

The Gryphon Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2020

Company Registration Number:
07546874 (England and Wales)

The Gryphon Trust

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The Gryphon Trust

Reference and Administrative Details

Members:

E Cook (appointed 28 January 2020)
S England (appointed 24 January 2020)
J Evans
M Hall
C Martin (appointed 24 January 2020)

Trustees:

R Castle (appointed 31 March 2020)
D Coburn (resigned 9 June 2020)
E Cook
K Craze
H Dickens (appointed 31 March 2020)
M McCarthy (appointed 14 July 2020)
H Nash (appointed 31 March 2020)
D Parker (appointed 31 March 2020)
D Richards
M Walker (resigned 2 February 2020)
R Wilkins

Company Secretary

V Woods

Senior Management Team:

A O'Sullivan	Chief Executive Officer
N Pressnell	Head Teacher (Arnewood)
C Price	Deputy Head Teacher (Arnewood)
P Barrett	Assistant Head Teacher (Arnewood)
M Colman	Assistant Head Teacher (Arnewood)
J Hutson	Assistant Head Teacher (Arnewood)
S Stroud	Assistant Head Teacher (Arnewood)
K Watson	Assistant Head Teacher (Arnewood)
M Gough	Senior teacher (Arnewood)
N Himmel	Head Teacher (Eaglewood)
J Wood	Deputy Head Teacher (Eaglewood)
S Bartlett	Senior Finance Officer

The Gryphon Trust

Reference and Administrative Details

Company Name
The Gryphon Trust

Principal and Registered Office
Gore Road
New Milton
Hampshire
BH25 6RS

Company Registration Number
07546874 (England and Wales)

Independent Auditor
Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers
Lloyds Bank Plc
25 High Street
Ringwood
Hampshire
BH24 1BD

Solicitors
Blake Morgan LLP
New Kings Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3LG

The Gryphon Trust

Trustees' Report

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

The trust operates two schools. The Arnewood School is an academy for pupils aged 11 to 19 serving a catchment area in the New Forest but accepts pupils from as far afield as Southbourne in Bournemouth. It has a pupil capacity of 1100 and had a roll of 1059 in the school census on 1st October 2020. The Eaglewood School is a 7-16 Alternative Provision academy for emotionally vulnerable children which when its permanent building opened in September 2019 had a planned pupil capacity of 50 rising to 65 from September 2020.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Gryphon Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Gryphon Trust.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practices, the academy has insurance in place to protect Directors, Governors and officers from claims arising against negligent acts, errors, or omissions occurring whilst on trust business. The insurance has an indemnity limit of £5m.

Method of Recruitment and Appointment or Election of Trustees

The Members may by ordinary resolution appoint up to twelve Trustees. The Members may appoint Staff Trustees through such process as they may determine provided the total number of Trustees including the Chief Executive Officer (if they so choose to act as Trustee) who are employees of the Academy Trust shall not exceed one third of the total number of Trustees. Parent Trustees and Parent Local Governors shall be elected or, if the number of parents, or individuals exercising parental responsibility, standing for election is less than the number of vacancies, appointed (in accordance with the terms of reference determined by the Trustees from time to time). The elected or appointed Parent Trustees must be a parent, or an individual exercising parental responsibility, of a registered pupil at one or more of the Academies at the time when he is elected or appointed.

The Gryphon Trust

Trustees' Report

Method of Recruitment and Appointment or Election of Trustees (continued)

Parent Local Governors of the Local Governing Body must be a parent, or an individual exercising parental responsibility, of a registered pupil at one or more of the Academies overseen by the Local Governing Body at the time when he is elected or appointed. The number of Parent Trustees and Parent Local Governors required shall be made up by Parent Trustees and Parent Local Governors appointed by the Trustees if the number of parents, or individuals exercising parental responsibility, standing for election is less than the number of vacancies.

The Trustees shall make all necessary arrangements for, and determine all other matters relating to, an election of the Parent Trustees or Parent Local Governors, including any question of whether a person is a parent, or an individual exercising parental responsibility, of a registered pupil at one of the Academies. Any election of the Parent Trustees or Parent Local Governors which is contested shall be held by secret ballot. For the purposes of any election of Parent Local Governors, any parent, or an individual exercising parental responsibility, of a registered pupil at the Academies overseen by the Local Governing Body shall be eligible to vote.

In appointing a Parent Trustee or Parent Local Governor the Trustees shall appoint a person who is the parent, or an individual exercising parental responsibility, of a registered pupil at an Academy; or where the Trustees are exercising their power to appoint a Parent Trustee or Parent Local Governor and it is not reasonably practical to appoint a parent, or an individual exercising parental responsibility, then the Trustees may appoint a person who is the parent, or an individual exercising parental responsibility, of a child within the age range of at least one of the Academies or, in the case of an appointment to a Local Governing Body, the age range of at least one of the Academies overseen by that Local Governing Body.

The process for recruiting a Parent Local Governor is by ballot. Parents are notified of a vacancy and invited to apply. The Clerk to the Governing Body will receive nominations and will open on the date and time specified. The term of office is four years.

The Trustees may also appoint Co-opted Trustees. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee.

Preference will be given to the appointment of Trustees if they have a specific skill set required by the Board.

A review of the skill set of the Trustees and any gaps in skills is reviewed annually by the Trustees.

The Gryphon Trust

Trustees' Report

Policies and Procedures Adopted for the Induction and Training of Trustees

The Chairman meets all new Trustees on a one to one basis and they are issued with the following documents:

- Governance Handbook
- Staff Handbook
- School Improvement Plan
- Committee Terms of Reference
- Code of Practice
- Any other Strategic Documentation
- Desirable Competencies of Board of Directors

Training is undertaken both "in house" and via an external provider. An audit of Trustee skills is undertaken annually.

Organisational Structure

The Gryphon MAT has a Scheme of Delegation detailing the responsibilities and accountability of the Trustees, Local Governing Bodies and individual academy Headteachers. Day to day management of the academies within the Trust is delegated to the respective school leadership teams. During the academic year 2019/20 The Arnewood School had a Senior Leadership Team consisting of the Headteacher, Deputy Headteacher, five Assistant Headteachers and one other senior staff seconded to the SLT. The Eaglewood School has a Headteacher and Deputy Headteacher working alongside Governors in the leadership of the school. The Chief Executive Officer of the trust is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration was set according to the trust's pay policy. The general principle underpinning this is that employees of the trust will be paid with due regards to the School Teachers' Pay and Conditions and also to the EHCC framework for support staff.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	FTE employee number
1	1

Percentage of time spent on facility time

Percentage of time	Number of employees
1%-50%	1

Percentage of pay bill spent on facility time

Total cost of facility time	£1,447
Total pay bill	£6.0m
Percentage of the total pay bill spent on facility time	0.02%

Paid trade union activities

Time spent on paid trade union activities as a % of paid facility time hours	0%
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The Gryphon Trust

Trustees' Report

Objectives and Activities

Objects and Aims

The academy trust aims to provide education for public benefit by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum to all children of compulsory school age with an emphasis on high outcomes for all learners.

Objectives, Strategies and Activities

The main objectives of the trust are as follows:

- To place children's needs first so that they are at the core of good decision making as to what is best for our school community.
- To be consistently high performing schools, with impressive examination results at all key stages including sixth form.
- To continue to raise standards in all subject areas; to encourage diversity and scholarship in teaching and learning across all subjects.
- To place great emphasis on a healthy balance between academic work and the all-round development of children.
- To have a strong commitment to very good pastoral care and a wide variety of curricular opportunities both cultural and sporting.

Public Benefit

The trustees have given due regard to the Charity Commission's guidance on public benefit when considering the aims of the academy trust. The trust continues to advance education for the public benefit in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the trust by offering a broad and balanced curriculum; and to the extent the Directors may decide from time to time, to promote for the benefit of the inhabitants of the community in which the trust is located and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants; and any other charitable purpose.

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

The Gryphon Trust

Trustees' Report

Strategic Report

Achievements and Performance

Key Performance Indicators

The Arnewood School

This was a challenging year given the restrictions placed on education by COVID. The school operated effectively following national closure from 23rd March 2020 providing remote learning for the majority of students, and learning on site for vulnerable children, for example those in care, and the children of critical workers. The school's long-term investment in information technology including a virtual learning environment (Firefly) and student iPad scheme meant we were very well placed to continue with teaching and learning without delay.

Results in 2020 were finally based on teacher (examination centre based) assessment at both KS4 and Post 16. Comparison with previous years is problematic given the absence of formal summer examinations and national benchmarking data. In KS4 there were 165 students on roll, including those dual rolled at either Eaglewood School (alternate provision) or Greenwood School (linked pupil referral unit). The calculated Progress 8 measure was +0.13, and the Attainment 8 measure was 49.11. 36 students were deemed as disadvantaged and their combined Attainment 8 measure was 45. 73% of students achieved the basics measure of grade 4 or above in English and mathematics. 74% of students achieved grade 4 or better in English, while 83% of students achieved the same measure in mathematics. In the Sixth Form, of the 184 entries, 67% of results were A*-B at A level, this being a key indicator. There was a 100% pass rate (grades A*-E) with 38% at A*-A grade. The progress the students made (Value Added Score) indicated by Alps was grade 2 (T score of 2.22) which is very high indeed.

School leadership including governance remains stable. We have been able to replace senior leaders who have retired in 2019/2020 from within an internal talent pool. The school is in a much stronger financial position than 2018/2019 and we have been able to redress some of the areas where forced economies were necessary, for example, increasing departmental capitation and training budgets. We were successful in achieving a further tranche of money from the Condition Improvement Fund to improve our ROSLA building which will improve drama and music accommodation significantly.

Eaglewood School

Eaglewood School has remained open throughout the COVID-19 pandemic. Whilst we of course concentrated on our vulnerable groups, the school was open to all who wished to access it and many did. For lots of our students, Eaglewood is their safe place and as the current situation put increasing pressure on families both financially and socially this became more important than ever. Online teaching for the majority was a great success and teachers kept in almost daily contact with all our students.

We also, in partnership with Arnewood School and the Lymington Basics Bank ensured that all of our families who were struggling financially had enough food each week, this again was open to all and not just restricted to Free School Meal recipients.

The Gryphon Trust

Trustees' Report

Achievements and Performance (continued)

Attendance remains high and all but 2 students have made a successful return to full time schooling this term. We are working very closely with Children's Services to ensure that an education provision is supplied to those not currently able to return.

The school itself is now fully functional and fully staffed, with new referrals coming in every day. We did have a small dip in numbers as our Year 11's and Reintegration students left us in July but this was due to the fact that our commissioning schools were closed and therefore were not referring new students to us. This short fall will soon be made up, in fact, we are projected to be back to full numbers by Christmas. The financial shortfall has been filled by an increasing number of students placed with us by the local authorities, Hampshire, BCP and Dorset. It seemed that they spent the lock down period clearing their huge back logs of unplaced children and we benefited from the new confidence these LA's have in us and we were pleased to be able to cater for a number of these hard to place children.

Due to the increasing needs of our students and our core belief that students need to find a balance between the IQ and the EQ we have appointed another SENCo. This will allow one to concentrate on the Special Emotional Needs of the students and the other to work on their Special Educational/Academic Needs. Only by ensuring that each of our students are Academically Ready and Emotionally Prepared can we be sure that their self-esteem, confidence and resilience will be strong enough to see them through their next steps.

The school's kitchen is now fully operational and every child receives a hot two course meal each day as well as the breakfast service we have been running for a while. This has had a marked effect on student behaviour and wellbeing, a hungry child is not a learning child.

We have broadened our curriculum to include Art, all students will now benefit from the new Eaglewood school art department. This also gives students another GCSE option. Students in Ks4 can now access up to 6 GCSE subjects as well as nationally recognised ICT, Food Technology and Outdoor Education qualifications. We are also really pleased to be welcoming our first Schools Direct trainee, which again shows the rise in confidence our stakeholders have in us.

Eaglewood continues to grow from strength to strength and remains a very exciting place to be for both staff and students.

The Gryphon Trust

Trustees' Report

Going Concern

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

A surplus of £25k has been projected for the year ending 31 August 2021. This followed a successful review of staffing, redeployment and restrictions on recruiting through mutual consultation. COVID-19 restrictions required staff to learn new ways of presenting the curriculum through different mediums which was challenging but carried out successfully. Fluctuations in pupil numbers and a lack of increase in central funding has a dramatic effect on forecast income.

Financial Review

In the period, the trust has received General Annual Grant (GAG) and other restricted income totalling £9,901,705. Expenditure on GAG activities was £7,113,183 and restricted fixed asset expenditure (including depreciation) was £490,748.

The General Annual Grant funding received from the ESFA, and expenditure of this, is restricted to the purpose of providing education and other activities as defined in the Funding Statement, identified above as the principal activities of the trust. The General Annual Grant has been spent in accordance with the Funding Agreement and details can be found in the Statement of Financial Activities. Any shortfall in funds from the ESFA to meet the trust's costs was provided by income generated from educational activities.

Work to re-clad the SCOLA Block has continued in this academic year with completion of the project in October 2019. Funding to re-clad the ROSLA Block has been successful and work will commence in October 2020.

The pension reserve deficit will impact financially on future years due to higher costs by the Pension Fund to reclaim the deficit.

The trust holds interest paying current accounts with Lloyds Bank and surplus funds may be placed in Treasury Deposit with Lloyds Bank.

The Gryphon Trust

Trustees' Report

Reserves Policy

The reserves as at 31 August 2020 were as follows:

- Unrestricted (free) reserves of £322,743
- A restricted fixed asset fund of £18,271,902, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £2,327,000
- Total funds of £16,267,645

There is a £2,327,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

Based upon forecasts prepared, the reserves of £322,743 are of sufficient level to ensure that the Trust does not go into deficit during 2020/21.

Investment Policy

The trust holds its cash balances with Lloyds Bank and benefits from free banking as a result. The current accounts are interest bearing accounts and a marginally higher rate of interest can be earned from depositing surplus funds in a treasury deposit with Lloyds Bank. The trust would not knowingly allow its funds to be used for any investment other than that which is socially, environmentally and ethically acceptable.

Principal Risks and Uncertainties

The major risks to which the trust is exposed, as identified by the trustees, has been reviewed, and systems have been established to manage those risks.

A risk register is in place and is reviewed regularly.

The major financial risk has been identified as fluctuations in student numbers due to political, economic and social pressures, resulting in inconsistent funding which will be managed by three-year budget forecasts allowing time to plan for possible shortfalls in funding.

The trust's allocation of the Local Government Pension Scheme shows a decrease in the deficit during the period of the Financial Statements. The deficit is expected to be recouped over a long period. However it is expected that it will result in a rise in employer contributions from April 2017 which will be taken into consideration when reviewing current and future budgets.

A Statement on Internal Control is in place and monitored on a regular basis. This is supported by two visits per year by the auditors to ensure that controls are adhered to.

The Gryphon Trust

Trustees' Report

Principal Risks and Uncertainties (continued)

The Academy holds the following policies in relation to the above:

- Fraud Policy
- Scheme of Delegation
- Finance Manual
- Reserves Policy
- Anti-Bribery Policy
- Business Continuity Plan
- Risk Register
- Fixed assets and depreciation policy

Fundraising

As part of its work within the community, the academy trust undertakes fundraising activities, for example through fetes, cake sales, non-uniform days etc. The academy trust raises funds in order to support its own operations and also to make donations to local and national charities. The academy trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the academy trust during the year.

Plans for Future Periods

The trust aims to raise the aspirations of its students, improving their achievements and preparing them for a successful future at university or in the workplace.

The Arnewood School continues to strive to secure capital grants in order to improve its buildings and teaching facilities. It has been successful in obtaining a CIF bid of £1m to re-clad the ROSLA building commencing in October 2020. It will continue to build on the already strong links with the surrounding junior schools by way of outreach work and to build relationships with schools, both primary and secondary.

The Eaglewood School opened as an autonomous, alternative provision academy within the MAT in September 2016. The school opened in temporary accommodation which constrained the curriculum delivery and also prevented admission to the full age range for which the school is approved. Planning permission for the permanent school was gained in May 2017 and the ESFA awarded a contract for the new school to be built which they delivered for a successful opening September 2019.

The priority is that Eaglewood increases its intake in the long term through generating a consistent volume of referrals. Eaglewood has rapidly gained a good reputation for the quality of its provision and are further developing a marketing strategy through which to engage schools not yet commissioning places.

The Gryphon Trust

Trustees' Report

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 8 December 2020 and signed on the board's behalf by:

R G Wilkins
R G Wilkins (Dec 14, 2020 22:08 GMT)

R Wilkins
Trustee

The Gryphon Trust

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Gryphon Trust 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 Chief Executive Officer, 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 The Gryphon Trust 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 six 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
Mr R Castle (appointed 31/3/20)	4	4
Mrs E Cook	6	6
Mr D Coburn (resigned 9/6/20)	4	4
Cllr K Craze (vice-chairman)	6	6
Mrs H Dickens (appointed 31/3/20)	4	4
Mr M McCarthy (appointed 14/07/20)	0	0
Mr H Nash (appointed 31/3/20)	4	4
Mr D Parker (appointed 31/3/20)	4	4
Prof D Richards	5	6
Mr R Wilkins (chairman)	6	6
Mr M Walker (resigned 2/2/20)	0	2

There is a finance and audit compliance committee as a sub-committee of The Gryphon Trust Board which met five times. The committee was joined this year by qualified accountants Mr Nash and Mr Castle. The overall role of the Committee is to provide assurance to the Board over the suitability of, and compliance with, the Academy Trust's internal and external legal, financial and regulatory policies and operational controls, the correctness and accuracy of funding information (or returns), and to ensure that risks are being adequately identified and managed.

Trustee	Meetings attended	Out of a possible
Mr D Coburn (resigned 9/6/20)	3	3
Mr K Craze	4	5
Mr H Nash (appointed 31/3/20)	3	3
Mr R Castle (appointed 31/3/20)	3	3

The Gryphon Trust

Governance Statement

Governance (continued)

During 2019/20 the Arnewood Governing body which included the finance committee responsibilities met four times. Its purpose was to review and approve the annual budget, review and approve financial policies and monitor expenditure and variance against the budget, and to consider the necessity and financial viability of large items of expenditure. Attendance at meetings in the year was as follows:

Trustee/Governor	Meetings attended	Out of a possible
Mrs J Ankers	4	4
Cllr G Beck (resigned 26/11/19)	1	2
Mrs E Cook (chairman)	4	4
Mrs J Corrigan	3	4
Mrs S Hughes	2	2
Mrs C Lippold	4	4
Mr S Jaggar	4	4
Mr N Pressnell	4	4
Mrs R Rolfe	4	4
Mr I Walker	3	3

The Eaglewood School's Local Governing Body held five meetings this year to review the governance and financial position of the school. This has seen the school become a much sort after resource commissioned by many local schools and authorities.

Trustee/Governor	Meetings attended	Out of a possible
Prof D Richards	5	5
Dr R Catton	5	5
Mr N Himmel	5	5
Ms C Whitlock	5	5
Mrs M Strachan	5	5
Ms E Stack	5	5
Mr P Brown	5	5

The Gryphon Trust

Governance Statement

Review of Value for Money

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

- Consolidating the Central Services team to improve efficiencies across the trust.
- Continuing to monitor the successful implantation of the re-cladding of The Arnewood School SCOLA Block to benefit the teaching environment and reduce fuel costs in the future and successfully securing the funding to re-clad the ROSLA building.
- Monitoring and securing the opening of a new building for Eaglewood School that opened in September 2019 with facilities for 70 AP pupils.
- Enhancing the Facilities Team to improve the efficiencies of the site and possible income generation

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Gryphon Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Gryphon Trust

Governance Statement

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes 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 Hopper Williams & Bell Limited, the external auditors, to perform additional checks.

The 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 management information
- testing of reports
- testing of compliance with the Academies Financial Handbook

On a termly basis, the auditor reports to the board of trustees through the Finance Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Gryphon Trust

Governance Statement

Review of Effectiveness

As accounting officer the Chief Executive Officer 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 auditor
- the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit compliance committee 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 8 December 2020 and signed on its behalf by:

R G Wilkins

R G Wilkins (Dec 14, 2020 22:08 GMT)

R Wilkins
Trustee

Alan O'Sullivan

Alan O'Sullivan (Dec 15, 2020 10:32 GMT)

Cllr A O'Sullivan
Accounting Officer

The Gryphon Trust

Statement of Regularity, Propriety and Compliance

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

Alan O'Sullivan
Alan O'Sullivan (Dec 15, 2020 10:32 GMT)

Cllr A O'Sullivan
Accounting Officer
8 December 2020

The Gryphon Trust

Statement of Trustees' Responsibilities

The trustees (who 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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make 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 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 8 December 2020 and signed on its behalf by:


R G Wilkins (Dec 14, 2020 22:08 GMT)

R Wilkins
Trustee

The Gryphon Trust

Independent Auditor's Report on the Financial Statements to the Members of The Gryphon Trust

Opinion

We have audited the financial statements of The Gryphon Trust ('the charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

The Gryphon Trust

Independent Auditor's Report on the Financial Statements to the Members of The Gryphon Trust

Emphasis of matter – long leasehold property valuation

We draw attention to note 12 in the financial statements which highlights that the Academy Trust has included an estimate of £1.659m for the valuation of the land and buildings brought into use in the year. The Academy Trust has requested a valuation from the ESFA but this has not been received at the date of this report. Should the valuation prove to be materially higher or lower than the estimate of the value currently included in the accounts of £1.659m, then an adjustment will be required to the Balance Sheet and Statement of Financial Activities to recognise the increase or decrease in the valuation. Our opinion is not modified in respect of this matter.

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 auditor's report thereon. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

The Gryphon Trust

Independent Auditor's Report on the Financial Statements to the Members of The Gryphon Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

The Gryphon Trust

Independent Auditor’s Report on the Financial Statements to the Members of The Gryphon Trust

Use of our report

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

RAHurst

RAHurst (Dec 16, 2020 09:28 GMT)

R Hurst FCA (Senior statutory auditor)
For and on behalf of Hopper Williams & Bell Limited
Statutory Auditor
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 16/12/2020

The Gryphon Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Gryphon Trust and the Education & Skills Funding Agency

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

This report is made solely to the Board of Trustees and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Gryphon Trust 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 the The Gryphon Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Gryphon Trust's accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of The Gryphon Trust's funding agreement with the Secretary of State for Education dated 1 May 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

The Gryphon Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Gryphon Trust and the Education & Skills Funding Agency

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academies Financial Handbook (AFH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the AFH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the AFH.
- Review of any 'minded to' letters or Financial Notices to Improve have been issued to the academy trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the AFH.
- Review of governance arrangements to determine whether the requirements of the AFH have been met.
- Review of the academy trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the academy trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

The Gryphon Trust

Independent Reporting Accountant’s Assurance Report on Regularity to The Gryphon Trust and the Education & Skills Funding Agency

Conclusion

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

RAHurst
RAHurst (Dec 16, 2020 09:28 GMT)

R Hurst FCA
Reporting Accountant
Hopper Williams & Bell Limited
Chartered Accountants
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

16/12/2020
Date

The Gryphon Trust

Statement of Financial Activities for the year ended 31 August 2020 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2019/20 Total £	2018/19 Total £
Income and endowments from:							
Donations and capital grants	2	14,362	-	-	2,726,117	2,740,479	364,723
Charitable activities:							
Funding for the academy trust's educational operations	3	-	7,142,535	-	-	7,142,535	6,706,158
Other trading activities	4	18,328	-	-	-	18,328	27,777
Investments	5	363	-	-	-	363	487
Total		33,053	7,142,535	-	2,726,117	9,901,705	7,099,145
Expenditure on:							
Raising funds	6	-	2,997	-	-	2,997	4,156
Charitable activities:							
Academy trust educational operations	7	-	7,110,186	245,000	490,748	7,845,934	7,885,966
Total		-	7,113,183	245,000	490,748	7,848,931	7,890,122
Net income / (expenditure)		33,053	29,352	(245,000)	2,235,369	2,052,774	(790,977)
Transfers between funds	16	(13,008)	(29,352)	-	42,360	-	-
Other recognised gains / (losses):							
Actuarial losses on defined benefit pension schemes	25	-	-	(272,000)	-	(272,000)	(532,000)
Net movement in funds		20,045	-	(517,000)	2,277,729	1,780,774	(1,322,977)
Reconciliation of funds							
Total funds brought forward		302,698	-	(1,810,000)	15,994,173	14,486,871	15,809,848
Total funds carried forward		322,743	-	(2,327,000)	18,271,902	16,267,645	14,486,871

The notes on pages 30 to 53 form part of these financial statements.

The Gryphon Trust

Balance Sheet as at 31 August 2020

Company Number 07546874

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	12		17,312,236		15,943,822
Current assets					
Stock	13	2,249		1,967	
Debtors	14	1,133,415		544,488	
Cash at bank and in hand		<u>507,766</u>		<u>331,990</u>	
		1,643,430		878,445	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(361,021)</u>		<u>(525,396)</u>	
Net current assets			<u>1,282,409</u>		<u>353,049</u>
Total assets less current liabilities			18,594,645		16,296,871
Defined benefit pension scheme liability	25		(2,327,000)		(1,810,000)
Total net assets			<u>16,267,645</u>		<u>14,486,871</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	18,271,902		15,994,173	
Pension reserve	16	<u>(2,327,000)</u>		<u>(1,810,000)</u>	
Total restricted funds			15,944,902		14,184,173
Unrestricted income funds	16		322,743		302,698
Total funds			<u>16,267,645</u>		<u>14,486,871</u>

The financial statements on pages 27 to 53 were approved by the trustees and authorised for issue on 8 December 2020 and are signed on their behalf by:

R G Wilkins

R G Wilkins (Dec 14, 2020 22:08 GMT)

R Wilkins
Trustee

The notes on pages 30 to 53 form part of these financial statements.

The Gryphon Trust

Statement of Cash Flows for the year ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	(638,085)	562,006
Cash flows from investing activities	21	813,861	(835,320)
Change in cash and cash equivalents in the reporting period		<u>175,776</u>	<u>(273,314)</u>
Cash and cash equivalents at 1 September 2019		331,990	605,304
Cash and cash equivalents at 31 August 2020	22	<u>507,766</u>	<u>331,990</u>

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

Basis of Preparation

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

Going Concern

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

Income

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

- Grants

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

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

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

- Donations

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

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

Income (continued)

- Other Income
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- Donated goods, facilities and services
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.
- Donated fixed assets (excluding Transfers on conversion/into the academy trust)
Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

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

- Expenditure on Raising Funds
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- Charitable Activities
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

Tangible Fixed Assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold Land and Buildings	2% straight line on buildings; not provided on land
Leasehold Land and Buildings	2% straight line on buildings; not provided on land
Furniture and Equipment	20% straight line
Plant and Machinery	10% straight line
Computer Equipment	25% straight line

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

Where the academy trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the academy trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the academy trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

Liabilities

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

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of 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.

Leased Assets

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

Financial Instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

Financial liabilities

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

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

Pensions Benefits

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

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

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

Fund Accounting

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

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

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

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The assumptions used are disclosed in note 25.

Critical areas of judgement

There are no other critical areas of judgement.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy 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 the notes to the financial statements.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Capital grants	-	1,020,573	1,020,573	331,622
Donated fixed assets	-	1,636,000	1,636,000	23,211
Other donations	14,362	69,544	83,906	9,890
	<u>14,362</u>	<u>2,726,117</u>	<u>2,740,479</u>	<u>364,723</u>
Total 2019	<u>9,890</u>	<u>354,833</u>	<u>364,723</u>	

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	5,812,023	5,812,023	5,631,640
Pupil Premium	-	208,089	208,089	240,581
Start Up Grants	-	1,500	1,500	4,000
Other DfE Group grants	-	306,323	306,323	85,392
	-	6,327,935	6,327,935	5,961,613
Other government grants				
Local authority grants	-	247,449	247,449	118,119
Other income from the academy trust's educational operations				
Trip income	-	173,675	173,675	201,281
Catering income	-	117,333	117,333	176,660
Other income	-	276,143	276,143	248,485
	-	567,151	567,151	626,426
	-	7,142,535	7,142,535	6,706,158
Total 2019	-	6,706,158	6,706,158	

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	18,328	-	18,328	27,777
Total 2019	27,777	-	27,777	

5 Investment income

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	363	-	363	487
Total 2019	487	-	487	

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Notes to the Financial Statements for the Year Ended 31 August 2020

6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2019/20 £	Total 2018/19 £
		Premises £	Other £		
Expenditure on raising funds	-	-	2,997	2,997	4,156
Academy's educational operations:					
Direct costs	4,923,687	-	532,429	5,456,116	5,185,322
Allocated support costs	1,046,775	384,558	958,485	2,389,818	2,700,644
	<u>5,970,462</u>	<u>384,558</u>	<u>1,493,911</u>	<u>7,848,931</u>	<u>7,890,122</u>
Total 2019	<u>5,727,835</u>	<u>578,925</u>	<u>1,583,362</u>	<u>7,890,122</u>	

Net income/(expenditure) for the period includes:

	2019/20 £	2018/19 £
Operating lease rentals	110,879	124,356
Depreciation	383,692	464,072
(Gain)/loss on disposal of fixed assets	90,606	-
Fees payable to auditor for:		
Audit	8,435	8,350
Other services	<u>4,948</u>	<u>4,305</u>

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000	
		Amount £	Reason
Fixed asset losses	90,606	90,606	This is a loss on disposal following a review of tangible fixed assets for items that no longer exist or are no longer in use, and have therefore been written off in the year.

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

7 Charitable activities

	2019/20	2018/19
	Total	Total
	£	£
Direct costs	5,456,116	5,185,322
Support costs	2,389,818	2,700,644
	<u>7,845,934</u>	<u>7,885,966</u>

Analysis of support costs:

	Educational operations	2019/20 Total	2018/19 Total
	£	£	£
Support staff costs	1,046,775	1,046,775	1,101,761
Depreciation	329,860	329,860	416,462
Technology costs	38,594	38,594	24,825
Premises costs	384,558	384,558	578,925
Legal costs - other	292	292	1,195
Other support costs	576,356	576,356	563,603
Governance costs	13,383	13,383	13,873
Total support costs	<u>2,389,818</u>	<u>2,389,818</u>	<u>2,700,644</u>
Total 2019	<u>2,700,644</u>	<u>2,700,644</u>	

Premises costs includes £16,450 (2019: £214,186) in respect of expenditure on capital projects, which were funded by capital grants from the ESFA.

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Notes to the Financial Statements for the Year Ended 31 August 2020

8 Staff

a) Staff costs

Staff costs during the period were:

	2019/20	2018/19
	£	£
Wages and salaries	4,295,949	4,203,646
Social security costs	417,851	392,756
Pension costs	1,148,654	896,708
	<u>5,862,454</u>	<u>5,493,110</u>
Agency staff costs	108,008	210,333
Staff restructuring costs	-	24,392
	<u>5,970,462</u>	<u>5,727,835</u>

Staff restructuring costs comprise:

Redundancy payments	-	24,392
	<u>-</u>	<u>24,392</u>

b) Staff numbers

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

	2019/20	2018/19
	No.	No.
Teachers	81	87
Administration and support	81	76
Management	12	11
	<u>174</u>	<u>174</u>

c) Higher paid staff

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

	2019/20	2018/19
	No.	No.
£60,001 - £70,000	1	2
£70,001 - £80,000	2	-
£90,001 - £100,000	1	1

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £890,403 (2019: £739,936).

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

9 Related Party Transactions – Trustees’ remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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 staff members under their contracts of employment.

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

		2019/20	2018/19
		£000	£000
N Pressnell	Remuneration	-	25-30
(Staff trustee to 11 December 2018)	Employer’s pension contributions paid	-	0-5
A O’Sullivan	Remuneration	-	5-10
(Staff trustee to 11 December 2018)	Employer’s pension contributions paid	-	-

During the period ended 31 August 2020, no trustees received any reimbursement of expenses (2019: £307 to four trustees).

10 Trustees and officers insurance

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

11 Central Services

The academy trust has provided the following central services to its academies during the year:

- Staff costs
- Governance costs
- Other costs

The academy trust charges for these services on the following basis:

- 2.25% of revenue income plus fixed amount of £10,000

The actual amounts charged during the year were as follows:

	2019/20	2018/19
	£	£
The Arnewood School	259,977	236,256
The Eaglewood School	44,701	29,127
	<u>304,678</u>	<u>265,383</u>

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

12 Tangible fixed assets

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Furniture and Equipment £	Plant and Machinery £	Computer Equipment £	Total £
Cost						
At 1 September 2019	17,551,355	23,211	327,809	252,994	589,527	18,744,896
Acquisitions	52,444	1,636,000	12,054	40,622	101,592	1,842,712
Disposals	(11,076)	-	(85,200)	(13,925)	(148,464)	(258,665)
At 31 August 2020	<u>17,592,723</u>	<u>1,659,211</u>	<u>254,663</u>	<u>279,691</u>	<u>542,655</u>	<u>20,328,943</u>
Depreciation						
At 1 September 2019	1,904,030	-	270,517	165,405	461,122	2,801,074
Charged in year	296,143	-	3,756	27,196	56,597	383,692
Disposals	(672)	-	(30,887)	(6,166)	(130,334)	(168,059)
At 31 August 2020	<u>2,199,501</u>	<u>-</u>	<u>243,386</u>	<u>186,435</u>	<u>387,385</u>	<u>3,016,707</u>
Net book values						
At 31 August 2019	15,647,325	23,211	57,292	87,589	128,405	15,943,822
At 31 August 2020	<u>15,393,222</u>	<u>1,659,211</u>	<u>11,277</u>	<u>93,256</u>	<u>155,270</u>	<u>17,312,236</u>

The academy trust's transactions relating to land and buildings included:

- The acquisition of the leasehold buildings of Eaglewood School which was transferred to the academy trust and included at a fair value of £1.636 million.
- The disposals have arisen following a review of tangible fixed assets for items that no longer exist or are no longer in use, and have therefore been written off in the year.

The academy trust has included an estimate of £1.659m for the value of the land and buildings in respect of the Eaglewood School. The leasehold title was transferred to the academy trust in the year. The academy trust has requested a valuation from the ESFA but this has not been received at the date of approval of the financial statements.

13 Stock

	2019/20 £	2018/19 £
Catering stocks	<u>2,249</u>	<u>1,967</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020

14 Debtors

	2019/20	2018/19
	£	£
Trade debtors	19,841	53,914
VAT recoverable	11,836	78,412
Other debtors	-	208,568
Prepayments and accrued income	1,101,738	203,594
	<u>1,133,415</u>	<u>544,488</u>

15 Creditors: amounts falling due within one year

	2019/20	2018/19
	£	£
Trade creditors	4,042	99,298
Other taxation and social security	95,985	94,522
Other creditors falling due within one year	189,604	174,623
Accruals and deferred income	71,390	156,953
	<u>361,021</u>	<u>525,396</u>

	2019/20	2018/19
	£	£
Deferred income at 1 September 2019	104,727	100,297
Released from previous years	(104,727)	(100,297)
Resources deferred in the year	42,847	104,727
Deferred income at 31 August 2020	<u>42,847</u>	<u>104,727</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips, cashless catering cards, and rates relief relating to the forthcoming year.

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2020 £
Restricted general funds						
General Annual Grant (GAG)	-	5,812,023	(5,782,671)	(29,352)	-	-
Pupil Premium	-	208,089	(208,089)	-	-	-
Start up grants	-	1,500	(1,500)	-	-	-
Other DfE/ESFA grants	-	306,323	(306,323)	-	-	-
Other government grants	-	247,449	(247,449)	-	-	-
Other educational activities	-	567,151	(567,151)	-	-	-
	-	7,142,535	(7,113,183)	(29,352)	-	-
Pension reserve	(1,810,000)	-	(245,000)	-	(272,000)	(2,327,000)
	<u>(1,810,000)</u>	<u>7,142,535</u>	<u>(7,358,183)</u>	<u>(29,352)</u>	<u>(272,000)</u>	<u>(2,327,000)</u>
Restricted fixed asset funds						
Fixed asset fund	15,943,822	-	(474,298)	1,842,712	-	17,312,236
ESFA capital grants (DFC)	42,250	45,767	(8,027)	(66,785)	-	13,205
ESFA capital grants (CIF)	8,101	974,806	(8,423)	(28,023)	-	946,461
Other capital donations	-	69,544	-	(69,544)	-	-
Donated fixed assets	-	1,636,000	-	(1,636,000)	-	-
	<u>15,994,173</u>	<u>2,726,117</u>	<u>(490,748)</u>	<u>42,360</u>	<u>-</u>	<u>18,271,902</u>
Total restricted funds	<u>14,184,173</u>	<u>9,868,652</u>	<u>(7,848,931)</u>	<u>13,008</u>	<u>(272,000)</u>	<u>15,944,902</u>
Total unrestricted funds	<u>302,698</u>	<u>33,053</u>	<u>-</u>	<u>(13,008)</u>	<u>-</u>	<u>322,743</u>
Total funds	<u>14,486,871</u>	<u>9,901,705</u>	<u>(7,848,931)</u>	<u>-</u>	<u>(272,000)</u>	<u>16,267,645</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020

16 Funds (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre- and post-16 high needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes, for example pupil premium funding.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy trust on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

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

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Notes to the Financial Statements for the Year Ended 31 August 2020

16 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2019/20	2018/19
	£	£
The Arnewood School	215,408	106,756
The Eaglewood School	107,335	185,849
Central services	-	10,093
Total before fixed assets and pension reserve	<u>322,743</u>	<u>302,698</u>
Restricted fixed asset fund	18,271,902	15,994,173
Pension reserve	<u>(2,327,000)</u>	<u>(1,810,000)</u>
Total	<u>16,267,645</u>	<u>14,486,871</u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excl. dep- reciation) £	2019/20 Total £	2018/19 Total £
The Arnewood School	4,269,873	885,629	444,970	909,705	6,510,177	6,750,669
The Eaglewood School	653,814	161,146	33,627	106,475	955,062	675,381
	<u>4,923,687</u>	<u>1,046,775</u>	<u>478,597</u>	<u>1,016,180</u>	<u>7,465,239</u>	<u>7,426,050</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020

16 Funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2019 £
Restricted general funds						
General Annual Grant (GAG)	27,782	5,631,640	(5,912,346)	252,924	-	-
Pupil Premium	-	240,581	(240,581)	-	-	-
Other DfE/ESFA grants	-	89,392	(89,392)	-	-	-
Other government grants	-	118,119	(118,119)	-	-	-
Other educational activities	-	626,426	(626,426)	-	-	-
	<u>27,782</u>	<u>6,706,158</u>	<u>(6,986,864)</u>	<u>252,924</u>	<u>-</u>	<u>-</u>
Pension reserve	(1,053,000)	-	(225,000)	-	(532,000)	(1,810,000)
	<u>(1,025,218)</u>	<u>6,706,158</u>	<u>(7,211,864)</u>	<u>252,924</u>	<u>(532,000)</u>	<u>(1,810,000)</u>
Restricted fixed asset funds						
Fixed asset fund	15,217,741	-	(464,072)	1,190,153	-	15,943,822
ESFA capital grants (DFC)	-	92,485	-	(50,235)	-	42,250
ESFA capital grants (CIF)	1,099,857	-	(79,943)	(1,011,813)	-	8,101
Other capital donations	-	239,137	(134,243)	(104,894)	-	-
Donated fixed assets	-	23,211	-	(23,211)	-	-
	<u>16,317,598</u>	<u>354,833</u>	<u>(678,258)</u>	<u>-</u>	<u>-</u>	<u>15,994,173</u>
Total restricted funds	<u>15,292,380</u>	<u>7,060,991</u>	<u>(7,890,122)</u>	<u>252,924</u>	<u>(532,000)</u>	<u>14,184,173</u>
Total unrestricted funds	<u>517,468</u>	<u>38,154</u>	<u>-</u>	<u>(252,924)</u>	<u>-</u>	<u>302,698</u>
Total funds	<u>15,809,848</u>	<u>7,099,145</u>	<u>(7,890,122)</u>	<u>-</u>	<u>(532,000)</u>	<u>14,486,871</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020

17 Analysis of net assets between funds

	Un- restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	17,312,236	17,312,236
Current assets	322,743	361,021	-	959,666	1,643,430
Current liabilities	-	(361,021)	-	-	(361,021)
Pension scheme liability	-	-	(2,327,000)	-	(2,327,000)
Total net assets	322,743	-	(2,327,000)	18,271,902	16,267,645

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

	Un- restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	15,943,822	15,943,822
Current assets	302,698	525,396	-	50,351	878,445
Current liabilities	-	(525,396)	-	-	(525,396)
Pension scheme liability	-	-	(1,810,000)	-	(1,810,000)
Total net assets	302,698	-	(1,810,000)	15,994,173	14,486,871

18 Capital commitments

	2019/20	2018/19
	£	£
Contracted for, but not provided in the financial statements	946,461	-

19 Commitments under operating leases

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

	2019/20	2018/19
	£	£
Amounts due within one year	95,161	109,361
Amounts due between one and five years	56,392	120,008
	151,553	229,369

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Notes to the Financial Statements for the Year Ended 31 August 2020

20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019/20	2018/19
	£	£
Net income / (expenditure) for the reporting period	2,052,774	(790,977)
Adjusted for:		
Depreciation	383,692	464,072
(Gain)/loss on disposal of fixed assets	90,606	-
Capital grants from DfE and other capital income	(2,656,573)	(354,833)
Defined benefit pension scheme cost less contributions payable	214,000	198,000
Defined benefit pension scheme finance cost	31,000	27,000
Increase in stocks	(282)	(416)
(Increase) / decrease in debtors	(588,927)	1,252,005
Decrease in creditors	(164,375)	(232,845)
Net cash (used in) / provided by Operating Activities	<u>(638,085)</u>	<u>562,006</u>

21 Cash flows from investing activities

	2019/20	2018/19
	£	£
Purchase of tangible fixed assets	(1,842,712)	(1,190,153)
Capital grants from DfE Group	<u>2,656,573</u>	<u>354,833</u>
Net cash provided by / (used in) investing activities	<u>813,861</u>	<u>(835,320)</u>

22 Analysis of cash and cash equivalents

	2019/20	2018/19
	£	£
Cash at bank and in hand	<u>507,766</u>	<u>331,990</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020

23 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2020 £
Cash	331,990	175,776	-	-	-	507,766
Total	<u>331,990</u>	<u>175,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>507,766</u>

24 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.

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Notes to the Financial Statements for the Year Ended 31 August 2020

25 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £106,406 were payable to the schemes at 31 August 2020 (2019: £87,219) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £743,299 (2019: £504,531).

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

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Notes to the Financial Statements for the Year Ended 31 August 2020

25 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was as follows:

	2020	2019
	£	£
Employer's contributions	188,000	194,000
Employees' contributions	51,000	78,000
	<u>239,000</u>	<u>272,000</u>

The agreed contribution rates for future years are 18.9% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions

	2020	2019
Rate of increase in salaries	3.3%	3.6%
Rate of increase for pensions in payment/inflation	2.3%	2.1%
Discount rate for scheme liabilities	1.7%	1.8%
Inflation assumption (CPI)	2.3%	2.1%

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

	2020	2019
Retiring today		
Males	23.0	23.1
Females	<u>25.5</u>	<u>25.8</u>
Retiring in 20 years		
Males	24.7	24.7
Females	<u>27.2</u>	<u>27.6</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020

25 Pension and similar obligations (continued)

Sensitivity analysis	Increase/(reduction) in defined benefit obligation	
	2020	2019
	£	£
Discount rate +0.1%	(125,000)	(90,000)
Discount rate -0.1%	125,000	91,000
Mortality assumption – 1 year increase	205,000	166,000
Mortality assumption – 1 year decrease	(199,000)	(164,000)

The academy trust's share of the assets in the scheme were:

	2020	2019
	£	£
Equities	1,910,000	1,826,000
Property	202,000	218,000
Government bonds	654,000	625,000
Cash	54,000	58,000
Other	549,000	307,000
Total market value of assets	<u>3,369,000</u>	<u>3,034,000</u>

The actual return on scheme assets was £196,000 (2019: £167,000).

Amount recognised in the Statement of Financial Activities

	2019/20	2018/19
	£	£
Current service cost	402,000	266,000
Past service cost	-	126,000
Interest income	(56,000)	(78,000)
Interest cost	87,000	105,000
Total amount recognised in the SOFA	<u>433,000</u>	<u>419,000</u>

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

25 Pension and similar obligations (continued)

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

	2019/20	2018/19
	£	£
At 1 September	4,844,000	3,751,000
Current service cost	402,000	266,000
Interest cost	87,000	105,000
Employee contributions	51,000	78,000
Actuarial loss	412,000	621,000
Benefits paid	(100,000)	(103,000)
Past service cost	-	126,000
At 31 August	<u>5,696,000</u>	<u>4,844,000</u>

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

	2019/20	2018/19
	£	£
At 1 September	3,034,000	2,698,000
Interest income	56,000	78,000
Actuarial gain	140,000	89,000
Employer contributions	188,000	194,000
Employee contributions	51,000	78,000
Benefits paid	(100,000)	(103,000)
At 31 August	<u>3,369,000</u>	<u>3,034,000</u>

26 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 9.

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2020 the academy trust received £13,126 and disbursed £12,684 from the fund. An amount of £13,126 is included in other creditors relating to undistributed funds and a further £4,248 repayable to ESFA which is also included within other creditors. Comparatives for the accounting period ending 31 August 2019 are £14,584 received, £12,100 disbursed. A further £8,236 was repaid to ESFA and £23,217 included in other creditors.