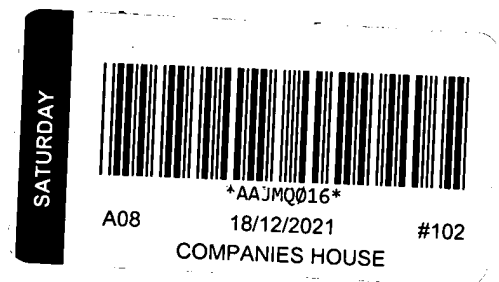


The Gryphon Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2021

Company Registration Number:
07546874 (England and Wales)



The Gryphon Trust

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The Gryphon Trust

Reference and Administrative Details

Members:

E Cook
S England
J Evans (resigned 8 January 2021)
M Hall
C Martin

Trustees:

R Castle
E Cook
K Craze (resigned 5 October 2021)
H Dickens
M McCarthy
H Nash (resigned 31 March 2021)
D Parker
D Richards
R Wilkins

Company Secretary

V Woods

Senior Management Team:

A O'Sullivan	Chief Executive Officer	(resigned 31 March 2021)
N Pressnell	Interim Chief Executive Officer	(appointed 1 April 2021)
S Bartlett	Senior Finance Officer	(maternity leave 31 March 2021)
G Clapcott	Senior Finance Officer	(maternity cover 1 February 2021)
N Pressnell	Headteacher	(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)
I Parkes	Assistant Head Teacher	(Arnewood)
T Merrick	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)

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 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Gryphon 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 PAN of 180 children per year and had a roll of 1,058 in the school census on 1st October 2020. The Eaglewood School is a 7-16 Alternative Provision academy for emotionally vulnerable children, accepting pupils from schools across the New Forest, and from Bournemouth, Poole and Christchurch, Dorset, and Hampshire Local Authorities. It has a pupil capacity of 72 and had a roll of 40 in the school census on 1st October 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 processes 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 or she 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 or she 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 the 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 the ballot on the date and time specified. The term of office is four years.

The Trustees must 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:

- Letter of appointment as non-executive director
- Directors' Briefing Notes (including competencies of a Director)
- Academies Financial Handbook
- Governance Handbook
- Board of Directors' Terms of Reference
- Code of Conduct
- Confidentiality Protocol
- Any other Strategic Documentation

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 accountabilities 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 2020/21 The Arnewood School had a Senior Leadership Team consisting of the Head Teacher, Deputy Headteacher, six Assistant Headteachers, and a senior teacher seconded to the SLT. The Eaglewood School has a Headteacher and Deputy Headteacher working alongside Governors in the leadership of the school. The Senior Finance Officer works with both school's SLTs. 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.

The Gryphon Trust

Trustees' Report

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£1,487
Total pay bill	£6.4m
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 percentage of total paid facility time hours	0%
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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.

The Gryphon Trust

Trustees' Report

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.

Strategic Report

Achievements and Performance and Key Performance Indicators

The Arnewood School

Despite the challenges presented by COVID-19 the school has remained fully operational with a high degree of resilience. This is in no small part due to the flexibility and motivation of the school workforce who have constantly adapted their practice to adapt to safe pandemic working, delivering remote education, and on-site support of vulnerable and key worker children. The school's embedded pedagogy with eLearning has had a significant advantage for students on roll. The school has adapted remote teaching to support both virtual learning environments but also video conferenced teaching and consultation evenings. This has required both investment and training.

Results in 2021 were derived from teacher assessment (centre assessed grades). The processes put in place to obtain these assessments were thorough and robust. Benchmarking is problematic as method of assessment and internal examinations varied between education providers. National performance data for 2020 and 2021 is not being published. Nevertheless, outcomes for students at The Arnewood School were broadly in line with those seen nationally where published in national media. This is true at key stage 4 and in the sixth form which remains high achieving.

School leadership including governance remains stable. The school successfully completed a major school improvement project to provide a renovated Arts Hub. This is an excellent resource completed on time and within budget. Work has just begun on a further significant infrastructure project to replace legacy school boilers and heating. Essential improvements to The Arnewood School's electrical intake are also well in hand.

The Gryphon Trust

Trustees' Report

Achievements and Performance and Key Performance Indicators (continued)

Eaglewood School

Eaglewood School has remained open throughout the COVID-19 pandemic. While efforts were concentrated on vulnerable groups, the school was open to all who wished to access it and many did. For many students, Eaglewood is their safe place and as the current pandemic puts increasing pressure on families both financially and socially this has become more important than ever. All students have returned to school and Eaglewood have been able to assist many of our mainstream colleagues in reintegrating their more anxious students.

Eaglewood School, has emerged from the challenges of the last two years positively, hitting its PAN figure for the first time since the new build. Referrals remain strong and there is no reason why numbers should fall. Leaders are also working closely with Hampshire SEN to assist them with their EHCP backlog and they are committed to using us as an SEMH provision in the same way that Dorset and BCP local authorities currently do.

Due to the increasing needs of Eaglewood students and our core belief that students need to find a balance between the Intelligent Quotient (IQ) and the Emotional Quotient (EQ), the school's SENCO's continue to work together to provide the balance in education that our students so desperately need. This is a blend of the Special Emotional Needs of the students and 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.

We have broadened our curriculum to include art and psychology. This gives students two more GCSE options. Students in KS4 can now access up to 6 GCSE subjects as well as nationally recognised ICT, Food Technology and Outdoor Education qualifications. School leaders are pleased to welcome Schools Direct trainees, which again shows the continued confidence our stakeholders have. The school is heavily involved in projects to change the approach to behaviour across the New Forest schools.

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.

The Gryphon Trust

Trustees' Report

Financial Review

In the period, the trust has received General Annual Grant (GAG) and other income totalling £10,453,450 (2020: £10,995,705). Expenditure on GAG activities was £7,561,811 (2020: £7,113,183) and restricted fixed asset expenditure (including depreciation) was £604,020 (2020: £545,348).

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 ROSLA block took place during the year with completion of the project in May 2021.

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 Plc.

Reserves Policy

The reserves as at 31 August 2021 were as follows:

- Unrestricted (free) reserves of £349,260 (2020: £322,743)
- A restricted fixed asset fund of £22,806,513 (2020: £20,818,091), which can only be realised through disposal of tangible fixed assets
- A pension deficit of £2,602,000 (2020: £2,327,000)
- Other restricted funds of £272,680 (2020: £nil)
- Total funds of £20,826,453 (2020: £18,813,834)

There is a £2.6m 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 unrestricted and restricted general reserves of £621,940 (2020: £322,743) are of sufficient level to ensure that the Trust does not go into deficit during 2021/22.

The Gryphon Trust

Trustees' Report

Investment Policy

The trust holds its cash balances with Lloyds Bank Plc 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 Plc. 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 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

The Gryphon Trust

Trustees' Report

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 £2,522,353 to upgrade the heating system in the whole school commencing in October 2021. 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 continues to seek a consistent volume of referrals and is currently running at full capacity. Due to being at full capacity, the school is seeking alternative ways to support more students including installing new premises on the existing site and exploring opportunities for further expansion.

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 14 December 2021 and signed on the board's behalf by:



R G Wilkins (Dec 16, 2021 08:59 GMT)

R Wilkins

Chair of Trustees

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.

As trustees, we have reviewed and taken account of the guidance in DfE's Academies Financial Handbook and Competency Framework for Governance.

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 eight times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings Attended</u>	<u>Out of a possible</u>
R Castle	8	8
E Cook	8	8
K Craze	5	8
H Dickens	7	8
M McCarthy	8	8
H Nash	6	6
D Parker	6	8
D Richards	3	8
R Wilkins	8	8

The Gryphon Trust

Governance Statement

Governance (continued)

The Finance, Audit and Compliance Committee is a sub-committee of the main Board of Trustees. Its purpose 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. The sub-committee has met four times during the year. Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings Attended</u>	<u>Out of a possible</u>
R Castle	4	4
K Craze	2	4
M McCarthy	4	4
H Nash	3	4

During 2020/21 the Arnewood Governing body which included the finance committee responsibilities met six 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:

<u>Trustee/Governor</u>	<u>Meetings Attended</u>	<u>Out of a possible</u>
J Ankers	5	6
E Cook (chairman)	6	6
S Hughes	5	6
C Lippold	6	6
S Jaggar	5	6
N Pressnell	6	6
R Rolfe	4	6
C Underhill	4	6
I Walker	6	6

The Eaglewood School's Local Governing Body held six 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.

<u>Trustee/Governor</u>	<u>Meetings Attended</u>	<u>Out of a possible</u>
P Brown	2	6
R Catton	6	6
N Himmel	6	6
D Richards	6	6
E Stack	6	6
C Whitlock	6	6

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 social 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:

- Reducing overall costs associated with the CEO role as the board has acted on the recommendation made in the DfE School Resource Management Adviser Recommendations Report of December 2019, in the short term by creating the Interim CEO position.
- Savings in energy efficiency associated with two recent significant Condition Improvement Fund Projects to re-clad SCOLA and ROSLA buildings at The Arnewood School. Savings may in the longer term be lost as energy costs rise in the current financial period.
- Ensuring economies of scale by continuing to centralise core services such as finance, site, marketing, HR and IT across both schools within the trust; to give one example, reducing contracted IT services at Eaglewood School.

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 2020 to 31 August 2021 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 2020 to 31 August 2021 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, Audit and Compliance 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
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided: To buy-in an internal audit service from Jill McCall.

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of compliance with the Academies Financial Handbook

On a bi-annual basis, the reviewer reports to the Board of Trustees, through the Finance, Audit and Compliance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations, and conclusions to help the committee consider actions and assess year on year progress.

The trust has ensured internal review processes through employing the service of Jill McCall as internal scrutineer. This work has been completed as per the planned schedule albeit, owing to COVID, one review had to be carried out remotely. There were no material control issues identified. The advisory points identified were reviewed by the board with appropriate adjustments being made to future processes.

The internal scrutineer spent time reviewing files and systems and lead discussions with key personnel about relevant processes. Her findings were documented in written format and presented in person to the relevant board committee. The trust identified particular areas of risk that they deemed of priority to ensure that no irregularity was identified, and that associated processes minimised the opportunity for misrepresentation in the accounts.

No significant control issues were identified. Any advisory points were reviewed by the board and the necessary controls updated.

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 reviewer
- 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, Audit and 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 14 December 2021 and signed on its behalf by:

R G Wilkins
R G Wilkins (Dec 16, 2021 08:59 GMT)

R Wilkins
Chair of Trustees

Nigel Pressnell
Nigel Pressnell (Dec 16, 2021 10:47 GMT)

N Pressnell
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 2020.

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 2020.

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.

Nigel Pressnell
Nigel Pressnell (Dec 16, 2021 10:47 GMT)

N Pressnell
Accounting Officer
14 December 2021

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 2020 to 2021
- 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 14 December 2021 and signed on its behalf by:


R G Wilkins (Dec 16, 2021 08:59 GMT)

R Wilkins
Chair of Trustees

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 2021 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 2020 to 2021 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 2021 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 2020 to 2021.

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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

The Gryphon Trust

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

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

The Gryphon Trust

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, 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, the Academies Financial Handbook 2020, and the Academies Accounts Direction 2020 to 2021.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

The Gryphon Trust

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

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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 Independent Auditor's Report.

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.

GM Brown
GM Brown (Dec 16, 2021 13:26 GMT)

G Brown FCCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date 16/12/2021

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 2020 to 2021, 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 2020 to 31 August 2021 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 Gryphon Trust 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 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 (effective from 1 September 2020) (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 Notices to Improve which 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

GM Brown

GM Brown (Dec 16, 2021 13:26 GMT)

G Brown FCCA

Reporting Accountant

Hopper Williams & Bell Limited

Chartered Accountants

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

16/12/2021

Date

The Gryphon Trust

Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2020/21 Total £	2019/20 Total (As restated) £
Income and endowments from:							
Donations and capital grants	2	9,612	7,335	-	2,550,392	2,567,339	3,834,479
Charitable activities:							
Funding for the academy trust's educational operations	3	-	7,869,206	-	-	7,869,206	7,142,535
Other trading activities	4	16,817	-	-	-	16,817	18,328
Investments	5	88	-	-	-	88	363
Total		26,517	7,876,541	-	2,550,392	10,453,450	10,995,705
Expenditure on:							
Raising funds	6	-	1,301	-	-	1,301	2,997
Charitable activities:							
Academy trust educational operations	7	-	7,560,510	356,000	604,020	8,520,530	7,900,534
Total		-	7,561,811	356,000	604,020	8,521,831	7,903,531
Net income / (expenditure)		26,517	314,730	(356,000)	1,946,372	1,931,619	3,092,174
Transfers between funds	17	-	(42,050)	-	42,050	-	-
Other recognised gains / (losses):							
Actuarial gains / (losses) on defined benefit pension schemes	26	-	-	81,000	-	81,000	(272,000)
Net movement in funds		26,517	272,680	(275,000)	1,988,422	2,012,619	2,820,174
Reconciliation of funds							
Total funds brought forward		322,743	-	(2,327,000)	20,818,091	18,813,834	15,993,660
Total funds carried forward		349,260	272,680	(2,602,000)	22,806,513	20,826,453	18,813,834

The notes on pages 29 to 54 form part of these financial statements.

The Gryphon Trust

Balance Sheet as at 31 August 2021

Company Number 07546874

	Note	2021	2021	As restated	
		£	£	2020	2020
				£	£
Fixed assets					
Tangible assets	13		20,426,225		19,858,425
Current assets					
Stock	14	4,474		2,249	
Debtors	15	3,029,108		1,133,415	
Cash at bank and in hand		561,205		507,766	
		3,594,787		1,643,430	
Liabilities					
Creditors: Amounts falling due within one year	16	(592,559)		(361,021)	
Net current assets			3,002,228		1,282,409
Total assets less current liabilities			23,428,453		21,140,834
Defined benefit pension scheme liability	26		(2,602,000)		(2,327,000)
Total net assets			20,826,453		18,813,834
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	17	22,806,513		20,818,091	
Restricted income fund	17	272,680		-	
Pension reserve	17	(2,602,000)		(2,327,000)	
Total restricted funds			20,477,193		18,491,091
Unrestricted income funds	17		349,260		322,743
Total funds			20,826,453		18,813,834

The financial statements on pages 26 to 54 were approved by the trustees and authorised for issue on 14 December 2021 and are signed on their behalf by:

R G Wilkins

R G Wilkins (Dec 16, 2021 08:59 GMT)

R Wilkins

Chair of Trustees

The notes on pages 29 to 54 form part of these financial statements.

The Gryphon Trust

Statement of Cash Flows for the year ended 31 August 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	253,542	(638,448)
Cash flows from investing activities	22	(200,103)	814,224
Change in cash and cash equivalents in the reporting period		53,439	175,776
Cash and cash equivalents at 1 September 2020		507,766	331,990
Cash and cash equivalents at 31 August 2021	23	561,205	507,766

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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 2020 to 2021 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.

- **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.

- **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.

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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 2021

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 2021

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. 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 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 2021

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 to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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 2021

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 2021. 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 26.

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 £	2020/21 Total £	2019/20 Total £
Capital grants	-	2,550,392	2,550,392	1,020,573
Donated fixed assets	-	-	-	2,730,000
Other donations	9,612	7,335	16,947	83,906
	<u>9,612</u>	<u>2,557,727</u>	<u>2,567,339</u>	<u>3,834,479</u>
<i>Total 2020</i>	<i>14,362</i>	<i>3,820,117</i>	<i>3,834,479</i>	

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	6,098,909	6,098,909	5,776,769
Pupil Premium	-	246,033	246,033	208,089
Start Up Grants	-	-	-	1,500
Rates reclaim	-	38,349	38,349	35,254
Year 7 catch up grant	-	-	-	8,902
Teachers' pay grant	-	150,743	150,743	74,440
Teachers' pension grant	-	198,517	198,517	210,349
Other DfE grants	-	20,644	20,644	12,632
	-	6,753,195	6,753,195	6,327,935
Other government grants				
Local authority grants	-	482,723	482,723	247,449
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	86,800	86,800	-
Other DfE/ESFA Coronavirus funding	-	17,845	17,845	-
	-	104,645	104,645	-
COVID-19 additional funding (non-DfE/ESFA)				
Other Coronavirus funding	-	127,278	127,278	-
Other income from the Academy Trust's educational operations				
Trip income	-	13,935	13,935	173,675
Catering income	-	58,067	58,067	117,333
Other income	-	329,363	329,363	276,143
	-	401,365	401,365	567,151
	-	7,869,206	7,869,206	7,142,535
<i>Total 2020</i>	-	7,142,535	7,142,535	

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

3 Funding for the Academy Trust's educational operations (continued)

Following the reclassification of some grants received from the Department for Education and the ESFA in the Academies Accounts Direction 2020/21, the Academy Trust's funding for Rates reclaim, Year 7 catch up grant, Teachers' pay grant, and Teachers' pension grant are no longer reported under the General Annual Grant (GAG) and Other DfE grants headings, but as separate lines under the DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust received £86,800 of funding for catch-up premium and costs incurred in respect of this funding totalled £59,555, with the remaining £27,245 to be spent in 2021/22.

The Academy Trust received other Coronavirus funding in respect of mass testing funding, Contain Outbreak Management funding, and connect4communities food vouchers.

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Hire of facilities	16,817	-	16,817	18,328
<i>Total 2020</i>	<i>18,328</i>	<i>-</i>	<i>18,328</i>	

5 Investment income

	Unrestricted funds £	Restricted funds £	2020/21 Total £	2019/20 Total £
Short term deposits	88	-	88	363
<i>Total 2020</i>	<i>363</i>	<i>-</i>	<i>363</i>	

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2020/21 (as restated) £	Total 2019/20 £
		Premises £	Other £		
Expenditure on raising funds	-	-	1,301	1,301	2,997
Academy's educational operations:					
Direct costs	5,398,577	-	576,495	5,975,072	5,456,116
Allocated support costs	1,032,803	621,796	890,859	2,545,458	2,444,418
	<u>6,431,380</u>	<u>621,796</u>	<u>1,468,655</u>	<u>8,521,831</u>	<u>7,903,531</u>
<i>Total 2020</i>	<i>5,970,462</i>	<i>384,558</i>	<i>1,548,511</i>	<i>7,903,531</i>	

Net income/(expenditure) for the period includes:

	2019/20	
	2020/21 (as restated) £	£
Operating lease rentals	90,505	110,879
Depreciation	437,186	438,292
(Gain)/loss on disposal of fixed assets	3,089	90,606
Fees payable to auditor for:		
Audit	8,000	8,435
Other services	5,865	4,948

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

7 Charitable activities

	2019/20	
	2020/21 (as restated)	
	Total	Total
	£	£
Direct costs	5,975,072	5,456,116
Support costs	2,545,458	2,444,418
	8,520,530	7,900,534

Analysis of support costs:

	2019/20		
	2020/21 (as restated)		
	Educational operations	Total	Total
	£	£	£
Support staff costs	1,032,803	1,032,803	1,046,775
Depreciation	373,370	373,370	384,460
Technology costs	31,749	31,749	38,594
Premises costs	621,796	621,796	384,558
Legal costs - other	1,019	1,019	292
Other support costs	467,423	467,423	576,356
Governance costs	17,298	17,298	13,383
Total support costs	2,545,458	2,545,458	2,444,418
<i>Total 2020</i>	<i>2,444,418</i>	<i>2,444,418</i>	

Premises costs includes £163,745 (2020: £16,450) 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 2021

8 Staff

a) Staff costs

Staff costs during the period were:

	2020/21	2019/20
	£	£
Wages and salaries	4,614,741	4,295,949
Social security costs	411,190	417,851
Pension costs	1,281,812	1,148,654
	<u>6,307,743</u>	<u>5,862,454</u>
Agency staff costs	123,637	108,008
	<u>6,431,380</u>	<u>5,970,462</u>

b) Staff numbers

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

	2020/21	2019/20
	No.	No.
Teachers	80	81
Administration and support	72	81
Management	14	12
	<u>166</u>	<u>174</u>

c) Higher paid staff

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

	2020/21	2019/20
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	2
£90,001 - £100,000	-	1
£110,001 - £120,000	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 £1,085,351 (2020: £890,403).

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Notes to the Financial Statements for the Year Ended 31 August 2021

9 Related Party Transactions – Trustees’ remuneration and expenses

During the period ended 31 August 2021, no trustees received any remuneration or other benefits (2020: none).

During the period ended 31 August 2021, no trustees received any reimbursement of expenses (2020: none).

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:

	2020/21	2019/20
	£	£
The Arnewood School	355,477	259,977
The Eaglewood School	88,869	44,701
	444,346	304,678

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

12 Prior year adjustment

As highlighted in note 12 in last year's financial statements, an estimate of £1.659m for the fair value of the Eaglewood School land and buildings had been included in the restricted fixed asset fund when the land and buildings were transferred from the ESFA to the Academy Trust. During the year the Academy Trust received a valuation of the leasehold land and buildings at the Eaglewood School. The valuation indicated that the Trustees' estimate of the fair value of the land and buildings transferred to the Academy Trust was materially understated. A prior year adjustment has therefore been included to restate the value of leasehold land and buildings transferred to the Academy Trust and to restate the subsequent charges for depreciation. The effect of this prior year adjustment on the result for the year ended 31 August 2020 is as follows:

	Increase/(decrease)
	£
Leasehold Land and Buildings - Cost	2,600,789
- Depreciation	<u>(54,600)</u>
	<u>2,546,189</u>
Restricted fixed asset fund - As at 1 September 2019	1,506,789
- Donated fixed assets for the year ended 31 August 2020	1,094,000
- Depreciation charge for the year ended 31 August 2020	<u>(54,600)</u>
- As at 31 August 2020	<u>2,546,189</u>

The comparative figures for the year ended 31 August 2020 have been restated accordingly.

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Notes to the Financial Statements for the Year Ended 31 August 2021

13 Tangible fixed assets

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Furniture and Equipment £	Plant and Machinery £	Computer Equipment £	Total £
Cost						
At 1 September 2020*	17,592,723	4,260,000	254,663	279,691	542,655	22,929,732
Acquisitions	939,035	-	23,469	6,854	38,717	1,008,075
Disposals	-	-	-	-	(22,689)	(22,689)
At 31 August 2021	18,531,758	4,260,000	278,132	286,545	558,683	23,915,118
Depreciation						
At 1 September 2020*	2,199,501	54,600	243,386	186,435	387,385	3,071,307
Charged in year	293,664	54,600	9,420	21,362	58,140	437,186
Disposals	-	-	-	-	(19,600)	(19,600)
At 31 August 2021	2,493,165	109,200	252,806	207,797	425,925	3,488,893
Net book values						
At 31 August 2020*	15,393,222	4,205,400	11,277	93,256	155,270	19,858,425
At 31 August 2021	16,038,593	4,150,800	25,326	78,748	132,758	20,426,225

* As restated

14 Stock

	2020/21 £	2019/20 £
Catering stocks	4,474	2,249

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Notes to the Financial Statements for the Year Ended 31 August 2021

15 Debtors

	2020/21	2019/20
	£	£
Trade debtors	63,819	19,841
VAT recoverable	17,262	11,836
Prepayments and accrued income	2,948,027	1,101,738
	<u>3,029,108</u>	<u>1,133,415</u>

16 Creditors: amounts falling due within one year

	2020/21	2019/20
	£	£
Trade creditors	47,860	4,042
Other taxation and social security	110,846	95,985
Other creditors falling due within one year	198,507	189,604
Accruals and deferred income	235,346	71,390
	<u>592,559</u>	<u>361,021</u>

	2020/21	2019/20
	£	£
Deferred income at 1 September 2020	42,847	104,727
Released from previous years	(42,847)	(104,727)
Resources deferred in the year	24,331	42,847
Deferred income at 31 August 2021	<u>24,331</u>	<u>42,847</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips, lettings, and other income relating to the forthcoming financial year.

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Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds

	Balance at 1 September 2020 (as restated)	Income	Expenditure	Transfers	Gains and losses	Balance at 31 August 2021
	£	£	£	£	£	£
Restricted general funds						
General Annual Grant (GAG)	-	6,098,909	(5,811,424)	(42,050)	-	245,435
Pupil premium	-	246,033	(246,033)	-	-	-
Rates reclaim	-	38,349	(38,349)	-	-	-
Teachers' pay grant	-	150,743	(150,743)	-	-	-
Teachers' pension grant	-	198,517	(198,517)	-	-	-
Other DfE grants	-	20,644	(20,644)	-	-	-
Local authority grants	-	482,723	(482,723)	-	-	-
Catch-up premium	-	86,800	(59,555)	-	-	27,245
Other DfE/ESFA C-19 funding	-	17,845	(17,845)	-	-	-
Other Coronavirus funding	-	127,278	(127,278)	-	-	-
Other educational activities	-	408,700	(408,700)	-	-	-
	-	7,876,541	(7,561,811)	(42,050)	-	272,680
Pension reserve	(2,327,000)	-	(356,000)	-	81,000	(2,602,000)
	(2,327,000)	7,876,541	(7,917,811)	(42,050)	81,000	(2,329,320)
Restricted fixed asset funds						
Fixed asset fund	19,858,425	-	(440,275)	1,008,075	-	20,426,225
ESFA capital grants (DFC)	13,205	28,039	-	(26,990)	-	14,254
ESFA capital grants (CIF)	946,461	2,522,353	(163,745)	(939,035)	-	2,366,034
	20,818,091	2,550,392	(604,020)	42,050	-	22,806,513
Total restricted funds	18,491,091	10,426,933	(8,521,831)	-	81,000	20,477,193
Total unrestricted funds	322,743	26,517	-	-	-	349,260
Total funds	18,813,834	10,453,450	(8,521,831)	-	81,000	20,826,453

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

17 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-16 high needs funding streams.

Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

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 2021.

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2020/21 (as restated)	2019/20
	£	£
The Arnewood School	327,977	215,408
The Eaglewood School	293,963	107,335
Total before fixed assets and pension reserve	<u>621,940</u>	322,743
Restricted fixed asset fund	22,806,513	20,818,091
Pension reserve	(2,602,000)	(2,327,000)
Total	<u>20,826,453</u>	<u>18,813,834</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) £	2020/21 Total £	2019/20 Total £
The Arnewood School	4,512,306	796,142	453,060	1,016,332	6,777,840	6,510,177
The Eaglewood School	886,271	236,661	59,619	124,254	1,306,805	955,062
	<u>5,398,577</u>	<u>1,032,803</u>	<u>512,679</u>	<u>1,140,586</u>	<u>8,084,645</u>	<u>7,465,239</u>

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Notes to the Financial Statements for the Year Ended 31 August 2021

17 Funds (continued)

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

	Balance at 1 September 2019 (as restated) £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2020 (as restated) £
Restricted general funds						
General Annual Grant (GAG)	-	5,776,769	(5,747,417)	(29,352)	-	-
Pupil premium	-	208,089	(208,089)	-	-	-
Start Up Grants	-	1,500	(1,500)	-	-	-
Rates reclaim	-	35,254	(35,254)	-	-	-
Year 7 catch up grant	-	8,902	(8,902)	-	-	-
Teachers' pay grant	-	74,440	(74,440)	-	-	-
Teachers' pension grant	-	210,349	(210,349)	-	-	-
Other DfE grants	-	12,632	(12,632)	-	-	-
Local authority 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)
	(1,810,000)	7,142,535	(7,358,183)	(29,352)	(272,000)	(2,327,000)
Restricted fixed asset funds						
Fixed asset fund	17,450,611	-	(528,898)	2,936,712	-	19,858,425
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
Donated fixed assets	-	2,730,000	-	(2,730,000)	-	-
Capital donations	-	69,544	-	(69,544)	-	-
	17,500,962	3,820,117	(545,348)	42,360	-	20,818,091
Total restricted funds	15,690,962	10,962,652	(7,903,531)	13,008	(272,000)	18,491,091
Total unrestricted funds	302,698	33,053	-	(13,008)	-	322,743
Total funds	15,993,660	10,995,705	(7,903,531)	-	(272,000)	18,813,834

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

18 Analysis of net assets between funds

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	20,426,225	20,426,225
Current assets	349,260	865,239	-	2,380,288	3,594,787
Current liabilities	-	(592,559)	-	-	(592,559)
Pension scheme liability	-	-	(2,602,000)	-	(2,602,000)
Total net assets	349,260	272,680	(2,602,000)	22,806,513	20,826,453

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

	Un-restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	19,858,425	19,858,425
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)	20,818,091	18,813,834

19 Capital commitments

	2020/21	2019/20
	£	£
Contracted for, but not provided in the financial statements	2,543,353	946,461

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

20 Long-term commitments, including operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020/21	2019/20
	£	£
Amounts due within one year	54,669	95,161
Amounts due between one and five years	35,836	56,392
	<u>90,505</u>	<u>151,553</u>

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

	2020/21	2019/20
	£	£
Net income for the reporting period	1,931,619	3,092,174
Adjusted for:		
Depreciation	437,186	438,292
(Gain)/loss on disposal of fixed assets	3,089	90,606
Capital grants from DfE and other capital income	(807,884)	(3,750,573)
Interest receivable	(88)	(363)
Defined benefit pension scheme cost less contributions payable	318,000	214,000
Defined benefit pension scheme finance cost	38,000	31,000
Increase in stocks	(2,225)	(282)
Increase in debtors	(1,895,693)	(588,927)
Increase / (decrease) in creditors	231,538	(164,375)
Net cash provided by / (used in) Operating Activities	<u>253,542</u>	<u>(638,448)</u>

22 Cash flows from investing activities

	2020/21	2019/20
	£	£
Dividends, interest and rents from investments	88	363
Purchase of tangible fixed assets	(1,008,075)	(206,712)
Capital grants from DfE Group	807,884	1,020,573
Net cash (used in) / provided by investing activities	<u>(200,103)</u>	<u>814,224</u>

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Notes to the Financial Statements for the Year Ended 31 August 2021

23 Analysis of cash and cash equivalents

	2020/21	2019/20
	£	£
Cash at bank and in hand	<u>561,205</u>	<u>507,766</u>

24 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2021 £
Cash	507,766	53,439	-	-	-	561,205
Total	507,766	53,439	-	-	-	561,205

25 Members liability

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

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

26 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 £114,653 were payable to the schemes at 31 August 2021 (2020: £106,406) 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 four 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%.

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Notes to the Financial Statements for the Year Ended 31 August 2021

26 Pension and similar obligations (continued)

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 £767,334 (2020: £743,299).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was as follows:

	2021	2020
	£	£
Employer's contributions	198,000	188,000
Employees' contributions	60,000	51,000
	<u>258,000</u>	<u>239,000</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

	2021	2020
Rate of increase in salaries	3.7%	3.3%
Rate of increase for pensions in payment/inflation	2.7%	2.3%
Discount rate for scheme liabilities	1.7%	1.7%
Inflation assumption (CPI)	2.7%	2.3%

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

	2021	2020
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.5	25.5
<i>Retiring in 20 years</i>		
Males	24.8	24.7
Females	27.3	27.2

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

26 Pension and similar obligations (continued)

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2021	2020
	£	£
Discount rate +0.1%	(149,000)	(125,000)
Discount rate -0.1%	149,000	125,000
Mortality assumption – 1 year increase	258,000	205,000
Mortality assumption – 1 year decrease	(251,000)	(199,000)

The Academy Trust's share of the assets in the scheme were:

	2021	2020
	£	£
Equities	2,396,000	1,910,000
Gilts	756,000	654,000
Property	255,000	202,000
Cash	29,000	54,000
Other	739,000	549,000
Total market value of assets	4,175,000	3,369,000

The actual return on scheme assets was £637,000 (2020: £196,000).

Amount recognised in the Statement of Financial Activities

	2020/21	2019/20
	£	£
Current service cost	516,000	402,000
Interest income	(59,000)	(56,000)
Interest cost	97,000	87,000
Total amount recognised in the SOFA	554,000	433,000

The Gryphon Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

26 Pension and similar obligations (continued)

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

	2020/21	2019/20
	£	£
At 1 September	5,696,000	4,844,000
Current service cost	516,000	402,000
Interest cost	97,000	87,000
Employee contributions	60,000	51,000
Actuarial loss	497,000	412,000
Benefits paid	(89,000)	(100,000)
At 31 August	6,777,000	5,696,000

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

	2020/21	2019/20
	£	£
At 1 September	3,369,000	3,034,000
Interest income	59,000	56,000
Actuarial gain	578,000	140,000
Employer contributions	198,000	188,000
Employee contributions	60,000	51,000
Benefits paid	(89,000)	(100,000)
At 31 August	4,175,000	3,369,000

27 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

28 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the Academy Trust received £9,844 and disbursed £10,195 from the fund. An amount of £9,844 is included in other creditors relating to undistributed funds and a further £7,179 repayable to ESFA which is also included within other creditors. Comparatives for the accounting period ending 31 August 2020 are £13,126 received, £12,684 disbursed, £13,126 included in other creditors relating to undistributed funds, and a further £4,248 repayable to ESFA which is also included within other creditors.