

REGISTRAR OF COMPANIES

Greenshaw Learning Trust

Consolidated Report and Financial Statements

31 August 2017

Company Limited by Guarantee
Registration Number
07633694 (England and Wales)

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Reference and administrative information

At the date of the Trustees' Report:

Members

Mike Cooper
Cliff Ford
Carolyn Swain
Sue Winspear
Mathew Syed

Trustees

Mike Cooper (Chair)
Diana Coman
Gary Miles (Vice-Chair)
Roger Mills
Ingrid Percy
Karen Roche
Darren Reynolds
William Smith (CEO, Ex-officio)

Company Secretary

Susanne Wicks

Senior Leadership Team

Executive Headteacher and CEO
Director of Resources
Director of Primary Education
Director of Secondary Education
Director of School Improvement
Headteacher of Brakenhale School
Headteacher of Five Acres High School
Headteacher of Greenshaw High School
Headteacher of Orchard Park High School
Headteacher of Yate Academy
Headteacher of Crown Wood Primary School
Headteacher of Green Wrythe Primary School
Headteacher of Tweeddale Primary School
Headteacher of Victor Seymour Infants School

William Smith
Steve Bradford
Simon Cooper-Hind
Nick Cross
Ben Parnell
Jane Coley
Ben Parnell
Nick House
Ciara Warnock
Paul Skipp
Helena Griffiths
Anne Claxton
Terrie Jerrom
Helen Matt

Registered address

Greenshaw Learning Trust
Grennell Road
Sutton
Surrey
SM1 3DY

Company registration number

07633694 (England and Wales)

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Lloyds Bank Plc
49-53 High Street
Sutton
SM1 1DT

Solicitors Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

INTRODUCTION

The Trustees of the Greenshaw Learning Trust ('the Trust') present their statutory report together with the financial statements of the charitable company and group for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

As at 31 August 2017 The Trust operated two secondary, two primary and one infant and nursery school in South London, a secondary and primary school in Bracknell, and from 1 September 2017, a secondary school in Gloucestershire and an all through primary/secondary school in South Gloucestershire. The Trust has two approved free schools in pre-opening, a secondary and a special school for secondary aged students with autism in Sutton. The Trust has a wholly owned subsidiary company, Greenshaw Learning Services Limited.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and governance

The 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 Greenshaw Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Greenshaw Learning Trust.

Details of the trustees who served during the year and the governance arrangements of the Trust and delegations to senior executive officers and committees are set out in the Governance Statement on page 15.

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 practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the premium for the year ended 31 August 2017 was included within the overall insurance premium.

Method of recruitment and appointment or election of trustees

The Members of the Trust are set out on page 15.

When appointing and recruiting Trustees (and members of Trust committees and local governing bodies) regard is given to the skills mix and backgrounds of the existing members and potential new members so as to ensure that the Board of Trustees, its committees and local governing bodies have all the necessary skills required to carry out their roles and contribute fully to the Trust's development.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of trustees

All new Trustees are recruited on their ability to play an active part in the governance of Greenshaw Learning Trust. On their appointment Trustees are taken through an induction process that includes an explanation of the role of a Trustee and Company Director. They are provided with all necessary documents needed to undertake their role as a Trustee, supported and advised by Trust executive staff, and invited to attend training sessions run by the Trust or external providers.

Organisational structure

The Executive Headteacher, as the chief executive officer, is directly responsible for the day to day running of the Trust. He is assisted by the Trust's senior executive team consisting of the Director of Resources, Director of Secondary Education, Director of Primary Education and Director of School Improvement; and by a central services team.

The Trust senior executive and central team implements the policies agreed by the Trustees, supporting the schools in the Trust and providing evidence, reports and data analysis to Trustees to enable them to monitor effectively the performance of the Trust and its schools.

The Executive Headteacher is the Accounting Officer.

The Board of Trustees delegates its powers and functions to committees and to local governing bodies, and to the Executive Headteacher and to the Headteachers of its schools, in accordance with its published Scheme of Delegation for Governance Functions.

The Trust has an Audit Committee (further details below), a Performance Management Review Committee to oversee the performance management of senior Trust staff, an Admissions Committee to rule on admissions to Trust schools where a decision of the Trust is required, and a Trust Services Committee to oversee the strategy and budget for, and the monitoring and review of, the Trust's central services. The Board of Trustees has also established a committee to oversee the planning for and establishment of its proposed new Free Schools in Sutton, for which it has received approval from the DfE. In addition the Board has established a School Improvement Committee, to which they have delegated authority for the oversight of and decisions in relation to targeted improvement and other matters not delegated to a local governing body for schools in particularly challenging circumstances.

Each Headteacher has delegated responsibility for the day-to-day running of the school and the implementation of the policies of the Trust and governing body; s/he is responsible for the internal organisation, management and control of the school and for the direction of teaching and the curriculum.

Each Headteacher is accountable to the school's local governing body and to the Executive Headteacher through the Director of Primary Education, Director of Secondary Education and Director of School Improvement as appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees or a committee of the Board determine pay scales for all key management personnel which includes the Executive Headteacher, Trust senior executive officers and the Headteachers in each school.

The rate of pay for the Executive Headteacher and Trust senior executive officers has been set following a benchmarking exercise of comparable academy trusts. The School Teachers Pay and Conditions have been used to set the pay range for Headteachers.

The performance of all key management personnel is assessed under the performance management framework. A committee of the Board completes an annual assessment of the Executive Headteacher, the Executive Headteacher reviews the senior executive officers and the local governing body of each school assess their Headteacher's performance. All pay decisions are approved by the Board of Trustees.

Connected organisations, including related party relationships

The Trust works with the Department of Education and the ESFA and maintains links with the local authorities in which its schools are located. It has strong links with Secondary Schools and Primary Schools in the areas it operates and participates in local school partnerships. The Trust also works closely with the PiXL Club (Partners in Excellence) providing support to many hundreds of schools nationally. The Executive Headteacher and CEO of the Trust is a Director of PiXL for which no salary is received.

Six of the seven schools within the Trust had a service level agreement with Cygnet for SIMS support and three of the seven for the provision of IT support. Roger Mills is a trustee and Director of Cygnet. All schools follow their own procurement process and had all chosen the Cygnet service before Roger joined the Board of Trustees in June 2016.

OBJECTIVES AND ACTIVITIES

Objects and aims

The object of the Trust is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or 16 to 19 Academies offering a curriculum appropriate to the needs of its students or schools specially organised to make special educational provision for pupils with Special Educational Needs.

Greenshaw Learning Trust is ambitious for our schools and our students. We believe that there is no ceiling on what can be achieved by anyone, regardless of their circumstances or background. We are committed to providing a supportive and inclusive learning environment, giving every young person the opportunity to fulfil their potential now, and in the future. We seek to realise the power of individuals and organisations working together in collaboration whilst retaining their individuality, and we recognise that we can always improve. We have a belief in the principles of growth mindset to develop resilience, character and critical thinking within our students.

Principal activities

The primary activity of the charitable company is the operation of:

Greenshaw High School in Sutton, an academy school providing education for pupils aged 11 to 18.

Green Wrythe Primary School in Carshalton, an academy school providing education for pupils aged 4-11.

Orchard Park High School in Croydon, an academy school providing education for pupils aged 11 to 18.

Brakenhale School, an academy school in Bracknell, providing education for pupils aged 11 to 18.

Victor Seymour Infants School, an academy school in Carshalton, providing education for pupils aged 2-7.

Tweeddale Primary School, an academy school in Carshalton, providing education for pupils aged 4-11 (from 1 September 2016).

Crown Wood Primary School, an academy school in Bracknell, providing education for pupils aged 4-11 (from 1 June 2017).

Five Acres High School, an academy school in Gloucestershire, providing education for pupils aged 11-16 (from 1 September 2017).

Yate Academy, an academy school in South Gloucestershire, providing education for pupils aged 3-19 (from 1 September 2017).

OBJECTIVES AND ACTIVITIES (continued)

Principal activities (continued)

The trading company, Greenshaw Learning Services, is a wholly owned subsidiary of the Trust and its main activities include the provision of hot meals to local primary schools and management of lettings of the premises and facilities of schools in the Trust and consultancy services provided to schools and organisations outside the Trust.

Public benefit

In setting the Trust's objectives and planning its activities, the Board of Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities. The Trustees consider that the Trust's aims are demonstrably to the public benefit.

STRATEGIC REPORT

Achievements and performance

During this year, the Trust has been working with Greenshaw High School, Green Wrythe Primary School, Victor Seymour Infants School, and Tweeddale Primary School (in Sutton), Orchard Park High School (in Croydon), Brakenhale School and Crown Wood Primary School (in Bracknell).

Greenshaw High School – Date of joining 1st June 2011

4+ English and Maths GCSE: 72%

5+ English and Maths GCSE: 50%

7+ English and Maths GCSE: 18%

Attainment 8 Score: 50.62

Current Ofsted category : Good (May 2017)

Highlights of the Year

- ◆ ALPS indicator shows outstanding post 16 student outcomes.
- ◆ June 2017 Ofsted inspection found the school to be good, with praise for Leadership and Management and sixth form provision.
- ◆ Progress figures from ALPS, show limited inter-departmental variation at KS4.

Areas identified for development

- ◆ To ensure progress of learners is significantly above the national average.
- ◆ To improve the attendance of disadvantaged pupils.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Orchard Park High School - Date of joining 1st September 2015

4+ English and Maths GCSE: 51%

5+ English and Maths GCSE: 26%

7+ English and Maths GCSE: 3%

Attainment 8 Score: 39.6

Current Ofsted category : Good (May 2014)

Highlights of the Year

- ◆ The performance of students studying English and Mathematics (achieving 4+) was a relative strength for the school
- ◆ The school has been re-named Orchard Park High School which, along with a new leadership team and new policies for behaviour and teaching and learning, is having a positive impact on progress of students across all year groups.
- ◆ Performance in GCSE Science improved on the previous year.

Areas identified for development

- ◆ To focus on the progress of students studying all qualifications in the Sixth Form.
- ◆ To improve attendance of all year groups.
- ◆ To systematically improve standards of teaching and learning.

Brakenhale School – Date of joining 1st April 2016

- ◆ 4+ English and Maths GCSE: 52%
- ◆ 5+ English and Maths GCSE: 23%
- ◆ 7+ English and Maths GCSE: 4%
- ◆ Attainment 8 Score: 40.61
- ◆ Current Ofsted category : Requires Improvement (March 2014)

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Brakenhale School – Date of joining 1st April 2016 (continued)

Highlights of the Year

- ◆ ALPS indicator shows outstanding post 16 student outcomes.
- ◆ ALPS indicator for BTEC performance is red hot
- ◆ Very positive DFE Education Advisor visit in March 2017 found that the school was making good progress.

Areas identified for development

- ◆ To improve the teaching and learning of students in Year 12.
- ◆ To improve the progress of pupils studying GCSE Mathematics.

Green Wrythe Primary School – Date of joining 1st April 2015

Current Ofsted category : Requires Improvement (February 2014)

Highlights of the Year

- ◆ Key Stage 2 attainment for reading, writing and maths combined has narrowed the gap and now demonstrates a diminished difference: non disadvantaged 57%, disadvantaged 60%.
- ◆ Attainment at end of all Key Stage phases for 'all children' and in all subjects improved on 2016 results
- ◆ In Rainbow (the resource base for ASD), learning through play has contributed enormously to relationships between children with each other and staff and had positive impact on progress across curriculum

Areas identified for development

- ◆ To focus on the progress in reading and maths in Key Stage 2 which were below 2016 results
- ◆ To improve attendance with a particular focus on persistent absence

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Victor Seymour Infant School – Date of joining 1st July 2016

Current Ofsted category : Good (September 2011)

Highlights of the Year

- ◆ Year 1 Phonics increase of 12% for all children and 42% for disadvantaged children
- ◆ Children attaining greater depth in reading, writing and maths across KS1 has increased dramatically
- ◆ Good Level of Development attainment has increased to 85% at the end of Reception

Areas identified for development

- ◆ The gap between disadvantaged and all children in not closing quickly enough across KS1
- ◆ To focus on the gap between disadvantaged and all children as its not closing quickly enough in Key Stage 1
- ◆ Phonics in Year 1 needs focused work to reach and then exceed national expectations

Tweeddale Primary School – Date of joining 1st September 2016

Current Ofsted category : Requires Improvement (July 2015)

Highlights of the Year

- ◆ Combined results in Key Stage 2 increased from 25% to 60%
- ◆ Progress scores in Year 6 lie in the top 25% in English and top 40% in maths nationally
- ◆ Year 1 phonics focus has led to a 16% increase to 69%
- ◆ Key Stage 1 results have increased in reading (27%), writing (26%) and maths (34%) in age related expectations

Areas identified for development

- ◆ To focus on the disadvantaged children across Key Stage 1 and 2 as still below national expectations
- ◆ To improve results in maths in Key Stages 1 and 2 as results fall below national floor target

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Crown Wood Primary School – Date of joining 1st June 2017

Current Ofsted category : Requires Improvement (March 2015)

Highlights of the Year

- ◆ Key Stage 1 attainment for 'all children' exceeds national averages in all subjects
- ◆ End of Key Stage 1 phonics reached 91%, with disadvantaged children achieving 100% pass mark
- ◆ Key Stage 2 reading results pleasing with disadvantaged children increasing by 35%

Areas identified for development

- ◆ Key Stage 2 combined results well below national expectations
- ◆ Quality of teaching across the school is very inconsistent

Going concern

The Trustees have considered carefully the Trust's level of reserves at 31 August 2017 and its results for the period then ended. They have also considered the likely limitations in future increases of funding for the Trust's existing schools and the known cost pressures arising from increases in the rates of pension contributions and changes in National Insurance following recent reforms. The Trustees are also mindful of the increased risk attaching to the increasing number of schools operated by the Trust.

Although the reserves available would be insufficient to support continuing financial deficits, the Trust has implemented measures to further reduce ongoing expenditure, principally staff costs which are the majority of schools' expenditure. They have also initiated clear protocols and risk management strategies to limit the risks arising from bringing new or existing schools into the Trust's control.

On the basis of budgets and forecasts prepared by the Trust's management, their assessment of the principal risks described elsewhere in this report and the capacity of the Trust to make further adjustments to its cost base in the event of adverse changes, the Trustees are satisfied that the Trust has sufficient resources to continue successfully for the foreseeable future. Accordingly, the attached financial statements have been prepared on the going concern basis.

FINANCIAL REVIEW

The majority of the Group's income is obtained from the ESFA in the form of recurrent grant, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Group's total income was £38,988,000 (2016 - £40,656,000) and the total expenditure was £33,331,000 (2016 - £24,641,000) for the year.

Income for the year included a one off transfer of £8,108,000 for Tweeddale and Crown Wood primary schools (2016 - £13,444,000 for Orchard Park High School, Brakenhale School and Victor Seymour Infants School).

At the 31 August 2017, the net book value of fixed assets was £46,878,000 (2016 - £39,148,000) and movements in tangible assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to students of the School.

Financial position and reserves policy

The Trustees review the reserves of the Trust annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trustees have determined that the level of reserves held is low but adequate for the Trust's needs. The objective is to build reserves to a level of 3% of total income through a plan agreed with each school.

On 31 August 2017, the Trust held total funds of £33,531,000 (2016 - £26,842,000) comprising of £33,026,000 (2016 - £26,548,000) of restricted funds (including the pension deficit of £15,530,000 (2016 - £13,317,000)) and unrestricted funds of £505,000 (2016 - £294,000). The total funds excluding the pension deficit are £49,061,000 (2015 - £40,159,000).

Each of the individual schools within the trust had a surplus on funds carried forward with the exception of Greenshaw High School and Brakenhale School. Greenshaw High School had a deficit as at 31 August 2017 of £2,000 (2016 – deficit of £116,000) and Brakenhale School £87,000 (2016 – deficit of £176,000). Both schools delivered an in year surplus and significantly reduced their brought forward deficits. Both are popular, growing schools and their funding agreement has been amended to estimated from lagged, Brakenhale for 2016/17 and 2017/18 and Greenshaw High School for 2017/18 and 2018/19. Both schools will return to surplus in 2017/18.

Investment policy

The Trust's liquid assets are held in the form of cash balances. The Trust does not invest these cash balances in longer terms deposits or other investment vehicles. Should it wish to do so in the future, the Trustees will consider a recommendation by the Trust's executive officers.

FINANCIAL REVIEW (continued)

Principal risks and uncertainties

Greenshaw Learning Trust has a formal risk management process in place to assess all risks and implements risk management strategies. The process which is overseen and reviewed by the Audit Committee identifies the types of risk the Trust faces. These risks are then assessed and prioritised in terms of their potential operational and financial impact and the likelihood of occurrence. Where necessary, actions to mitigate the risks identified are put in place.

The principal risk relates to control of staff costs. Employer contribution rates for both the Teacher's Pension Fund and Local Government Pension Fund have increased significantly, the removal of the lower contracted out rate has increased employer National Insurance contributions and annual cost of living rises are unfunded. In addition the triennial valuation for Local Government Pension Schemes required further increased employer contributions from 1 April 2017, for most of our schools. The impact of the Apprenticeship Levy and demands to extend the 1% cost of living rises places further pressure on payroll costs and each school's payroll ratio.

Uncertain funding levels, including the implementation of the national funding formula and lack of reserves are adding further pressure to already strained school budgets. Numbers on roll remain strong across all schools but cannot be guaranteed.

PLANS FOR FUTURE PERIODS

The Trustees have considered the growth of the Trust and agreed the following:

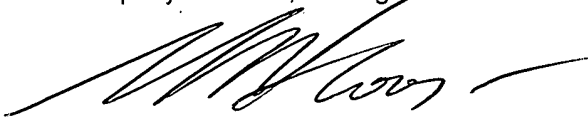
- ◆ We wish to grow the Trust in a managed and sustainable manner, balancing schools that add capacity with schools that need more support when they join.
- ◆ We will welcome schools that can demonstrate that they understand and either already share or can commit to adopting our essential vision and approach to education and our way of working as a collaborative 'family' of schools
- ◆ The Trust will operate on the basis of maximum delegation to school leadership teams and local governing bodies. The Trust Board and Executive will not interfere in the day-to-day running of schools but will maintain systems to effectively monitor performance and broker the support schools require, only intervening if necessary in the interests of the Trust and its students
- ◆ We will grow a 'family' of schools in clusters to maximise the benefits of local collaboration, our existing clusters in South London, the Bracknell area and our newly established cluster in Gloucestershire. We will consider the opportunities to further develop these clusters, maintaining our principle of growing a family of like - minded schools.
- ◆ We will develop special schools and alternative provision in line with our commitment to inclusion and to enable every young person to fulfil their potential

AUDITOR

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, and signed on its behalf by:



Mike Cooper
Chair of Board of Trustees of the Trust

Date: 19/12/2017

Governance statement 31 August 2017

The Greenshaw Learning Trust is a company limited by guarantee and an exempt charity; the formal governance arrangements for the Trust are set out in its Articles of Association.

Governors of the Trust

The following persons were in office for the period 1 September 2016 – 31 August 2017 inclusive (or part thereof as indicated).

Members	Appointed/Resigned	
Mike Cooper	Appointed 17 October 2016	
Cliff Ford		
Matthew Syed		
Carolyn Swain		
Sue Winspear		

Trustees	Appointing Body	Appointed/Resigned
Diana Coman	Members of the Trust	
Mike Cooper	Members of the Trust	
Gary Miles	Members of the Trust	
Roger Mills	Members of the Trust	
Ingrid Percy	Members of the Trust	
Darren Reynolds	Board of Trustees	Appointed 13 July 2017
Karen Roche	Members of the Trust	Appointed 6 March 2017
Carolyn Swain	Members of the Trust	Resigned 3 March 2017
William Smith	Ex-Officio	

The Members of the Trust are the subscribers to the Memorandum of Association – the people who established the Trust – and any other individuals appointed by the Members. The Members have an overview of the governance arrangements of the Trust and may amend the Trust's Articles of Association. The Members appoint Trustees and may remove Trustees.

The Board of Trustees

The Members have delegated all their powers and duties, apart from those specified above, to the Board of Trustees.

The Board of Trustees consists of six Trustees appointed by the Members plus the CEO, as long as s/he remains in office; the Trustees have, in addition, co-opted one Trustee.

The Board of Trustees retains responsibility for:

- ◆ Formal accountability for the statutory functions of the Trust and for the operation and performance of all schools in the Trust.
- ◆ Ensuring clarity of vision, ethos and strategic direction of the Trust as a whole.

The Board of Trustees (continued)

- ◆ Approving the Trust Budget and the Annual Report & Financial Statements of the Trust and ratifying the annual budget of each school.
- ◆ Oversight of the financial and educational performance of the schools in the Trust.
- ◆ Holding the Executive Headteacher to account for the financial and educational performance of the Trust as a whole.
- ◆ Agreeing Trust policies and procedures and ratifying school policies and procedures as required to ensure that the Trust fulfils its statutory responsibilities and the oversight, monitoring and review of the implementation of those policies.

The Board of Trustees can delegate powers and functions other than those above to committees including local governing bodies (LGBs), but retains legal accountability for any decisions taken. The Board of Trustees will not get involved in the day-to-day running of the Trust or its schools.

Local Governing Bodies

The Board of Trustees has established a local governing body (LGB) for each school in the Trust, to which it delegates its powers and functions with regard to the management and performance and oversight of the school.

Each LGB is responsible for:

- ◆ Ensuring clarity of vision, ethos and strategic direction of the school.
- ◆ Overseeing the financial and educational performance of the school and ensuring its money is well spent.
- ◆ Holding the Headteacher to account.

The LGB will not get involved in the day-to-day running of the school.

The LGB must at all times act in accordance with the Governance Procedures agreed by the Trust, and ensure that the school's policies and the ways that it is managed and operates are consistent with the Articles of Association and Funding Agreement and the policies and procedures of the Trust, and with all relevant legislation and regulations. The LGB must take account of the advice given to them by the Board of Trustees and Executive Headteacher and Trust executive officers acting on his/her behalf.

The Board of Trustees may at any time impose conditions and restrictions upon the delegated authority it has given to the LGB, in particular where the school is new to the Trust and /or is in particularly challenging circumstances.

Trust Committees

The Board of Trustees has established the following committees:

- ◆ An Audit Committee that reviews the risks to internal financial control and agrees the processes and checks required to address these risks and ensure the Trust's financial policies and procedures are being carried out properly.
- ◆ A Trust Central Services Committee to which it delegates authority to agree the strategy and budget for, and monitor and review the delivery and performance of, the Trust's central services.
- ◆ A New School Establishment Committee to which it delegates authority for the oversight of, planning for and establishment of the Trust's Sutton new schools.
- ◆ An Admissions Committee to which it delegates the consideration of admissions applications where a decision of Trustees is required.
- ◆ A Committee for the PMR of the Senior Trust Executive to which is delegates authority to carry out the PMR and pay review of the CEO and agree pay scales, pay and pay progression for the senior Trust executives.
- ◆ A School Improvement Committee to which it delegates oversight of and decisions in relation to targeted improvement and other matters not delegated to a local governing body for schools in particularly challenging circumstances.

The Board of Trustees will, as required, establish ad hoc committees to which it delegates authority to deal with matters relating to a specific incident or individual, such as considering a complaint or a personnel matter.

The Board of Trustees has established a Panel from which members may be selected to join existing committees. The Panel is made up of Trustees and selected non-Trustee members from across the Trust and outside of it, who bring specific expertise and experience. In 2016/17, further external non-Trustee members were added to the Trust panel, selected for the skills and experience they can bring.

Delegation to Trust Executive officers

The Board of Trustees delegates to the Executive Headteacher (CEO) responsibility for delivery of the Trust's strategy and for the implementation of the policies of the Trust, and for the day-to-day running, internal organisation, management and control of central Trust services. The Executive Headteacher is responsible for the performance management of the Trust executive and the Headteachers of the Trust's schools.

The Board of Trustees delegates to the Headteacher of each school in the Trust the responsibility for the day-to-day running of the school, including the internal organisation, management and control of the school and the direction of teaching and the curriculum, and for the implementation of the policies of the Trust and LGB.

Meeting attendance

The Board of Trustees has formally met five times during the year 2016/17. Attendance during the year at meetings of the Board was as follows:

Trustees	Number of meetings attended	Out of a possible
Diana Coman	5	5
Mike Cooper	5	5
Gary Miles	5	5
Roger Mills	4	5
Ingrid Percy	3	5
Darren Reynolds	0	0
Karen Roche	1	1
William Smith	5	5
Carolyn Swain	3	3

In addition, there were three meetings of the Audit Committee – see page 20.

Governance review

The Members of the Trust appointed Matthew Syed as a Member with effect from 17 October 2016. Carolyn Swain resigned as a Trustee on 6 March 2017 and on 6 March 2017, the Members appointed Karen Roche to the Board. On 12 July 2017, the Trustees co-opted Darren Reynolds to the Board.

The Board of Trustees added further external, non-Trustee, members to the Trust Panel and some of its committees and local governing bodies to ensure they have the skills required to carry out their role.

The Governance arrangements for local governing bodies have been reviewed and updated, in particular to take account of experience of their operation by Trust schools and feedback and suggestions from local governing bodies; the need to adapt and develop mechanisms appropriate to schools with a greater range of variation in their circumstances; and the benefits – to schools and the Trust as a whole – of achieving more commonality and clarity across the Trust's governance processes and procedures. The governance procedures and model committee remits were drawn up and were subsequently agreed by the Board of Trustees and its local governing bodies in September 2017.

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Greenshaw Learning 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.

Scope of responsibility (continued)

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The Executive Headteacher is also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Review of value for money

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

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

- ◆ The size and reputation of the Trust has enabled the Trust to negotiate improved service standards from a number of providers. These include our bankers, payroll, insurers and recruitment agencies. Dedicated relationship managers and points of contact have improved response times, thereby reducing schools' resources expended.
- ◆ Economies of scale have been achieved in contract negotiations by agreeing contracts and arrangements common to all schools. An example is catering supplies with procurement through Pelican. Significant savings have been achieved through a tender process completed and an agreed restricted supplier list.

Audit committee

The purpose of the Audit Committee is to review the risks to internal financial control, and to agree the processes and checks required to address these risks and ensure the Trust's financial policies and procedures are being carried out properly.

The Committee will approve the programme of work of the Trust's Auditors to address these risks; receive quarterly reports on the checks carried out to address the risks, receive the annual report of the Auditors, inform the Trust's governance statement and make any comments or recommendations to the Board regarding audit and risk.

During the year the Audit Committee met three times.

Members of Committee	Number of meetings attended	Out of a possible
Don Brims	3	3
Diana Coman	3	3
Gary Miles	1	3

Audit committee (continued)

The remit of the committee is set out in an agreed terms of reference. The principal role is to provide assurance to the Board of Trustees that risks are being identified and the internal control framework is both suitable and effective.

Local Governing Bodies

Responsibility for managing the financial performance of each school in the Trust, ensuring financial performance of the Trust and regulations are adhered to and ensure value for money are delegated to the school's local governing body.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's 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 at the Trust for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees have is of the view that there is an ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The 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 Board of Trustees 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 (including asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and

The risk and control framework (continued)

- ◆ identification and management of risks.

The Board of Trustees has agreed a programme of internal and external audits during 2017-18 and agreed to continue with the framework commenced in 2016-17:

- ◆ Internal Audits are completed by Trust Central Staff on all schools within the Trust twice each year and that these take place in Spring and Autumn.
- ◆ Internal Audits to be completed by Trust Central Staff on all new schools within two months of joining the Trust.
- ◆ Buzzacott completes an external audit on Trust Central Services, including adherence to Trust policies and schemes of delegation.

During the year the focus was on bringing in the new schools and developing the additional controls and systems required by a multi academy trust. This has included:

- ◆ Implementation of PS Financials, a single finance system, and consistent chart of accounts structure
- ◆ Implementation of HCSS, a budget planning tool to ensure consistent forecasting and longer term budget planning
- ◆ Introduction of a single finance policy to support consistent reporting
- ◆ Implemented a Trust policy and procedure for all statutory policies
- ◆ Continued development of a Trust data dashboard for monitoring student outcomes

The Trustees also received the results of the due diligence process undertaken on the new schools. This included quality of governance, teaching and finances.

Review of effectiveness

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

- ◆ the due diligence process for all schools joining the Trust, including a local authority/external internal audit completed as part of the conversion process.
- ◆ the financial management and governance self-assessment process completed for all schools joining shortly after conversion.
- ◆ the work of the external auditor.
- ◆ the monthly management accounts process which is consistent across all schools.

Governance statement 31 August 2017

Review of effectiveness (continued)

- ♦ the work of the Senior Leadership Team within the Trust which has responsibility for the development and maintenance of the internal control framework.

Approved by order of the Board of Trustees and signed on their behalf by:


Mike Cooper
(Chair of Board of Trustees of the Trust)


William Smith
(Executive Headteacher and Accounting Officer)

Approved on: 19/12/2017

Statement on regularity, propriety and compliance 31 August 2017

As Accounting Officer of the Greenshaw Learning Trust, I have considered my responsibility to notify the Trustees of the Trust and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

A handwritten signature in black ink, appearing to read 'W Smith', followed by a long horizontal flourish.

William Smith
Accounting Officer

Date: 19/12/2017

Statement of Trustees' responsibilities 31 August 2017

The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of 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 2015 and the Academies Accounts Direction 2016 to 2017;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Academy 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 Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Trust'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 19/12/2017 and signed on its behalf by:

Mike Cooper
Chair of Board of Trustees of the Trust



Independent auditor's report to the members of Greenshaw Learning Trust

Opinion

We have audited the financial statements of Greenshaw Learning Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the group statement of financial activities, the group and charitable parent company balance sheets and statements of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2016 to 2017.

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.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2017 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees report including the strategic 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 group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

Matters on which we are required to report by exception (continued)

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

Responsibilities of trustees

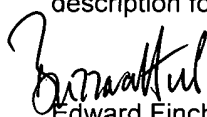
As explained more fully in the trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



Edward Finch (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

21/12/17

Independent reporting accountant's assurance report on regularity to the Greenshaw Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 24 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Greenshaw Learning Trust during the period from 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Greenshaw Learning 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 Greenshaw Learning 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 Greenshaw Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Greenshaw Learning Trust's Accounting Officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Greenshaw Learning Trust's funding agreement with the Secretary of State for Education dated 27 May 2011 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Approach (continued)

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.

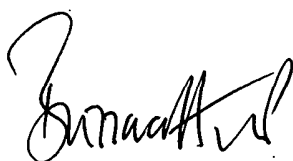
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 from 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

21/12/17

Consolidated statement of financial activities Year ended 31 August 2017

	Notes	Restricted funds			2017 Total funds £'000	2016 Total funds £'000
		Un- restricted general fund £'000	Restricted general fund £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	149	15	2,483	2,647	4,854
Transfer from Local Authority on conversion	1	154	(2,620)	8,108	5,642	13,344
Charitable activities						
Funding for the Trust's educational operations	4	—	28,765	—	28,765	21,021
Other trading income	2	1,919	—	—	2,049	1,436
Investments	3	15	—	—	15	1
Total income		2,237	26,160	10,591	38,988	40,656
Expenditure on:						
Raising funds	5	258	—	—	258	359
Charitable activities						
Trust's educational operations	6	1,829	29,237	2,007	33,073	24,282
Total expenditure	5	2,087	29,237	2,007	33,331	24,641
Net income (expenditure) before transfers		150	(3,077)	8,584	5,657	16,015
Transfers between funds	16	61	(88)	27	—	—
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension scheme	20	—	1,032	—	1,032	(4,393)
Net movement in funds		211	(2,133)	8,611	6,689	11,622
Reconciliation of funds						
Fund balances brought forward at 1 September 2016		294	(13,241)	39,789	26,842	15,220
Fund balances carried forward at 31 August 2017		505	(15,374)	48,400	33,531	26,842

All of the academy trust's activities derive from continuing operations in the above two financial periods.

The results of Greenshaw Learning Limited have been consolidated within the financial statements of Greenshaw Learning Trust.

All gains and losses are included in the Statement of Financial Activities.

Balance sheets 31 August 2017

	Notes	2017		2016	
		Group £'000	Trust £'000	Group £'000	Trust £'000
Fixed assets					
Tangible fixed assets	11	46,878	46,878	39,148	39,148
Current assets					
Debtors	13	1,146	1,307	1,290	1,320
Cash at bank and in hand		3,670	3,505	1,888	1,854
		4,816	4,812	3,178	3,174
Creditors: amounts falling due within one year	14	(2,465)	(2,461)	(2,080)	(2,076)
Net current assets		2,351	2,351	1,098	1,098
Total assets less current liabilities		49,229	49,229	40,246	40,246
Creditors: amounts falling due after more than one year	15	(168)	(168)	(87)	(87)
Net assets excluding pension scheme liability		49,061	49,061	40,159	40,159
Pension scheme liability	20	(15,530)	(15,530)	(13,317)	(13,317)
Total net assets		33,531	33,531	26,842	26,842
Funds of the Trust					
Restricted funds					
. Fixed assets fund	16	48,400	48,400	39,789	39,789
. Restricted income	16	156	156	76	76
. Pension reserve	16	(15,530)	(15,530)	(13,317)	(13,317)
		33,026	33,026	26,548	26,548
Unrestricted funds					
. General fund	16	505	505	294	294
Total funds		33,531	33,531	26,842	26,842

The financial statements on page 30 to 58 were approved by the Trustees, and authorised for issue on 19/12/2017 and are signed on their behalf by:



MIKE COOPER

Chair of Directors of the Trust

Greenshaw Learning Trust
Company Limited by Guarantee
Registration Number: 07633694 (England and Wales)

Consolidated statement of cash flows Year to 31 August 2017

		2017 £'000	2016 £'000
Net cash inflow from operating activities			
Net cash provided by operating activities	A	677	694
Cash flows from investing activities	B	897	612
Cash flows from financing activities	C	54	—
Cash flows from conversions		154	184
Change in cash and cash equivalents in the year		1,782	1,490
Cash and cash equivalents at 31 August 2017	D	3,670	1,888

A Reconciliation of income to net cash flow from operating activities

	2017 £'000	2016 £'000
Net income for the year (as per the statement of financial activities)	5,657	16,015
Adjusted for:		
Depreciation (note 11)	1,979	1,319
Capital grants from DfE and other capital income	(2,483)	(4,771)
Inherited fixed assets	(8,108)	(17,590)
Cash inherited on conversion	(154)	(184)
Interest receivable (note 3)	(15)	(1)
Defined benefit pension scheme obligation inherited	2,620	4,740
Defined benefit pension scheme cost less contributions payable (note 21)	895	131
Defined benefit pension scheme finance cost (note 21)	(270)	257
Decrease (increase) in debtors	144	(712)
Increase (decrease) in creditors	412	1,490
Net cash provided by operating activities	677	694

B Cash flows from financing activities

	2017 £'000	2016 £'000
Cash inflows from new borrowing	54	—
Net cash provided by (used in) financing activities	54	—

C Cash flows from investing activities

	2017 £'000	2016 £'000
Dividends, interest and rents from investments	15	1
Purchase of tangible fixed assets	(1,601)	(4,160)
Capital grants from DfE/ESFA	2,483	4,771
Net cash provided by investing activities	897	612

Consolidated statement of cash flows Year to 31 August 2017

D Analysis of cash and cash equivalents

	2017 £'000	2016 £'000
Cash at bank and in hand	3,670	1,888

Principal accounting policies Year to 31 August 2017

Statement of 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling to the nearest thousand pounds.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet consolidate the financial statements of the Trust and those of its subsidiary made up at the balance sheet date.

No separate statement of financial activities has been presented for Greenshaw Learning Trust alone, as permitted by section 408 of the Companies Act 2006 and SORP 2015.

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.

Principal accounting policies Year to 31 August 2017

Income

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

Grants

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

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it 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.

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.

Principal accounting policies Year to 31 August 2017

Donations (continued)

Transfer on conversion

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

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 expenditure is stated net of recoverable VAT.

Tangible fixed assets

Assets costing £2,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

Principal accounting policies Year to 31 August 2017

Tangible fixed assets (continued)

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

Leasehold buildings	Over 10-50 years
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Fixtures, fittings and equipment	Over 3-10 years
----------------------------------	-----------------

Depreciation is charged from the month of acquisition.

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.

Leased assets

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

Principal accounting policies Year to 31 August 2017

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Principal accounting policies Year to 31 August 2017

Pensions benefits (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities 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 Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted ESFA funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, London Borough of Sutton.

Principal accounting policies Year to 31 August 2017

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, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Victor Seymour Pension estimate

Victor Seymour Infant school joined the Greenshaw Learning Trust on 1 July 2016 with an inherited pension obligation. The Local Government Pension Scheme actuary has not provided a pension report as a result of the date that Victor Seymour Infant School joined the Greenshaw Learning Trust. The pension liability was estimated by the Greenshaw Learning Trust based on values for Green Wrythe Primary School and adjusted for membership figures. The value estimated for the pension obligation and included within the financial statements was £1,310,000. The valuation was updated based on a bespoke FRS 102 Section 28 report in 2016/17, with the change in the liability from the original estimate being recognised in actuarial gains.

Tweeddale and Crown Wood building valuation

Tweeddale School and Crown Wood School joined Greenshaw Learning Trust on 1 September 2016 and 1 June 2017 respectively, both with buildings transferred under a long leasehold arrangement. At the timing of joining the Trust, no ESFA valuation was available. The value of the building has been estimated using the valuation of the buildings at Green Wrythe Primary School and adjusted for floor space using DfE survey data. On receipt of the ESFA valuation the Trustees will consider whether this valuation needs impairing.

Notes to the financial statements Year to 31 August 2017

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2017 Total funds £'000	2016 Total funds £'000
Capital grants	—	—	2,483	2,483	4,771
Other donations	149	15	—	164	83
	149	15	2,483	2,467	4,854
Conversion from LA	154	(2,620)	8,108	5,642	13,344
	303	(2,605)	10,591	8,289	18,198

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
Hire of facilities	274	—	274	210
Trip income	86	—	86	104
Catering income	1,038	—	1,038	929
Staff consultancy	364	—	364	—
Other income	157	—	157	193
	1,919	—	1,919	1,436

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
Interest receivable	15	—	15	1

4 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2017 Total funds £'000	2016 Total funds £'000
DfE / ESFA grants				
· General Annual Grant (GAG)	—	24,351	24,351	18,575
· Other DfE / ESFA	—	2,569	2,569	957
	—	26,920	26,920	19,532
Other government grants				
· Local Authority grants	—	1,845	1,845	1,489
	—	1,845	1,845	1,489
	—	28,765	28,765	21,021

Notes to the financial statements Year to 31 August 2017

5 Expenditure

	Staff costs £'000	Non pay expenditure		2017 Total funds £'000	2016 Total funds £'000
		Premises £'000	Other costs £'000		
Expenditure on raising funds	—	—	258	258	359
Trust's educational operations					
· Direct costs	19,733	1,979	1,558	23,270	17,804
· Allocated support costs	6,122	1,566	2,115	9,803	6,478
	25,855	3,545	3,931	33,331	24,641

	2017 Total funds £'000	2016 Total funds £'000
Net expenditure for the period include:		
Operating leases	151	153
Fees payable to auditor		
· Statutory audit	25	19
· Other assurance services	7	2
· Accounting and reporting	—	12
Depreciation	1,979	1,319

6 Charitable activities – Trust's educational operations

	2017 Total funds £'000	2016 Total funds £'000
Direct costs	23,270	17,804
Support costs	9,803	6,478
	33,073	24,282

	2017 Total funds £'000	2016 Total funds £'000
Analysis of support costs		
Support staff costs	6,122	3,255
Depreciation	—	264
Technology costs	438	21
Premises costs	1,566	956
Other support costs	1,347	1,549
Governance costs	330	433
Total support costs	9,803	6,478

Notes to the financial statements Year to 31 August 2017

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2016 between restricted and unrestricted funds:

	Notes	Restricted funds			2016 Total funds £'000	2015 Total funds £'000
		Un- restricted general fund £'000	Restricted general fund £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	83	—	4,771	4,854	496
Transfer from Local Authority on conversion	1	494	(4,740)	17,590	13,344	3,071
Other trading income	2	1,436	—	—	1,436	1,074
Investments	3	1	—	—	1	7
Charitable activities						
Funding for the Trust's educational operations	4	—	21,021	—	21,021	10,687
Total income		2,014	16,281	22,361	40,656	15,335
Expenditure on:						
Raising funds	5	359	—	—	359	178
Charitable activities						
Trust's educational operations	6	1,562	21,401	1,319	24,282	12,310
Total expenditure	5	1,921	21,401	1,319	24,641	12,488
Net income (expenditure) before transfers		93	(5,120)	21,042	16,015	2,847
Transfers between funds	17	1	32	(33)	—	—
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension scheme	21	—	(4,393)	—	(4,393)	264
Net movement in funds		94	(9,481)	21,009	11,622	3,111
Reconciliation of funds						
Fund balances brought forward at 1 September 2015		200	(3,760)	18,780	15,220	12,109
Fund balances carried forward at 31 August 2016		294	(13,241)	39,789	26,842	15,220

Notes to the financial statements Year to 31 August 2017

8 Staff

(a) Staff costs

Staff costs during the period were:

	2017 Total funds £'000	2016 Total funds £'000
Wages and salaries	19,227	14,514
Social security costs	1,742	1,295
Pension costs	4,098	2,550
Apprenticeship levy	33	—
	25,100	18,359
Supply teacher costs	710	435
Staff restructuring costs	45	107
	25,855	18,901

	2017 £'000	2016 £'000
Staff restructuring costs comprise		
Severance payments	45	107
	45	107

(b) Staff severance payments

Included in compensation payments are three non-contractual severance payments totalling £45,275 (2016 – two non-contractual severance payments totalling £25,781). Individually the payments were £32,275, £10,000 and £3,000.

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2017 was as follows:

Charitable activities	2017 No	2016 No
Teachers	363	266
Administration and support	517	296
Management	45	16
	925	578

Notes to the financial statements Year to 31 August 2017

8 Staff (continued)

(d) Higher paid staff

The number of employees whose emoluments fell within the following on an annualised basis bands was:

	2017 No	2016 No
£60,001 - £70,000	12	11
£70,001 - £80,000	5	2
£80,001 - £90,000	1	1
£90,001 - £100,000	3	—
£100,001 - £110,000	1	2
£130,001 - £140,000	2	1

All of the above employees participated in the Teachers' Pension Scheme.

(e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the academy trust was £1,038,864 (2016 - £592,320).

9 Trustees' remuneration and expenses

One Trustee has been paid remuneration and has received other benefits from an employment with the academy trust (2016 – one trustee). The Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect to their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of trustees' remuneration and other benefits whilst in office was as follows:

	2017 £	2016 £
W Smith, Headteacher and trustee		
Remuneration	105,001 - 110,000	105,001 - 110,000
Employer's pension contributions	10,000 - 15,000	10,000 - 15,000

During the year ended 31 August 2017, £751 (2016 - £388) travel and subsistence expenses were reimbursed to two Trustees (2016 – Two).

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

Notes to the financial statements Year to 31 August 2017

9 Trustees' and Officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2017 was included within the overall insurance premium.

10 Central services

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

- ◆ School improvement, including literacy, language, maths and NQT/middle leader training
- ◆ Pupil monitoring and assessment
- ◆ Governance, including a clerking service and support in recruiting governors
- ◆ HR and payroll
- ◆ Budget planning and monitoring
- ◆ Catering

The Trust charges for these services at a percentage of income is between 3% and 5% and agreed with each school based on their need.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Greenshaw High School	250	253
Green Wrythe Primary School	52	45
Brakenhale School	175	60
Orchard Park High School	241	150
Victor Seymour Infant School	44	6
Tweeddale	61	—
Crown Wood	16	—
	839	514

Notes to the financial statements Year to 31 August 2017

11 Tangible fixed assets (group and trust)

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Assets under construction £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost/valuation							
At 1 September 2016	11,433	25,739	4,332	66	295	6	41,871
Transferred on conversion	—	8,041	—	67	—	—	8,108
Additions	—	—	1,494	48	59	—	1,601
At 31 August 2017	11,433	33,780	5,826	181	354	6	51,580
Depreciation							
At 1 September 2016	326	2,201	—	33	161	2	2,723
Charge in period	327	1,478	—	57	115	2	1,979
At 31 August 2017	653	3,679	—	90	276	4	4,702
Net book value							
At 31 August 2017	10,780	30,101	5,826	91	78	2	46,878
At 31 August 2016	11,107	23,538	4,332	33	134	4	39,148

Title to the school sites are registered in the name of the Trust but have not been included in these financial statements because the site is designated for educational purposes only and has no open market value.

12 Investments – Greenshaw Learning Services Limited

The share capital of Greenshaw Learning Services Limited, a company registered in England and Wales (company number 09176489), was issued to the company on 14 August 2014. The company was established for any traded service and is primarily used for the provision of staff consultancy, catering services and lettings to other local schools outside the Academy Trust.

	2017 £'000	2016 £'000
Turnover	498	370
Cost of sales	(475)	(355)
Gross profit	23	15
Administrative expenses	(5)	(4)
Retained profit before charitable donation under Gift Aid at 31 August 2017	18	11
Charitable donation under Gift Aid	(18)	(11)
Profit on ordinary activities after taxation	—	—
Retained profits brought forward at 1 September 2016	—	—
Retained profits carried forward at 31 August 2017	—	—
Called up share capital	1	1
Net assets at 31 August 2017	1	1

Notes to the financial statements Year to 31 August 2017

13 Debtors

	Group 2017 £'000	Trust 2017 £'000	Group 2016 £'000	Trust 2016 £'000
Trade debtors	201	101	18	18
VAT recoverable	310	317	357	357
Amount due from subsidiary	—	254	—	50
Other debtors	13	13	590	590
Prepayments and accrued income	622	622	325	305
	1,146	1,307	1,290	1,320

14 Creditors: amounts falling due within one year

	Group 2017 £'000	Trust 2017 £'000	Group 2016 £'000	Trust 2016 £'000
Trade creditors	514	513	23	23
Taxation and social security	511	511	427	427
Loans	16	16	43	43
Other creditors	503	503	352	352
Accruals and deferred income	921	918	1235	1231
	2,465	2,461	2,080	2,076

	Group 2017 £'000	Trust 2016 £'000
Deferred income at 1 September 2016	229	27
Resources deferred in the year – School trips 2017/18	194	229
Amounts released from previous years	(229)	(27)
Deferred income at 31 August 2017	194	229

15 Creditors: amounts falling due in greater than one year

	2017 £'000	2016 £'000
Group and Academy		
Loans	168	87

The loan of £130,000 from Bracknell Forrest Local Authority was transferred with Brakenhale School. The loan is repayable in monthly instalments over a 36 month period from September 2018. £58,000 of Salix loans were transferred into the Trust on the conversion of Tweeddale Primary School.

Notes to the financial statements Year to 31 August 2017

16 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general fund					
. General Annual Grant (GAG)	—	24,351	(24,263)	(88)	—
. Pupil premium	—	1,541	(1,541)	—	—
. Other ESFA grants	76	1,028	(948)	—	156
. Pension reserve	(13,317)	(2,620)	(625)	1,032	(15,530)
	<u>(13,241)</u>	<u>24,300</u>	<u>(27,377)</u>	<u>944</u>	<u>(15,374)</u>
Restricted fixed assets fund					
. Local Authority capital grants	4,945	1,100	—	52	6,097
. DfE/ESFA capital grants	515	1,383	(136)	(34)	1,728
. Capital expenditure from GAG	106	—	(28)	26	104
. Academy building and furniture and equipment transferred from Local Authority	34,223	8,108	(1,843)	(17)	40,471
	<u>39,789</u>	<u>10,591</u>	<u>(2,007)</u>	<u>27</u>	<u>48,400</u>
Other restricted funds					
. Local authority grants	—	1,845	(1,845)	—	—
. Other restricted funds	—	15	(15)	—	—
	<u>—</u>	<u>1,860</u>	<u>(1,860)</u>	<u>—</u>	<u>—</u>
Total restricted funds	<u>26,548</u>	<u>36,751</u>	<u>(31,244)</u>	<u>971</u>	<u>33,026</u>
Unrestricted funds					
. General funds	294	2,237	(2,087)	61	505
Total unrestricted funds	<u>294</u>	<u>2,237</u>	<u>(2,087)</u>	<u>61</u>	<u>505</u>
Total funds	<u>26,842</u>	<u>38,988</u>	<u>(33,331)</u>	<u>1,032</u>	<u>33,531</u>

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

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 2017.

ESFA revenue grant fund and other restricted funds

Other funds relate to monies received for specific purposes such as pupil premium funding.

Notes to the financial statements Year to 31 August 2017

16 Funds (continued)

Fixed asset fund

Restricted fixed assets funds were funded by government grants or donations. When capital expenditure is incurred a transfer is made from the fund which funded the acquisition to the restricted fixed asset fund. That asset is then depreciated through the restricted fixed asset fund over the lifetime of that asset.

Pension reserve

The pension reserve relates to the local government pension scheme liability.

Analysis of fund balance by academy

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £'000	Total 2016 £'000
Greenshaw High School	(2)	(116)
Green Wrythe Primary School	114	117
Brakenhale School	(87)	(176)
Orchard Park High School	77	299
Victor Seymour Infant School	230	198
Tweeddale Primary School	42	—
Crown Wood Primary School	127	—
Central services	159	48
Total before fixed assets and pension reserve	661	370
Restricted fixed assets fund	48,400	39,789
Pension liability	(15,530)	(13,317)
Total for academy trust and group	33,531	26,842

Greenshaw High School had a deficit as at 31 August 2017 of £2,000 (2016 – deficit of £110,000) and Brakenhale School £87,000 (2016 – deficit of £176,000). Both schools delivered an in year surplus and significantly reduced their brought forward deficits. Both are popular, growing schools and their funding agreement has been amended to estimated from lagged, Brakenhale for 2016/17 and 2017/18 and Greenshaw High School for 2017/18 and 2018/19. Both schools will return to surplus in 2017/18.

Notes to the financial statements Year to 31 August 2017

16 Funds (continued)

Analysis of cost by academy

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

	Teaching and educational support costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total £'000
Greenshaw High School	5,831	2,579	433	734	9,577
Green Wrythe Primary School	1,902	377	92	307	2,678
Brakenhale School	3,752	897	287	711	5,647
Orchard Park High School	4,646	1,104	488	1,169	7,407
Victor Seymour Infant School	1,174	237	82	222	1,715
Tweeddale Primary School	1,475	420	75	305	2,275
Crown Wood Primary School	420	67	28	74	589
Central services	533	441	73	289	1,336
Academy Trust	19,733	6,122	1,558	3,811	31,224

17 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2017 £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	—	—	46,878	46,878
Current assets	505	2,789	1,522	4,816
Current liabilities	—	(2,465)	—	(2,465)
Non-current liabilities	—	(168)	—	(168)
Pension scheme liability	—	(15,530)	—	(15,530)
Total net assets	505	(15,374)	48,400	33,531

Multi-Academy Trust	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2017 £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	—	—	46,878	46,878
Current assets	505	2,785	1,522	4,812
Current liabilities	—	(2,461)	—	(2,461)
Non-current liabilities	—	(168)	—	(168)
Pension scheme liability	—	(15,530)	—	(15,530)
Total net assets	505	(15,374)	48,400	33,531

18 Commitments under operating leases

Operating leases

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

	2017 £'000	2016 £'000
Amounts due within one year	87	132
Amounts due between two and five years inclusive	128	175
	215	307

19 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.

20 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 the London Borough of Sutton, London Borough of Croydon and Royal County of Berkshire pension funds. All are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no contributions payable to the schemes at 31 August 2017 (2016: none).

Teachers' Pension Scheme

Introduction

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

20 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Introduction (continued)

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,713,000 (2016: £1,328,000).

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

20 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £1,834,000 (2016 - £1,346,000), of which employer's contributions totalled £1,490,000 (2016 - £1,091,000) and employees' contributions totalled £344,000 (2016 - £255,000). The agreed contribution rates for future years are unknown pending valuation information.

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

Principal Actuarial Assumptions	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	4.0%	3.60%
Rate of increase for pensions in payment / inflation	2.7%	2.20%
Discount rate for scheme liabilities	2.6%	2.10%

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.8 years	22.5 years
Females	25.6 years	25.1 years
<i>Retiring in 20 years</i>		
Males	26.0 years	24.6 years
Females	27.8 years	27.4 years

Notes to the financial statements Year to 31 August 2017

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	At 31 August 2017 £'000	At 31 August 2016 £'000
Discount rate +0.1%	609	424
Discount rate -0.1%	(623)	(432)
Mortality assumption – 1 year increase	(820)	(470)
Mortality assumption – 1 year decrease	798	462
CPI rate +0.1%	(511)	(323)
CPI rate -0.1%	500	316

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

	Fair value at 31 August 2017 £'000	Fair value at 31 August 2016 £'000
Equities	5,316	3,693
Gilts	752	774
Corporate bonds	1,313	508
Property	776	424
Cash and other liquid assets	190	28
Other	120	126
Total market value of assets	8,467	5,553
Present value of scheme liabilities		
Funded	(23,997)	(18,870)
Deficit in the scheme	(15,530)	(13,317)

The actual return on scheme assets was £840,000 (2016: £626,000).

	2017 £'000	2016 £'000
Amounts recognised in statement of financial activities		
Current service cost	895	1,222
Net interest cost	314	257
Total operating charge	1,209	1,479
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	145	—
Interest on pension liabilities	(459)	—
Pension finance income/(costs)	(314)	—

Notes to the financial statements Year to 31 August 2017

20 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the present value of defined benefit obligations were as follows:	2017 £'000	2016 £'000
At 1 September 2016	18,870	6852
Conversion of academy trusts	3,204	5273
Current service cost	2,385	1,222
Interest cost	459	403
Employee contributions	344	255
Actuarial (gain)/loss	(1,107)	4,908
Benefits paid	(158)	(43)
At 31 August 2017	23,997	18,870

Changes in the fair value of the Academy's share of scheme assets:	2017 £	2016 £
At 1 September 2016	5,553	3,056
Upon conversion	584	533
Interest income	145	146
Expected return on scheme assets	584	—
Actuarial gain/(loss)	(75)	515
Employer contributions	1,490	1,091
Employee contributions	344	255
Benefits paid	(158)	(43)
At 31 August 2017	8,467	5,553

21 Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted in accordance with the Trust's financial regulations and normal procurement procedures.

The Trust also works closely with the PiXL Club (Partners in Excellence) providing support to many hundreds of schools nationally. The Executive Headteacher and CEO of the Trust is a Director of PiXL for which no salary is received. Greenshaw Learning Trust provides services to PiXL and invoiced £218,651 during the year (2016 - £107,613). There was £69,395 owed to the Trust at the year end (2016 - £14,834).

In addition, PiXL provides services to Greenshaw Learning Trust and invoiced £58,124 during the year (2016 - £19,000). At the year end, £7,728 was owed by the Trust to PiXL.

The transactions with PiXL took place at arms length and the Trust complied with the Academies Financial Handbook when entering into the transactions.

Notes to the financial statements Year to 31 August 2017

21 Related party transactions (continued)

Six of the seven schools within the Trust had a service level agreement with Cygnet for SIMS support and three of the seven for the provision of IT support. Roger Mills is a trustee and Director of Cygnet. All schools follow their own procurement process and had all chosen the Cygnet service before Roger joined the Board of Trustees in June 2016. During the year the amounts invoiced by Cygnet were £75,379 (2016 - £36,564). There were no outstanding balances at the year end.

During the year, Mike Cooper provided consultancy services relating to the conversion of Tweeddale Primary School. The Trust was invoiced £1,000 and there were no amounts outstanding at the year end. This transaction took place at arms length and the Trust complied with the Academies Financial Handbook when entering into the transaction.

22 Transfer from Local Authority on conversion

During the year ended 31 August 2017, two academies joined the MAT. At the date of conversion to Academy status under the Academies Act 2010, the operations and assets and liabilities were transferred to the group for £nil consideration. Both of the academies joining the group in the year ended 31 August 2017 included a transfer of assets when joining.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total 2016 £'000
Tangible fixed assets				
· Freehold land and buildings	—	—	—	—
· Leasehold land and buildings	—	—	8,041	8,041
· Other tangible fixed assets	—	—	67	67
Budget surplus/(deficit) on other school funds	154	—	—	154
LGPS pension surplus/(deficit)	—	(2,620)	—	(2,620)
Net assets/(liabilities)	154	(2,620)	8,108	5,642

Notes to the financial statements Year to 31 August 2017

22 Transfer from Local Authority on conversion (continued)

Tweeddale Primary School

On 1 September 2016 Tweeddale Primary School converted to academy status.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total 2016 £'000
Tangible fixed assets				
· Leasehold land and buildings	—	—	3,593	3,593
· Other tangible fixed assets	—	—	62	62
Budget surplus/(deficit) on other school funds	12	—	—	12
LGPS pension surplus/(deficit)	—	(1,646)	—	(1,646)
Net assets/(liabilities)	12	(1,646)	3,655	2,021

Crown Wood Primary School

On 1 June 2017 Crown Wood Primary School converted to academy status.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total 2016 £'000
Tangible fixed assets				
· Leasehold land and buildings	—	—	4,448	4,448
· Other tangible fixed assets	—	—	5	5
Budget surplus/(deficit) on other school funds	142	—	—	142
LGPS pension surplus/(deficit)	—	(974)	—	(974)
Net assets/(liabilities)	142	(974)	4,453	3,621

23 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £47,450 (2016 - £41,933) and disbursed £48,904 (2016 - £35,606) from the fund.