

Registration number: 08066324

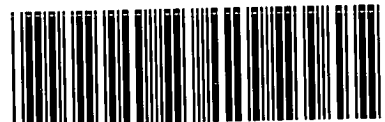
Greenwood Tree Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

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GREENWOOD TREE ACADEMY TRUST
CONTENTS

Reference and Administrative Details	1
Trustees' Report	2 to 12
Governance Statement	13 to 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report on the Financial Statements	20 to 22
Independent Reporting Accountant's Report on Regularity	23 to 24
Statement of Financial Activities incorporating Income and Expenditure Account	25 to 26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29 to 52

GREENWOOD TREE ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Chambers (resigned 18 September 2019) P Fleetwood S Hillman (appointed 5 March 2019) L Mignot
Trustees (Directors)	K Campbell P Chadwick P Churchill (appointed 1 May 2019) K Connolly S Cooper (resigned 15 July 2019) T Ennion M Miles M Sandercock
Company Secretary	A Bonham
Chief Executive Officer	P Chadwick
Senior Management Team	T Hill, Business Manager D Ayling, Head Teacher (St Mary's CE Middle School) J Browne, Head Teacher (Piddle Valley CE First School) S Hunt, Head Teacher (Milborne St Andrew First School) D Hunwick, Head Teacher (Puddletown CE First School) J Thorp, Head Teacher (Frome Valley CE First School)
Principal and Registered Office	Coombe Road Puddletown Dorset DT2 8SA
Company Registration Number	08066324
Auditors	Albert Goodman LLP Goodwood House Blackbrook Park Avenue Taunton TA1 2PX
Bankers	Lloyds Plc 1-2 High West Street Dorchester Dorset DT1 1UG
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

GREENWOOD TREE ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

On 1st April 2015 St Mary's C of E Middle School established a multi-academy trust (MAT) with Milborne St Andrew First School, Frome Valley C of E First School, Puddletown C of E First School and Piddle Valley C of E First School. Paul Chadwick is the accounting officer and executive headteacher.

The trust operates five academies in Dorset four primaries and one middle school across the Dorchester area. Its academies have a combined pupil capacity of 1026 and had a roll of 912 in the school census on January 2019.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 08066324.

The governors act as the trustees for the charitable activities of Greenwood Tree Academy Trust and are also the directors of the charitable company for the purposes of company law.

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

Members' liability

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

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees. The limit of this indemnity insurance is £10,000,000.

Method of recruitment and appointment or election of Trustees

The academy trust shall have the following trustees as set out in its Articles of Association and Funding Agreement.

- up to 10 trustees who are appointed by members
- up to 2 co-opted trustees who may not be an employee of the company

Trustees are appointed for a four year period. Subject to remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

When appointing new trustees, the board will give consideration to the skills and experience mix of existing trustees in order to ensure that the board has the necessary skills to contribute fully to the academy trust's development. An election for chair and vice chair of trustees will be held every year at the inaugural meeting in September. Trustees will be invited to either nominate others or submit a self-nomination.

GREENWOOD TREE ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)

Policies and procedures adopted for the induction and training of Trustees

The academy subscribes to Governor Services, who deliver high quality training in all areas of Governance. All trustees have access to the training and receive notice of relevant courses via the Clerk and the Local Authority Governor magazine and are encouraged to attend training to further their skills.

The training and induction provided for new trustees will depend upon their existing experience but would always include a tour of the academy trust and a chance to meet staff and pupils. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustee. Induction tends to be done informally and is tailored specifically to the individual.

The academy trust has a central clerk/company secretary that administers four of the academies as well as the Trust Board and its sub committees. This individual is also a point of call for all new Trustees and committee members.

Organisational structure

The board of trustees normally meets at least twice a term, during 2018/19 there were seven meetings. The board establishes an overall framework for the governance of the academy trust and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are three committees and their key responsibilities are as follows:

Performance and Standards Committee

- shall exercise the powers, responsibilities and duties delegated by the Trust Board and set within the Scheme of Delegation.
- guide and support the Trust Board in fulfilling its legal and regulatory responsibilities for the education of pupils in ways that are appropriate to the vision, ethos and values.
- guide and support the Trust Board in understanding and responding to government policy, best practice, research and innovation in the education of pupils.
- review and make recommendations to the Trust Board on issues relating to performance targets, development plans and reviews proposed by the local governing bodies (LGBs). The committee considers national, local and comparative standards and benchmarks for collective and individual pupil achievement.
- review, monitor and approve policies relating to the education of pupils implemented by LGBs.
- seek to identify, understand and share good practice between member academies.
- review and monitor policies and plans for the use of pupil premium funding. The Committee will seek to identify, understand and share good practice in respect of vulnerable groups between member academies.

Finance and Resources Committee

- shall exercise the powers, responsibilities and duties delegated by the Trust Board and as detailed within the Scheme of Delegation.
- prepare and recommend to the Trust Board the Trust and Academy Financial Regulations and Procedures to comply with relevant statute and regulation, the Trust's Scheme of Delegation and the decisions of the Trustees.

GREENWOOD TREE ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)

- review and recommend to the Trust Board and monitor the individual academy annual budgets that are proposed, by each LGB with a specific responsibility to ensure that budgets do not go into deficit.
- review and approve the Trust and Academy Interim Year-end financial reports prior to audit.
- review and recommend to the Trust Board the audited Annual Accounts and Financial Statements in accordance with relevant statute and regulation.
- review and approve the annual Accounts Return to the Education and Skills Funding Agency.
- prepare and approve policies relating to the Trust's financial governance, operation and employment of Trust staff.
- guide and support the Trust Board in fulfilling its legal and regulatory responsibilities for the employment of staff in ways that are appropriate to the Trust's vision, ethos and values.
- guide and support the Trust Board in developing a staff body with appropriate knowledge, skills and expertise to enable the Trust to fulfil its vision and achieve its strategic objectives.
- guide and support the Trust Board in monitoring and managing the working conditions, work/life balance and well-being of Trust employees including absence and sickness.
- review and recommend to the Trust Board the annual pay awards for central GTAT Teachers and Support staff, having considered the financial implications of the proposals and considering relevant local and national agreements, policies and procedures.
- review and recommend to the Trust Board proposals for the restructuring and redundancy of staff, considering the financial implications of the proposals and relevant legal and regulatory requirements.
- establish a sub-group of non-Executive Trustees and Committee members for the performance management and remuneration of the Executive Headteacher and Trust Business Manager.
- approve expenditure or contracts between the Upper Limit and the OJEU limit in force at the time and recommend to the Trust Board expenditure above the OJEU limit.
- approve disposals and write-offs of stock and assets between the Lower Limit and Upper limit and to recommend disposals, write-offs and assets between the Upper Limit and the limit set by the Education Funding Agency.

Audit Committee

- undertake such activities as deemed necessary to provide assurance to the Trust Board regarding the management and identification of risk, and the sound management and control of the Trust's finances and other resources.
- ensure that the Trust abides by all the requirements of the Academies Financial Handbook (AFH).
- identify the risk to internal financial controls across the Trust and agree a programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.
- ensure there is a continuous and sufficient review of the risks and agree a programme of work that will address the risks identified and determine the most appropriate method of doing so.
- drive the process for independent checking of financial controls, systems, transactions and contracts. It should ensure that arrangements for protecting the Trust's assets are in place.
- ensure that information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims completed by the Trust and Trust schools are accurate and in compliance with funding criteria.
- ensure that the Trust manages their programme of risk review and checking of financial controls in the way that is deemed most appropriate.

GREENWOOD TREE ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)

- advise the Trust Board on the minimum and optimum level of internal and external audit arrangements.
- ensure regular audits cover the following areas: legal, risk, financial (including statutory annual audits, VAT, PAYE), health and safety, investments and insurance, and to contribute to these reviews.
- Monitor internal audit reviews and to advise the Trust Board accordingly. To investigate on behalf of the Board any financial or administrative matter which may put the Trust at risk.
- examine reports on special investigations and to advise the Trust Board accordingly.
- consider the appropriateness of executive action following internal audit reviews and to advise senior leadership on any additional or alternative steps to be taken.
- ensure there is coordination between internal audit and external audit and any other review bodies that have been set up.
- recommend to the Trust Board the appointment or reappointment of the auditors.
- review the findings of the external auditors and agree any action plan arising from it.
- review and consider the auditor's management letter in order to ensure it is based on a good understanding of the Trust's business and to establish whether any recommendations have been acted upon.
- Monitor the Trust's risk management plan and risk register and advise the Trust Board on its adequacy and effectiveness.
- Monitor the Trust's whistleblowing procedures and advise the Trust Board on their effectiveness.

The Trustees at their meeting in September 2018 approved the terms of reference of all committees and in July 2019 reviewed the terms of reference in line with the Governance Handbook.

The trustees are responsible for setting general policy, adopting an annual plan and budget, approving statutory accounts, monitoring the use of the trust's budgets and other data, and making major decisions about the direction of the multi academy trust, capital expenditure and staff appointments.

The leadership team consists of the Executive Headteacher, Business Manager and five Headteachers of the five Greenwood Tree Academy Trust schools. The leadership team implements the policies laid down by the trustees and reports back to them. The Executive Headteacher, Business Manager, Headteachers, local governing bodies and academy Finance and Resources Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation and Financial Regulations.

Arrangements for setting pay and remuneration of key management personnel

Members, Trustees and school governors are not remunerated other than the Executive Headteacher and Headteachers. Pay and remuneration is set under the Trust's pay policies which are reviewed annually by the Trust Board. The Trust's teachers' pay policy closely follows Dorset Council policy which is consistent with the annually issued School Teachers' Pay and Conditions Document. The Trust's support staff pay policy closely follows Dorset Council policy. The Trust follows advice and guidance from Dorset Council's Human Resources Team regarding pay matters. The leadership pay range is set in accordance with individual school ranges as part of the Trust's pay policy.

Trade union facility time

Greenwood Tree Academy Trust does not have any union representatives.

GREENWOOD TREE ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)

Connected organisations, including related party relationships

There are no related parties which either control or significantly influence the decisions and operations of the Greenwood Tree Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the academy trust.

Each of the schools in the MAT is also part of the Dorchester Area Partnership of Schools, locally known as DASP. This partnership of nineteen schools was established in 1992 and operates cooperatively as a loose federation of schools. Its mission is simple: to provide the best education for all the students who are educated in the Dorchester area. DASP has clear objectives; all of the schools are committed to working together to provide a coherent education for the children. This involves the sharing of expertise and resources, using common systems of recording pupil progress and ensuring smooth transitions across the various phases.

St Mary's Mini-Pyramid

The five schools within the MAT are also part of the St Mary's pyramid of schools, of which there are seven in total, six first schools and one middle school. This pyramid has its own aims and objectives and its own raising attainment plans. These plans focus on the specific needs of children within this particular geographical area.

Objectives and activities

Objects and aims

The principal object and aim of the charitable company is the operation of The Greenwood Tree Academy to provide free education and care for pupils of all abilities between the ages of three and thirteen. The specific aims of the academy trust during the period ended 31 August 2019 are summarised below.

The aim is to create a family of sustainably good schools with clear purpose, direction and objectives. The development of high quality teaching and learning is at the forefront of our thinking and of our actions. Our vision is to develop schools where children enjoy and are engaged in a rich and relevant curriculum tailored to their individual needs and which empowers them to achieve their full potential. The Greenwood Tree Academy Trust is committed to creating and fostering a culture of high aspiration amongst all pupils, regardless of their social, economic or cultural background.

GREENWOOD TREE ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)

Objectives, strategies and activities

The Middle School within the academy trust was judged RI in its inspection in June 2017 in September 2019 the school was judged as Good.

Key priorities for the year are contained in our Academy Achievement Plan and also in the DASP Plan. Improvement focuses identified for this period include: Improvements in the overall achievement of pupils. All Trust schools are focussing on improving the quality of writing and a series of activities and training has been planned to support this. Working collaboratively with staff within the Trust we aim to improve the quality and consistency of teaching, develop the capability of leaders and ensure consistency of standards of behaviour.

The Performance and Standards Committee expect detailed scrutiny of the performance of all groups of pupils. There is a particular focus on those groups who are disadvantaged. The progress made by those pupils is expected to be the same as those who are not disadvantaged. This includes pupils with lower and higher prior attainment.

We continue to develop and improve the financial management of the Trust with the aim of improving pupil outcomes and standardising processes.

The academy trust also aims to provide a curriculum that is broad, rich, balanced and fit for purpose. It will continue to develop appropriate methods of monitoring teaching and learning to ensure that high levels of attainment and achievement are being maintained. It will also continue to develop staff knowledge and expertise through quality CPD. It will review and develop relevant policies and planning strategies for the teaching of the school's curriculum and ensure that all children achieve to the best of their ability and are monitored through regular assessments and tracking.

Public benefit

The academy trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

GREENWOOD TREE ACADEMY TRUST**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)**

Strategic Report**Achievements and performance**

All data un-validated.

EYFS Outcomes

% Expected in all 12 scales (Good Level of Development)	2019
GTAT	74%
Dorset	71%
National	72%

Writing	Expected	Exceeding
GTAT	77%	14%
Dorset	73%	13%
Reading	Expected	Exceeding
GTAT	82%	22%
Dorset	78%	22%
Maths	Expected	Exceeding
GTAT	87%	10%
Dorset	79%	14%

- Broadly in line with National and Dorset.

Year 1 outcomes – Phonics

% achieving Phonics thresholds	2019
GTAT	87%

Key Stage 1 Outcomes – 2019

% achieving ARE	Reading	Writing	Maths
GTAT	86%	76%	77%
Dorset	77%	68%	75%
National	76%	69%	76%

% achieving EXCEEDING ARE	Reading	Writing	Maths
GTAT	38%	14%	25%
Dorset	26%	16%	21%
National	25%	16%	22%

- Both expected and exceeding levels are generally above National and Dorset.

GREENWOOD TREE ACADEMY TRUST**TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)**

Key Stage 2 Outcomes – 2019

% achieving EXPECTED standard	Reading	Writing	GPS	Maths	R/W/M
GTAT	80%	77%	84%	81%	66%
Dorset	72%	76%	76%	76%	61%
National	75%	78%	77%	75%	64%

% EXCEEDING expected standard	Reading	Writing	GPS	Maths	R/W/M
GTAT	30%	26%	43%	17%	11%
Dorset	26%	21%	31%	20%	10%
National (2017)	28%	20%	34%	24%	9%

Attainment moved above national in all but writing and maths exceeding.

Key Stage 1 to 2 Progress

Value Added Progress	Reading	Writing	Maths
St Mary's Middle	0.1	-0.5	-1.5
Dorset (2018)	-0.6	-0.86	-1.1
National	0	0	0

- Progress from KS1 to 2 has shown further steady improvement this year.

OFSTED

St Mary's CE Middle School achieved a "Good" OFSTED judgement in September 2019. Therefore there are currently one school deemed "Outstanding" and four schools deemed "Good".

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In period under review, £218,875 of the GAG was carried forward representing 5.7% of the total GAG received during the year.

Going concern

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

GREENWOOD TREE ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)

Financial review

The academy trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use is restricted to particular purposes. The grants received from the DfE for the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the academy trust's accounting policies.

During the year ended 31 August 2019 the academy trust received revenue grants; from the DfE/ESFA of £4,233,065 (2018: £4,176,152) and further grant funding of £179,154 (2018: £197,576) from the local authority. The funding from the DfE/ESFA includes £3,847,021 (2018: £3,800,066) of General Annual Grant. There was total expenditure (including transfers) against restricted income of £4,407,208 leaving a carried forward of general restricted funds of £224,670 at the year end.

During the year, the academy received unrestricted income of £407,539, and incurred total expenditure (including transfers) of £406,989 leaving a £550 surplus for the year, this together with brought forward funds leaves carry forward unrestricted funds of £462,527 at the year end.

The academy trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities.

Reserves policy

The trustees review the level of reserves of the academy 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. As a result of this review the trustees have identified the requirement to hold an amount which is the equivalent to one month's operating cost, which currently amounts to circa £350,000.

The academy trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £462,527 (2018: £461,977 additionally within restricted funds the academy trust holds £224,670 (2018: £216,264) of reserves (including the General Annual Grant) that are considered freely available for general purposes.

Due to the future financial cost pressures for each of the schools in the trust, the academy trust intends to retain the freely available reserves to cover the expected in year deficits of the schools over the next 3 years.

Investment policy

The academy trust holds its reserves and accounts at Lloyds Bank and uses a deposit account to accrue interest, whilst incurring no current account charges. The Finance and Resources Committee will review the scope for investment into interest bearing accounts. Trustees are mindful of the levels of interest available, the likely call on any funds directed towards interest bearing accounts, and the level of investment to be made.

GREENWOOD TREE ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)

Principal risks and uncertainties

The principal risks and uncertainties facing the academy trust are as follows:

Financial – the academy trust has considerable reliance on continued Government funding through the ESFA. There is no assurance that the Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the academy trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational – the continuing success of the multi academy trust is dependent on maintaining the highest educational standards in each establishment and external validation from Ofsted. To mitigate this risk trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection – the trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing – the success of the academy trust is reliant on the quality of its staff and so the trustees monitor and review the policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds – the academy trust is in the process of appointing internal auditors to carry out checks on financial systems and records.

The academy trust has a risk management policy and a risk register to strengthen its risk management processes. During the year the Audit Committee reviewed and updated the risk register.

Fundraising

All Fundraising is currently undertaken locally by each schools' PTA which is registered as a separate charity for this purpose.

Plans for future periods

The academy trust will continue to strive to provide outstanding education and improve the performance of all groups of pupils at all levels. The academy trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. There is a detailed one year plan to deliver a focussed school improvement in trust wide initiatives.

There has been much success this year on raising attainment at the end of key stage two, which was one of the key drivers in forming the MAT. This has demonstrated that there is capacity to welcome further schools to enable the increase in challenge and expectation of all pupils.

The academy trust will continue to work with other partner schools and agencies to improve the educational opportunities for pupils in the wider community.

The three year strategic plan 2019-2022 will include plans for increasing in size by recruiting further schools within the area. The financial management of the Trust has continued to develop and provides a strong base on which to plan expansion. This may be either by accommodating another small MAT or individual school/academy.

GREENWOOD TREE ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)

Funds held as Custodian Trustee on behalf of others

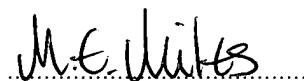
The academy trust and its trustees do not act as the Custodian Trustee of any other charity.

Auditor

Insofar 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 members of the Board of Trustees on 11/12/19 and signed on its behalf by:



M Miles
Trustee

GREENWOOD TREE ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to P Chadwick, 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 Greenwood Tree Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The Board has placed considerable emphasis on the accuracy of data received from schools in terms of both achievement and financial planning. The ESFA publication 'Understanding your data' was considered and was forwarded to each academy at the start of the academic year.

The main priority for financial data has been to clarify key information in order to plan a more robust three year budget for individual academies to manage any possible future shortfalls. This will be addressed throughout the forthcoming year.

The Board receives extensive local and national external data to verify outcomes at all levels of attainment and undertakes benchmarking activities.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
K Campbell	4	5
P Chadwick	7	7
P Churchill (appointed 1 May 2019)	2	2
K Connolly	6	7
S Cooper (resigned 15 July 2019)	3	7
T Ennion	6	7
M Miles	7	7
M Sandercock	6	7

GREENWOOD TREE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance review

The Board is currently seeking to appoint new members under the 'Foundation' category and will complete a skills audit at the beginning of the new academic year to inform this.

A review of the original Articles of Association in consultation with the Diocese took place and we await a revised Memorandum of Understanding.

The Board considered the cycle of meetings and continued with scheduling seven meetings for the year.

The Scheme of Delegation together with the Terms of Reference for each committee, have been re-considered and updated as required in order to meet the identified needs of the Trust. A comprehensive list of relevant policies has been approved which includes the person/s with responsibility for completion.

Following the outcomes of the internal audit, we have reviewed our financial regulations in relation to minor actions identified to further strengthen internal processes.

The committee structure comprises:

- Performance and Standards
- Finance and Resources
- Audit

The membership of each committee has been constituted to reflect a balance of skills and experience and the Chairs form a senior team of Trustees, together with the Executive Headteacher and Trust Business Manager to plan the strategic direction of the Trust.

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to The Audit Committee maintain an oversight of governance, risk management, internal control and value for money framework. There is no overlap between members of the Audit and Finance and Resources Committees. Attendance at the Greenwood Tree Academy Trust Audit Committee for the year to 31 August 2019 was as follows: Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
K Connolly	3	3
P Churchill	1	1
T Ennion	3	3

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to The Finance Committee is a sub-committee of the main board of trustees with delegated executive powers. Its purpose is to assist the decision making of the board of trustees, by enabling more detailed consideration of the academy's finances, resources, including proper planning, monitoring and probity and to make appropriate comments and recommendations on such matters to the board of trustees on a regular basis. The committee also fulfils the role of an audit committee to maintain an oversight of governance, risk management, internal control and value for money framework.

Attendance at the Greenwood Tree Academy Trust Finance Committee for year to 31 August 2019 was as follows:

GREENWOOD TREE ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)

Trustee	Meetings attended	Out of a possible
K Campbell	1	3
P Chadwick	6	6
S Cooper	4	6
M Miles	6	6
M Sandercock	4	6

Review of value for money

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

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

- Further developing trust policies to ensure consistency across all schools. This has supported the Headteachers to focus on teaching and learning within their school.
- Implementation of a new finance system to enable the provision of enhanced reporting, clear consolidation and efficiencies across the MAT. In addition, ensuring value for money and cost savings for the MAT.

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GREENWOOD TREE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint South West Audit Partnership as internal auditor for the trust.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- Purchasing and Payments
- Financial Control
- Budget Management and Anti-Fraud

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

There were no material controls or other issues reported by the internal auditor to date.

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

There were no material control or other issues reported by the Responsible Officer to date.

Review of effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

GREENWOOD TREE ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 11/12/19 and signed on its behalf by:

P. Chadwick

P Chadwick
Accounting officer
Chief Executive Officer

M. Miles

M Miles
Trustee

GREENWOOD TREE ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Greenwood Tree Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

P. Chadwick

P Chadwick
Accounting officer

Date: 11/12/19

GREENWOOD TREE ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

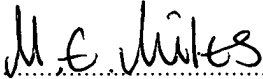
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 11/12/19 and signed on its behalf by:


M Miles
Trustee

GREENWOOD TREE ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GREENWOOD TREE ACADEMY TRUST

Opinion

We have audited the financial statements of Greenwood Tree Academy Trust (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that act. 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 Academy 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 Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

GREENWOOD TREE ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GREENWOOD TREE ACADEMY TRUST (CONTINUED)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 19], 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 Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

GREENWOOD TREE ACADEMY TRUST

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GREENWOOD TREE ACADEMY TRUST (CONTINUED)**

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.

Use of our report

This report is made solely to the Academy's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's trustees 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 Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Doggrell BSc (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date:

11/12/2019

GREENWOOD TREE ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO GREENWOOD TREE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Greenwood Tree Academy Trust during the year to 31 August 2019 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 Greenwood Tree Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Greenwood Tree Academy 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 Greenwood Tree Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

GREENWOOD TREE ACADEMY TRUST

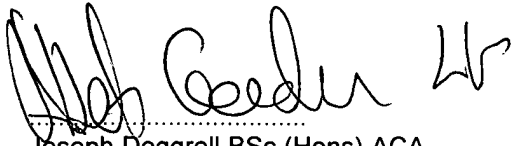
**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO GREENWOOD
TREE ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

- Reviewing compliance against the requirements of the Academies Financial Handbook (September 2018);
- A review of the governance policies and procedures with specific consideration of financial planning, monitoring and control;
- Gaining assurance that the lines of delegation and the limits set both internally by the academy and by ESFA have been adhered to;
- A review of all meeting minutes of the board trustees;
- An examination of financial transactions to identify any unusual items which may be improper; and
- A review of the declaration of interests completed by the trustees.

Conclusion

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



Joseph Doggrell BSc (Hons) ACA

For and on behalf of Albert Goodman LLP, Chartered Accountants

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date: 11/12/2019

GREENWOOD TREE ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2019

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	32,783	-	174,964	207,747
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	4,412,219	-	4,412,219
Other trading activities	4	374,206	3,395	-	377,601
Investments	5	550	-	-	550
Total		407,539	4,415,614	174,964	4,998,117
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	412,546	4,771,251	70,712	5,254,509
Net (expenditure)/income		(5,007)	(355,637)	104,252	(256,392)
Transfers between funds		-	12,043	(12,043)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	22	-	(294,000)	-	(294,000)
Net movement in (deficit)/funds		(5,007)	(637,594)	92,209	(550,392)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		504,787	(1,515,736)	2,059,030	1,048,081
Total funds/(deficit) carried forward at 31 August 2019		499,780	(2,153,330)	2,151,239	497,689

GREENWOOD TREE ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2018

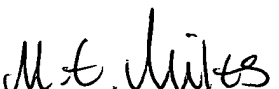
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	55,873	-	50,639	106,512
<i>Charitable activities:</i>					
Funding for the academy's trust's educational operations		-	4,373,728	-	4,373,728
Other trading activities	4	331,599	-	-	331,599
Investments	5	508	-	-	508
Total		387,980	4,373,728	50,639	4,812,347
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	278,428	4,773,918	64,524	5,116,870
Net income/(expenditure)		109,552	(400,190)	(13,885)	(304,523)
Transfers between funds		(51,010)	59,156	(8,146)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	22	-	427,000	-	427,000
Net movement in funds/(deficit)		58,542	85,966	(22,031)	122,477
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		446,245	(1,601,702)	2,081,061	925,604
Total funds/(deficit) carried forward at 31 August 2018		504,787	(1,515,736)	2,059,030	1,048,081

GREENWOOD TREE ACADEMY TRUST
(REGISTRATION NUMBER: 08066324)
BALANCE SHEET AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	2,125,331	2,098,974
Current assets			
Debtors	13	150,212	150,369
Cash at bank and in hand		969,885	831,126
		1,120,097	981,495
Creditors: Amounts falling due within one year	14	(369,739)	(300,388)
Net current assets		750,358	681,107
Total assets less current liabilities		2,875,689	2,780,081
Net assets excluding pension liability		2,875,689	2,780,081
Pension scheme liability	22	(2,378,000)	(1,732,000)
Net assets including pension liability		497,689	1,048,081
Funds of the Academy:			
Restricted funds			
Restricted general fund		(2,153,330)	(1,515,736)
Restricted fixed asset fund		2,151,239	2,059,030
		(2,091)	543,294
Unrestricted funds			
Unrestricted general fund		499,780	504,787
Total funds		497,689	1,048,081

The financial statements on pages 25 to 52 were approved by the Trustees, and authorised for issue on 11/12/19 and signed on their behalf by:


M Miles
Trustee

GREENWOOD TREE ACADEMY TRUST**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	18	65,872	23,500
Cash flows from investing activities	19	<u>72,887</u>	<u>3,334</u>
Change in cash and cash equivalents in the year		138,759	26,834
Cash and cash equivalents at 1 September		<u>831,126</u>	<u>804,292</u>
Cash and cash equivalents at 31 August	20	<u><u>969,885</u></u>	<u><u>831,126</u></u>

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

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

Income

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

Grants

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

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

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

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

(CONTINUED)

1 Accounting policies (continued)

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.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

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.

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

(CONTINUED)

1 Accounting policies (continued)

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Asset class	Depreciation method and rate
Long leasehold land	over 125 years
Long leasehold buildings	2%
Furniture & equipment	20%
Computer equipment and software	20%
Motor Vehicles	20%

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.

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

(CONTINUED)

1 Accounting policies (continued)

Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. 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. 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 trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

(CONTINUED)

1 Accounting policies (continued)

Pension benefits

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

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

GREENWOOD TREE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019****(CONTINUED)**

1 Accounting policies (continued)**Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31st August 2019. 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Capital grants DfE/ESFA	-	174,964	174,964	50,639
Other donations	32,783	-	32,783	55,873
	<u>32,783</u>	<u>174,964</u>	<u>207,747</u>	<u>106,512</u>

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

(CONTINUED)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	3,847,021	3,847,021	3,800,066
Other DfE/ESFA grants	<u>386,044</u>	<u>386,044</u>	<u>376,086</u>
	4,233,065	4,233,065	4,176,152
Other government grants			
Local authority grants	<u>179,154</u>	<u>179,154</u>	<u>197,576</u>
Total grants	<u><u>4,412,219</u></u>	<u><u>4,412,219</u></u>	<u><u>4,373,728</u></u>

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Facilities and services income	237,666	-	237,666	200,615
Other income	14,966	3,395	18,361	17,470
Educational Trips and Activities	<u>121,574</u>	<u>-</u>	<u>121,574</u>	<u>113,514</u>
	<u><u>374,206</u></u>	<u><u>3,395</u></u>	<u><u>377,601</u></u>	<u><u>331,599</u></u>

5 Investment income

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	<u><u>550</u></u>	<u><u>550</u></u>	<u><u>508</u></u>

GREENWOOD TREE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019****(CONTINUED)**

6 Expenditure

	Non Pay Expenditure			2019 Total £	2018 Total £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	3,507,825	-	442,109	3,949,934	3,891,003
Allocated support costs	<u>620,338</u>	<u>314,880</u>	<u>369,357</u>	<u>1,304,575</u>	<u>1,225,867</u>
	<u>4,128,163</u>	<u>314,880</u>	<u>811,466</u>	<u>5,254,509</u>	<u>5,116,870</u>
Net income/(expenditure) for the year includes:				2018/19 £	2017/18 £
Depreciation				76,269	70,081
Fees payable to auditor - audit				7,550	7,000
- other audit services				<u>1,605</u>	<u>1,750</u>

GREENWOOD TREE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019****(CONTINUED)****7 Charitable activities**

	2018/19	2017/18
	£	£
Direct costs - educational operations	3,949,934	3,891,003
Support costs - educational operations	1,304,575	1,225,867
	<u>5,254,509</u>	<u>5,116,870</u>
	2018/19	2017/18
	Total	Total
	£	£
Analysis of direct costs		
Teaching and educational support staff costs	3,507,825	3,518,391
Educational supplies	164,437	145,791
Staff development	25,064	23,408
Educational consultancy	30,798	22,740
Other direct costs	9,082	12,419
Technology costs	83,071	65,203
Trip costs	129,657	103,051
Total direct costs	<u>3,949,934</u>	<u>3,891,003</u>
	2018/19	2017/18
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	620,338	613,754
Depreciation	76,270	70,081
Rent, rates and utilities	105,107	89,566
Insurance	18,129	49,280
Catering	95,986	83,513
Maintenance of premises and equipment	119,231	74,728
Cleaning	14,272	13,246
Technology costs	105,104	77,913
Professional fees	20,720	37,798
Other support costs	116,300	100,886
Governance costs	13,118	15,102
Total support costs	<u>1,304,575</u>	<u>1,225,867</u>

GREENWOOD TREE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019****(CONTINUED)**

8 Staff**Staff costs**

	2018/19 £	2017/18 £
Staff costs during the year were:		
Wages and salaries	3,343,851	2,995,584
Social security costs	250,782	249,319
Operating costs of defined benefit pension schemes	497,398	831,594
	<u>4,092,031</u>	<u>4,076,497</u>
Supply staff costs	36,132	55,648
	<u>4,128,163</u>	<u>4,132,145</u>

Staff numbers

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

	2019 No	2018 No
Charitable Activities		
Teachers	67	57
Administration and support	90	105
Management	6	6
	<u>163</u>	<u>168</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £475,628 (2018: £455,244).

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

(CONTINUED)

9 Central services

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

- Executive headteacher
- Trust business manager
- Professional and legal services
- Financial services

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

- Percentage of GAG funding received

The actual amounts charged during the year were as follows:

	2019/18	2018/17
	£	£
Frome Valley CE First School	15,239	14,958
Milborne St Andrew First School	8,778	10,247
Piddle Valley CE First School	10,532	12,240
Puddletown CE First School	15,239	16,075
St Mary's CE Middle School	76,278	74,494
	<u>126,066</u>	<u>128,014</u>

10 Related party transactions - trustees' remuneration and expenses

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

P Chadwick (Staff Trustee):

Remuneration: £45,000 - £50,000 (2018 - £40,000 - £45,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £Nil (2018 - £Nil) were reimbursed or paid directly to 0 trustees (2018 - 0).

Other related party transactions involving the trustees are set out in note 23.

GREENWOOD TREE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019****(CONTINUED)****11 Trustees' and officers' insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicle £	Property improvements £	Total £
Cost						
At 1 September 2018	1,660,000	264,655	255,392	9,000	373,660	2,562,707
Additions	-	38,219	61,568	-	2,840	102,627
At 31 August 2019	<u>1,660,000</u>	<u>302,874</u>	<u>316,960</u>	<u>9,000</u>	<u>376,500</u>	<u>2,665,334</u>
Depreciation						
At 1 September 2018	51,873	218,403	179,848	9,000	4,609	463,733
Charge for the year	<u>13,280</u>	<u>19,838</u>	<u>35,909</u>	<u>-</u>	<u>7,243</u>	<u>76,270</u>
At 31 August 2019	<u>65,153</u>	<u>238,241</u>	<u>215,757</u>	<u>9,000</u>	<u>11,852</u>	<u>540,003</u>
Net book value						
At 31 August 2019	<u>1,594,847</u>	<u>64,633</u>	<u>101,203</u>	<u>-</u>	<u>364,648</u>	<u>2,125,331</u>
At 31 August 2018	<u>1,608,127</u>	<u>46,252</u>	<u>75,544</u>	<u>-</u>	<u>369,051</u>	<u>2,098,974</u>

The academy trust occupies land and buildings provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the academy trust occupies the land and buildings as may be, or may come to be, erected on it by a mere licence that transfers the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the trustees of the academy trust have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy trust.

GREENWOOD TREE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019****(CONTINUED)****13 Debtors**

	2019	2018
	£	£
Trade debtors	13,363	10,022
VAT recoverable	54,504	18,110
Prepayments and accrued income	82,345	122,237
	<u>150,212</u>	<u>150,369</u>

14 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	(80)	48,587
Other taxation and social security	56,410	61,871
Other creditors	59,939	61,005
Accruals and deferred income	253,470	128,925
	<u>369,739</u>	<u>300,388</u>

	2019	2018
	£	£
Deferred income		
Deferred income at 1 September 2018	84,453	100,284
Resources deferred in the period	71,490	84,453
Amounts released from previous periods	<u>(84,453)</u>	<u>(100,284)</u>
Deferred income at 31 August 2019	<u>71,490</u>	<u>84,453</u>

At the balance sheet date the academy trust was holding funds received in advance related to UIFSM, early years, various other grants and school trips.

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

(CONTINUED)

15 Funds

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
Other Local Authority Grant	-	206,321	(206,321)	-	-
General Annual Grant (GAG)	202,758	3,847,021	(3,845,447)	14,543	218,875
Other DfE/ESFA grants	13,506	362,272	(367,483)	(2,500)	5,795
Pension reserve	(1,732,000)	-	(352,000)	(294,000)	(2,378,000)
	<u>(1,515,736)</u>	<u>4,415,614</u>	<u>(4,771,251)</u>	<u>(281,957)</u>	<u>(2,153,330)</u>
Restricted fixed asset funds					
Inherited fixed assets	1,633,403	-	(32,694)	-	1,600,709
DfE/ESFA capital grants	278,301	-	(6,782)	-	271,519
Capital expenditure from GAG	89,907	-	(20,224)	8,804	78,487
Capital expenditure from other restricted funds	<u>57,419</u>	<u>174,964</u>	<u>(11,012)</u>	<u>(20,847)</u>	<u>200,524</u>
	<u>2,059,030</u>	<u>174,964</u>	<u>(70,712)</u>	<u>(12,043)</u>	<u>2,151,239</u>
Total restricted funds	<u>543,294</u>	<u>4,590,578</u>	<u>(4,841,963)</u>	<u>(294,000)</u>	<u>(2,091)</u>
Unrestricted funds					
General	461,977	407,539	(406,989)	-	462,527
Capital expenditure	<u>42,810</u>	<u>-</u>	<u>(5,557)</u>	<u>-</u>	<u>37,253</u>
Total unrestricted funds	<u>504,787</u>	<u>407,539</u>	<u>(412,546)</u>	<u>-</u>	<u>499,780</u>
Total funds	<u>1,048,081</u>	<u>4,998,117</u>	<u>(5,254,509)</u>	<u>(294,000)</u>	<u>497,689</u>

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

(CONTINUED)

15 Funds (continued)

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

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
Other Local Authority Grant	-	197,576	(197,576)	-	-
General Annual Grant (GAG)	212,087	3,800,066	(3,865,551)	56,156	202,758
Other DfE/ESFA grants	11,211	376,086	(376,791)	3,000	13,506
Pension reserve	(1,825,000)	-	(334,000)	427,000	(1,732,000)
	<u>(1,601,702)</u>	<u>4,373,728</u>	<u>(4,773,918)</u>	<u>486,156</u>	<u>(1,515,736)</u>
Restricted fixed asset funds					
Inherited fixed assets	1,666,374	-	(32,971)	-	1,633,403
DfE/ESFA capital grants	261,493	37,772	(5,584)	(15,380)	278,301
Capital expenditure from GAG	101,384	-	(16,973)	5,496	89,907
Capital expenditure from other restricted funds	<u>51,810</u>	<u>12,867</u>	<u>(8,996)</u>	<u>1,738</u>	<u>57,419</u>
	<u>2,081,061</u>	<u>50,639</u>	<u>(64,524)</u>	<u>(8,146)</u>	<u>2,059,030</u>
Total restricted funds	<u>479,359</u>	<u>4,424,367</u>	<u>(4,838,442)</u>	<u>478,010</u>	<u>543,294</u>
Unrestricted funds					
General	397,878	387,980	(272,871)	(51,010)	461,977
Capital expenditure	<u>48,367</u>	<u>-</u>	<u>(5,557)</u>	<u>-</u>	<u>42,810</u>
Total unrestricted funds	<u>446,245</u>	<u>387,980</u>	<u>(278,428)</u>	<u>(51,010)</u>	<u>504,787</u>
Total funds	<u>925,604</u>	<u>4,812,347</u>	<u>(5,116,870)</u>	<u>427,000</u>	<u>1,048,081</u>

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

(CONTINUED)

15 Funds (continued)

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

General Annual Grant (GAG) - Funding from the Education and Skills Funding Agency to support the education and running costs of the academy. 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 31st August 2019.

Other DfE/ESFA grants - Grants from the Education and Skills funding Agency to support PE activities and pupils from low income families and provide universal infant free school materials.

Other local authority grants - Funding from Dorset County Council towards the cost of employing a parent/family support advisor, crossing patrol and support towards the soft playroom refurbishment.

General restricted - Funding from other organisations specific projects undertaken by the Academy Trust.

Pension reserve - This fund represents the pension deficit for the Local Government Pension Scheme and its associated costs for the period.

Inherited fixed assets - This fund is to recognise the value of the donated fixed assets at the conversion of the school to an Academy. The expenditure is the depreciation on those assets.

DfE/ESFA capital grants - This is funding from the DfE/ESFA to support capital projects undertaken by the academy.

Capital expenditure from GAG - This represents the amount of the General Annual Grant allocated towards capital expenditure during the period and its associated depreciation.

Capital expenditure from other restricted funds - This represents the amount of Devolved Formula Capital Grant and other DfE/ESFA grants allocated towards capital and its associated depreciation.

General unrestricted - This represents funds which may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the trustees.

Capital expenditure from unrestricted funds - This represents the amount of unrestricted funds allocated towards capital and its associated depreciation.

GREENWOOD TREE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019****(CONTINUED)**

15 Funds (continued)**Analysis of academies by fund balance**

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£	£
Frome Valley CE First School	127,483	138,968
Milborne St Andrew First School	31,712	27,503
Piddle Valley CE First School	100,721	56,098
St Mary's CE Middle School	127,892	106,046
Puddletown CE First School	172,590	204,667
Central services	<u>126,799</u>	<u>144,959</u>
Total before fixed assets and pension reserve	687,197	678,241
Restricted fixed asset funds	2,151,239	2,059,030
Unrestricted fixed asset fund	37,253	42,810
Pension scheme liability	<u>(2,378,000)</u>	<u>(1,732,000)</u>
Total	<u><u>497,689</u></u>	<u><u>1,048,081</u></u>

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019 (CONTINUED)

15 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2019 £	Total 2018 £
Frome Valley CE First School	499,141	67,765	38,215	129,613	734,734	684,855
Milborne St Andrew First School	263,637	54,552	8,712	96,924	423,825	439,864
Piddle Valley CE First School	329,727	56,237	21,719	123,770	531,453	569,233
Puddletown CE First School	421,583	100,361	37,326	152,345	711,615	657,279
St Mary's CE Middle School	1,586,537	213,978	56,065	352,153	2,208,733	2,289,703
Central services	55,200	127,445	2,400	30,834	215,879	214,530
Academy Trust	<u>3,155,825</u>	<u>620,338</u>	<u>164,437</u>	<u>885,639</u>	<u>4,826,239</u>	<u>4,855,464</u>

GREENWOOD TREE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019****(CONTINUED)****16 Analysis of net assets between funds**

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	37,253	-	2,088,078	2,125,331
Current assets	462,527	594,409	63,161	1,120,097
Current liabilities	-	(369,739)	-	(369,739)
Pension scheme liability	-	(2,378,000)	-	(2,378,000)
Total net assets	499,780	(2,153,330)	2,151,239	497,689

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	42,810	-	2,056,164	2,098,974
Current assets	461,977	516,652	2,866	981,495
Current liabilities	-	(300,388)	-	(300,388)
Pension scheme liability	-	(1,732,000)	-	(1,732,000)
Total net assets	504,787	(1,515,736)	2,059,030	1,048,081

17 Commitments under operating leases***Operating leases***

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	9,894	15,533
Amounts due between one and five years	642	10,094
	10,536	25,627

GREENWOOD TREE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019****(CONTINUED)****18 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities**

	2019	2018
	£	£
Net expenditure	(256,392)	(304,523)
Depreciation	76,270	70,081
Capital grants from DfE and other capital income	(174,964)	(50,639)
Interest receivable	(550)	(508)
Defined benefit pension scheme finance cost	352,000	334,000
Decrease in debtors	157	7,179
Increase/(decrease) in creditors	69,351	(32,090)
Net cash provided by Operating Activities	<u>65,872</u>	<u>23,500</u>

19 Cash flows from investing activities

	2019	2018
	£	£
Dividends, interest and rents from investments	550	508
Purchase of tangible fixed assets	(102,627)	(47,813)
Capital funding received from sponsors and others	174,964	50,639
Net cash provided by investing activities	<u>72,887</u>	<u>3,334</u>

20 Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	969,885	831,126
Total cash and cash equivalents	<u>969,885</u>	<u>831,126</u>

21 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.

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

(CONTINUED)

22 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 Dorset County Council. Both 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 outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the TPS based on April 2016 data determined an employer contribution rate of 23.6% which will be payable from 1 September 2019.

GREENWOOD TREE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

(CONTINUED)

22 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £304,000 (2018: £308,000).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £260,000 (2018 - £251,000), of which employer's contributions totalled £200,000 (2018 - £193,000) and employees' contributions totalled £60,000 (2018 - £58,000). The agreed contribution rates for future years are 18.8% per cent for employers and 6.5% per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.90	2.70
Inflation assumptions (CPI)	<u>2.20</u>	<u>2.30</u>

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

	2019	2018
Retiring today		
Males retiring today	22.90	24.00
Females retiring today	24.80	26.10
Retiring in 20 years		
Males retiring in 20 years	24.60	26.30
Females retiring in 20 years	<u>26.60</u>	<u>28.50</u>

GREENWOOD TREE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019****(CONTINUED)****22 Pension and similar obligations (continued)****Sensitivity analysis**

	2019	2018
	£	£
Discount rate +0.1%	4,381,000	3,345,000
Discount rate -0.1%	4,593,000	3,505,000
Mortality assumption – 1 year increase	4,641,000	3,535,000
Mortality assumption – 1 year decrease	<u>4,336,000</u>	<u>3,316,000</u>

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

	2019	2018
	£	£
Equities	1,076,000	924,000
Gilts	276,000	212,000
Corporate bonds	150,000	117,000
Property	220,000	172,000
Cash and other liquid assets	55,000	16,000
Investment funds	123,000	101,000
Other	<u>208,000</u>	<u>150,000</u>
Total market value of assets	<u>2,108,000</u>	<u>1,692,000</u>

The actual return on scheme assets was £155,000 (2018 - £34,000).

Amounts recognised in the statement of financial activities

	2019	2018
	£	£
Current service cost	(459,000)	(441,000)
Interest cost	<u>(44,000)</u>	<u>(45,000)</u>
Total amount recognized in the SOFA	<u>(503,000)</u>	<u>(486,000)</u>

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

	2019	2018
	£	£
At start of period	3,424,000	3,253,000
Current service cost	404,000	441,000
Interest cost	92,000	85,000
Employee contributions	60,000	58,000
Actuarial (gain)/loss	449,000	(393,000)
Benefits paid	2,000	(20,000)
Past service cost	<u>55,000</u>	<u>-</u>
At 31 August	<u>4,486,000</u>	<u>3,424,000</u>

GREENWOOD TREE ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019****(CONTINUED)**

22 Pension and similar obligations (continued)**Changes in the fair value of academy's share of scheme assets:**

	2019	2018
	£	£
At start of period	1,692,000	1,428,000
Interest income	48,000	40,000
Actuarial gain/(loss)	106,000	(7,000)
Employer contributions	200,000	193,000
Employee contributions	60,000	58,000
Benefits paid	2,000	(20,000)
At 31 August	<u>2,108,000</u>	<u>1,692,000</u>

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.