,000</u>
Closing fair value of scheme assets	<u>1,730,000</u>	<u>1,403,000</u>

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**Notes to the financial statements
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25. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£	£
Amounts payable:		
Within 1 year	13,027	22,951
Between 1 and 5 years	34,531	27,492
Total	47,558	50,443

26. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

28. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £14,210 and disbursed £8,489 from the fund. An amount of £5,721 is included in other creditors relating to undistributed funds that are repayable to ESFA.