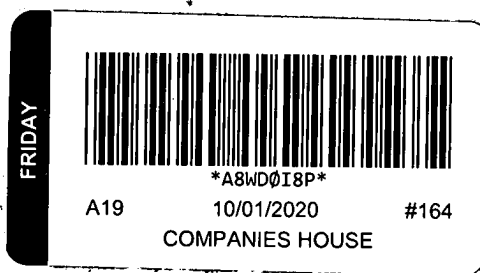


Company Registration Number: 09068218 (England & Wales)

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 13
Governance Statement	14 - 23
Statement on Regularity, Propriety and Compliance	24
Statement of Trustees' Responsibilities	25
Independent Auditors' Report on the Financial Statements	26 - 28
Independent Reporting Accountant's Report on Regularity	29 - 30
Statement of Financial Activities Incorporating Income and Expenditure Account	31 - 32
Balance Sheet	33
Statement of Cash Flows	34
Notes to the Financial Statements	35 - 63

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	G Blakesley S Cooper (resigned 11 June 2019) R Foster J Naylor (appointed 11 June 2019)
Trustees	G Blakesley, Chair S Cooper (resigned 24 September 2019) R Foster, Vice Chair M Heathcote, Vice Chair M Barnes (appointed 1 April 2019) M Barney (appointed 1 June 2019) S Fernon (appointed 1 April 2019) R Green, Headteacher F Hooper N Pitt (appointed 1 April 2019) G Pritchard (appointed 1 June 2019) A Reynolds, Vice Chair J Douglas (resigned 3 March 2019)
Company registered number	09068218
Company name	Grove Wood Academy Trust
Principal and registered office	Grove Road Rayleigh Essex SS6 8UA
Senior management team	R Green, Headteacher B Cubberley, Deputy Headteacher M Chase, Deputy Headteacher S Tuck, Director of Finance and Admin J Power, Assistant Headteacher
Independent auditors	MHA MacIntyre Hudson Chartered Accountants Boundary House 4 County Place Chelmsford Essex CM2 0RE
Bankers	Lloyds Bank 78 High Street Rayleigh Essex SS6 7EB

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Solicitors

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

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

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.

Grove Wood Academy Trust operates an academy for pupils aged 4 to 11 years serving a catchment area in Rayleigh. It has a pupil capacity of 630 and had a roll of 630 in the school census on 16th May 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Grove Wood Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Grove Wood Academy Trust. The Academy is also known as Grove Wood Primary School.

Details of the Trustees who served during the year 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

No qualifying third party indemnity provisions or qualifying pension scheme indemnity provisions exist.

Method of Recruitment and Appointment or Election of Trustees

The Members may appoint Trustees through such process as they may determine. The Trust operates a majority / minority model of governance; the majority of Trustees are directly appointed, based upon a broad range of skills, life experience and knowledge. A minority of Trustees are elected, primarily from the parent body. There shall be a minimum of 2 Parent Trustees – these shall be either elected or appointed as determined by the Trustees. The Trustees may appoint co-opted Trustees provided they have not themselves been so appointed.

Policies and Procedures Adopted for the Induction and Training of Trustees

Induction and training of Trustees may be in house and / or at specific external training events. All new Trustees are enrolled on induction training organised and delivered by appropriate training services providers. Supplementary training is targeted at the role(s) and responsibilities of each individual Trustee as appropriate.

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

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

Organisational Structure

The Board comprises 8 appointed Trustees and 4 elected Trustees at 31 August 2019.

The Board is headed by a Chair and currently has three Vice Chair positions.

Two standing committees cover the main business areas of the Trust – Assets (Finance, HR & Premises) and Standards (Curriculum and any other matter with a school wide focus).

Decisions affecting the vision, aims and ethos of the school – along with character, 'brand' and development - are reserved for Members of the Grove Wood Academy Trust. Those on the Governing Board, which sits below the Academy Trust Members Board, have overall responsibility for holding the school to account for progress and attainment. All other decisions are delegated appropriately and responsibly

The Headteacher is an ex-officio member of the Governing Board and along with the remainder of the Senior Leadership Team, advises the Board on daily and longer-term operational matters at each Board meeting (held roughly 6 weeks apart throughout the academic year). They also contribute to discussion and decision making on long term / strategic matters.

Decision making is done through face to face discussion at Board meetings with decisions being ratified following proposal of a course of action and, where necessary, subsequent resolution and show of hands.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel are the Trustees and members of the Senior Leadership Team. Trustees are not remunerated in their role of Trustee. The Board will set the pay range of the executive key management personnel according to the published recommended pay ranges for the size of the school. Any amendments to this will be agreed at Assets Committee level and authorised / ratified at Board level.

The Board is responsible for the Headteacher's Annual Performance Review and will use this to inform any subsequent pay increment (within the agreed pay range). In the same way the Headteacher is responsible for the Annual Performance Reviews of the remaining members of the Senior Management Team and will use those reviews to inform any subsequent pay increment (within the agreed pay range).

Trade Union facility time

No employees were relevant union officials during the year.

Related Parties and other Connected Charities and Organisations

Grove Wood Primary School is the founder member of Grove Wood Academy Trust of which currently there are no other members. As a school we work closely with a number of other local schools and we are active members of two teaching School Alliances, SETSA (South Essex Teaching School Alliance) and SETI (South Essex Teaching Institute). Through these partnerships we are able to access professional development and training opportunities as well as school to school support and initial teaching trainees.

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

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

OBJECTIVES AND ACTIVITIES

The Academy Trust exists to provide its students with an education, through an enjoyable, broad and balanced curriculum, which helps them reach their full potential.

The Academy Trust also seeks to involve students and the local community in a wide range of extra-curricular activities; both sporting and non-sporting.

The Academy Trust seeks to be at the heart of the Community and seeks to engage with that Community including stakeholders, neighbours, local businesses and other educational establishments and agencies.

Objects and Aims

The Academy Trust's objects are to establish, maintain, carry on, manage and develop an outstanding school offering pupils the very best opportunities through the provision of a rich, broad and balanced curriculum.

The Academy Trust also aims to promote, for the benefit of the inhabitants of the area in which the Academy is situated, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Public Benefit

The Academy Trust seeks to give its students the best education possible.

The Mission Statement is as follows:

At Grove Wood Academy Trust we are dedicated to achieving and celebrating success for all. We believe that a happy child is a successful one, so we work together to present a curriculum that is exciting, challenging and enjoyable. We are committed to ensuring that every child feels valued and to providing high quality learning opportunities to enable every child to succeed. By working in close partnership with parents and the community we endeavour to ensure that all of our pupils make an excellent start to their education.

The Academy Trust also serves the local Community by providing resources and facilities for various activities for people of all ages. These include regular sessions in Tai Chi, Aerobics, British Sign Language, Buddhist Meditation, Rainbows and Brownies as well as others. The school is also used for charitable events and offers facilities for local meetings such as the Police Commissioner, Friends of Cherry Orchard Park and the local Children's Centre.

The Trustees have complied with their duty under section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the Trustees have paid due regard to this guidance in deciding what activities the charitable company should undertake.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, Strategies and Activities

The whole school objectives are articulated in the School Development Plan and aim to provide the focus for the key areas of whole school improvement with a focus on outcomes, provision and safeguarding.

The priorities for 2018/19 were:

2018-19 SDP Strategic Targets
<ul style="list-style-type: none">• To continue raising the rates of progress and the standards in reading, writing and maths for all pupils, including those who are disadvantaged• To provide High Quality Teaching across the whole curriculum ensuring that pupils are presented with a curriculum that is vibrant, enlivening and memorable and that homework is used effectively• To develop approaches to reading and spelling• To ensure that Year 4 are prepared for the National Maths check• To provide a wide range of opportunities for all staff to develop their professional practice.• To provide opportunities to work with and support the local community• To support the development of leadership at all levels - including governance / subject leadership• To embed support for SEND Pupils• To continue developing school to school structures with a view to expanding the current MAT

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

Impact

Over the course of the year, the school addressed the areas identified in the School Development Plan very effectively. Each of the strategic targets was broken down into short term targets, actions were put into place and progress against them monitored by members of the Senior Leadership Team and Governing Board. The School was graded 'Outstanding' by Ofsted in June 2017. A summary of the Ofsted findings is shown below.

School report



Grove Wood Primary School

Grove Road, Rayleigh, Essex SS6 8UA

Inspection dates

6-7 June 2017

Overall effectiveness	Outstanding
Effectiveness of leadership and management	Outstanding
Quality of teaching, learning and assessment	Outstanding
Personal development, behaviour and welfare	Outstanding
Outcomes for pupils	Outstanding
Early years provision	Outstanding
Overall effectiveness at previous inspection	Not previously inspected

Summary of key findings for parents and pupils

This is an outstanding school

- All leaders, including governors, are effective in their roles. They provide clear strategic direction and, as a result, Grove Wood provides an outstanding education for all children and pupils.
- The headteacher's inspiring and supportive leadership significantly contributes towards raising standards across the school.
- The governing body is highly skilled and knowledgeable. Governors challenge and support leadership effectively.
- The excellent care and support for pupils who have special educational needs and/or disabilities enables them to make good, and better, progress from their different starting points.
- Leaders have developed an exciting and innovative curriculum which enables pupils to flourish and thrive. They are taught valuable life skills, preparing them well for secondary education.
- Well-planned provision for disadvantaged pupils ensures that they are making good progress and achieve broadly in line with other pupils nationally.
- Effective challenge in lessons ensures that the most able pupils make strong progress.
- Systems to track and assess pupils' progress are accurate and ensure that teachers plan activities to meet pupils' individual needs.
- The pupils' spiritual, moral, social and cultural development is at the heart of the school's provision. Pupils live the school's values of strive, positivity, achieve, respect and kindness.
- Leaders and governors ensure that safeguarding arrangements are effective. Staff ensure that pupils' safety and well-being are a priority.
- Relationships between teachers and pupils are strong. Pupils' behaviour and attitudes to learning are exemplary.
- The school's ethos is intrinsic to its everyday work. Parents are overwhelmingly positive and supportive of the school's aims and objectives.
- The early years provision is outstanding. Children develop skills to become confident, enthusiastic learners at an early age. They are prepared exceptionally well for primary school.
- Although improving, attendance for key groups is below average.

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

STRATEGIC REPORT

Achievements and performance

Key Performance Indicators 2018-19

EYFS	76.7% GLD	
Year 1	83.3% Phonics Pass	
	Expected (EXS)	Greater Depth (GDS)
Year 2 Reading	79.8%	31.5%
Year 2 Writing	69.7%	25.8%
Year 2 Maths	71.9%	34.8%
Year 2 RWM Combined	65.2	20.2%
	Expected (EXS)	Greater Depth (GDS)
Year 6 Reading	74.7%	28.6%
Year 6 Writing	90.1%	38.5%
Year 6 Maths	87.9%	34.1%
Year 6 RWM Combined	68.1%	20.9%

EXS – Expected Score

GDS – Greater Depth Score (more able pupils)

In Key Stage 1 (KS1) reading, writing and maths results show that the School (65.2%) is working above National outcomes (65%).

In Key Stage 2 (KS2) reading, writing and maths results show that the School (68.1%) is working above Essex (65.9%) and National (64.8%) outcomes at expected level. At Greater Depth level the School (20.9%) is working above Essex (11.4%) and National (10.5%) outcomes.

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

Pupil attendance is better than the national average and the school has been oversubscribed in recent years. The school carefully plans and manages its finances having due regard to the School Development Plan and the material requirements of the school.

The school created a new Art room to encourage interest and participation in the subject.

The school also continued the programme to replace old lights with new LED lighting to save energy. A new access control system was introduced to improve safeguarding and provide more security to school buildings.

The school has done all things possible to maximise its income through lettings and fundraising. In addition to this the school regularly reviews all its contracts in order to achieve best value.

Going Concern

After making appropriate enquiries the Governing Board 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.

FINANCIAL REVIEW

During the year income amounted to £2.9m (2018: £2.7m).

The principal funding source is the General Annual Grant (GAG) received from government which amounted to £2.1m (2018: £2m). Unrestricted income of £340k (2018: £245k) represents the school's non-statutory income generation which is derived from activities including catering and music tuition.

Overall expenditure during the year amounts to £3.1m showing a very slight increase compared to the 2018 figure of £3m. Management continues to pay close attention to staff costs which represent the school's largest expense. Actuarial losses on the Local Government Pension Scheme (LGPS) of £270k (2018: gains of £325k) were primarily caused due to changes in actuarial assumptions, most notably in terms of the discount rate. The net movement in funds before actuarial losses was a £165k (2018: £263k) deficit which after taking into account the deficit on the pension scheme amounted to £435k (2018: £62k surplus).

The School has financed the creation of an Art Room, continued the LED light replacement programme, introduced a new access control system and made improvements to the external metal fencing resulting in an increase in fixed assets, before depreciation, of £78k. Within Unrestricted funds, a designated fund has been created to fund future capital expenditure for a new heating system, further toilet refurbishments and the continuation of the LED lighting programme.

The school contributes to two employee pension schemes, one for teachers and the other, the Local Government Pension Scheme (LGPS). The LGPS obligation will remain as a long-term commitment for the school although the situation would undoubtedly improve given a better economic investment climate. The notes to these financial statements contain detailed descriptions about the two pension schemes and the investment strategies, as well as the background to the shortfall in the LGPS and the fact that it is ultimately supported by government.

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

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

The school continues to enjoy good liquidity and held cash balances of £829k (2018: £722k) at the year end. Other current assets comprise mainly of prepayments and accrued income. Creditors include funds received in advance for the 2019/20 academic year for Universal Free School Meals and amounts due to HMRC for PAYE on employees' salaries, and contributions due to the two pension funds. Net current assets are positive at £686k (2018: £589k) and reinforce the Trustees' belief that the Trust's financial obligations can be met as they fall due.

As a result of slightly increased expenditure and the actuarial losses on the LGPS liability, net assets decreased from £6m to £5.6m. The school is fortunate to currently be in a strong financial position. We enjoy good liquidity and have a good level of reserves.

Reserves Policy

It is the policy of the Academy to seek to build and maintain reserves equivalent to 2-3 months' wages (approximately £300,000 - £450,000). Such a level is required in order to protect the academy against short term unforeseen circumstances such as loss of key personnel or assets.

The current level of unrestricted general reserves (calculated excluding the pension reserve, designated fund and fixed asset fund) is £496k (2018: £387k). In addition the designated fund of £190k is earmarked for capital projects in 2018/19 – these are the full replacement of the school's boilers (£165k), toilet refurbishments (£10k) and LED lighting programme (15k).

At 31 August 2019 the total funds comprised:

Unrestricted general funds	£496,151
Designated	£190,000
Restricted:	
Fixed asset funds	£6,921,898
GAG	£Nil
Pension reserve	(£2,013,000)
Other restricted general funds	£Nil
	<hr/>
	£5,595,049

Investment Policy

The Academy seeks to get the best return on its balances but having due regard to security, accessibility and cash flow. If the Academy is in a position to make any cash investments then these will be approved by the Trustees beforehand and full consideration to social, environmental and ethical factors will be given.

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

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

Principal Risks and Uncertainties

A Risk Register exists and is reviewed on a regular basis. Procedures have been established to manage those risks. All staff and volunteers receive regular safeguarding training.

The principal risks of the Academy are:

Safeguarding of children compromised
Pupil loss / funding loss/ sudden change of political administration, policy or direction
Excess of expenses over income
Insufficient funding for planned budget
Fraudulent activity
Fire, flood or other disaster
Lack of coverage and succession at senior management level
Trustees inexperienced in the role
Lack of staff through sickness
School fails to take account of local, national and regulatory issues or policy impact
School fails to make provision for litigious issues
School loses touch with SEN and/or employment law
Increased repayments (or full repayment) to the deficit in the pension scheme may be required.

The Risk Register is reviewed by the Assets Committee and the Standards Committee periodically. Risks are RAG (Red, Amber Green) rated and any required actions taken to mitigate these risks are discussed and actioned.

Safeguarding is under constant review by the Senior leadership Team and all staff members as well as by named Trustees. These reviews are reported back to full Trustee Board meetings.

FUNDRAISING

The Academy does not undertake formal fundraising itself.

Fundraising for the school is undertaken by the Parents Association of Grove Wood Primary School (PAGWPS). PAGWPS is a registered charity.

The Academy is satisfied that PAGWPS fundraising conforms to recognised standards and the Academy is consulted about all fundraising events beforehand.

The Academy is satisfied that the public, including vulnerable people, are protected from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate.

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

PLANS FOR FUTURE PERIODS

Plans for future periods are directly linked to the School Development Plan detailed under 'Objectives, Strategies and Activities'. In addition to this the Assets Committee meets regularly and, during these meetings, the Asset Management Plan is reviewed so that on-going maintenance costs are budgeted for and future costs anticipated and planned for.

The priorities for 2019-20 are:

2019 – 20 Strategic Targets
A1. To continue raising the rates of progress and the standards in reading, writing and maths for all pupils, including those who are disadvantaged
A2. To provide High Quality Teaching of Reading across the school.
A3. To ensure recording in books, assessment and feedback practices are highly effective and provide pupils with timely and valuable ways to improve their learning
A4. To maximise the curriculum ensuring that it is vibrant, enlivening and memorable.
Ongoing Whole School Priorities
1. To continue to encourage high levels of attendance including the attendance of disadvantaged pupils and pupils who have Special Educational Needs and /or disabilities
2 To ensure that Pupil Premium Spending is effectively targeted to close the gap and ensure even more pupils reach the higher standards
3 To ensure that Sports Premium is used effectively to promote healthy lifestyles, sporting excellence and opportunity for all.
4 To re-energise the pupils' growth mindset, promote positive learning behaviours , independence resilience and risk taking
5 To support the development of leadership at all levels - including governance - and create a model of succession planning to ensure that the school has capacity for sustained improvement
6 To support staff in achieving a greater work life balance
7 To continue developing school to school structures with a view to expanding the current MAT
8 To strengthen our links with the community, locally, nationally and globally through a focus on cultures, beliefs and ways of life from around the world.
9. To raise knowledge and awareness of national issues eg. Elections, Referendums etc...
10. To ensure that all members of school community are equipped to deal with issues relating to safeguarding, child protection and extremism and that systems and procedures are robust
11. To continue to review communication systems ensuring that lines of communication are clear to all stakeholders
12. To work in collaboration with Teaching School Alliances, local schools, services and agencies
13. To ensure the school continues to provide value for money
14. To celebrate and reward successes and achievements of all

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

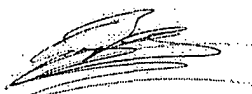
No funds are held as custodian trustee.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Trustees, being the Companies Act Directors, are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Governing Board, as the Company Directors, on 11 December 2019 and signed on the Board's behalf by:



.....
G Blakesley

Chair of Trustees

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Grove Wood Academy Trust Limited 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 Governing Board has delegated the day-to-day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Grove Wood Academy Trust and the Secretary of State for Education. He is also responsible for reporting to the Governing Board any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Board has formally met 5 times during the year. Attendance during the year at meetings of the Governing Board was as follows:

Full Board Meetings

Trustee	Meetings attended	Out of a possible
G Blakesley (Chair)	3	5
R Foster	4	5
M Heathcote (Vice Chair)	5	5
S Cooper	3	5
J Douglas	3	3
R Green (Headteacher & Accounting Officer)	3	5
F Hooper	5	5
A Reynolds (Vice Chair)	3	5
M Barney from 01.06.19	0	0
G Pritchard from 01.06.19	0	0
S Fernon from 01.04.19	1	1
N Pitt from 01.04.19	1	1
M Barnes from 01.04.19	1	1

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

The Board actively monitors and evaluates its performance on an on-going basis and proposes, discusses and implements change (where necessary) with effect from each subsequent Board meeting. These changes may be brought about by identified areas for development, suggestions for improvement of already effective procedures or through changes in regulation / requirement brought about by revisions of the Academies Financial Handbook, ESFA requirements or Government legislation. Trustees also actively discuss, at the end of every meeting, what impact their discussions have had or will have on the education and life chances of the pupils at the school.

Data used includes (but is not limited to) that generated by the DfE; Ofsted; ESFA; the Local Authority; gov.uk benchmarking data; internally generated school data. Data from third parties is externally generated and verified. Internal data is generated by staff and moderated and challenged by senior leaders. Trustees are confident that data used in discussions is accurate and base their discussions accordingly.

The current Chair is a DfE-accredited National Leader of Governance and keeps Board function and conduct under on-going review. A skills audit is issued to Trustees at the end of the summer term each year and the results are discussed at the beginning of the following academic year. These discussions are used to identify gaps in knowledge and skill set(s) and inform future Trustee recruitment strategies.

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

The Assets Committee is a sub-committee of the main Governing Board. Its purpose is to monitor and make strategic decisions around policies and functions of the core business areas of HR., Finance and Premises development, management and maintenance. The remit and Terms of Reference for this committee are as follows:

1. In consultation with the School Business Manager and Headteacher, to draft the first formal budget plan of the financial year
2. To approve the budget on behalf of the Board, if in exceptional circumstance, it is not possible to convene a full Governing Board final budget approval meeting prior to the deadline for budget submission.
3. To establish and maintain an up to date 3 year financial plan
4. To consider and evaluate a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Board.
5. To ensure that the school operates within the Financial guidelines of the Academies Finance Handbook and the Academies Accounts Direction
6. To monitor expenditure of all voluntary funds kept on behalf of the Governing Board.
7. To annually review charges and remissions policies and expenses policies.
8. To make decisions in respect of service agreements
9. To make decisions on expenditure following recommendations from other committees.
10. To ensure, as far as is practical, that that Health and Safety issues are appropriately prioritised.
11. To determine whether sufficient funds are available for pay increments as recommended by the Headteacher
12. In light of the Headteacher Performance Management Group's recommendations, to determine whether sufficient funds are available for increments.
13. To advise the Governing Board on priorities, including Health and Safety, for the maintenance and development of the school's premises.
14. To have oversight of the Asset Management Plan
15. To monitor and review and evaluate all aspects of maintenance, improvement or repair to the buildings, grounds and plant.
16. To ensure that the character of the school's buildings and site are retained.
17. In consultation with the Headteacher and the Finance portfolio, to oversee premises-related funding bids.
18. To monitor and approve appropriate expenditure relating to Capital Grants.
19. To appoint architects, builders, ground maintenance teams, surveyors etc. according to the established procedures laid down by the school Trustees and monitor all aspects of their work
20. To oversee arrangements, including health and safety, for the use of the school premises by outside users, subject to Governing Board Policy
21. To report all aspects of improvement and requirements for the smooth running of the school in relation to the premises to Trustees.
22. To make recommendations to the finance portfolio on the needs and requirements of the premises.
23. To receive reports from the Site Manager and, through the Board, delegate powers for day-to-day matters for the Headteacher.
24. To draft and keep under review the staffing structure in consultation with the Headteacher and the Finance Committee
25. To approve procedure for recruitment and appointment of staff

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

- 26. To consider applications from staff for secondments or leave of absence
- 27. To oversee the process leading to staff reductions
- 28. To follow established procedure when advertising, selecting and appointing new Members of staff
- 29. To keep under review staff work/life balance, working conditions and wellbeing, including the monitoring of absence
- 30. To draft and recommend for adoption, the procedures for dealing with discipline and grievance.
- 31. To establish and review a Performance Management policy for all staff
- 32. To establish and review the Pay Policy for all staff

Attendance at meetings in the year was as follows:

Assets Meetings

Trustee	Meetings attended	Out of a possible
G Blakesley (Chair)	5	6
R Foster (Vice Chair)	4	6
M Heathcote (Vice Chair)	1	6
S Cooper	0	6
J Douglas (until 03.03.19)	1	3
R Green (Headteacher & Accounting Officer)	5	6
F Hooper	6	6
A Reynolds	3	6
M Barney (from 01.06.19)	1	1
G Pritchard (from 01.06.19)	0	1
S Fernon (from 01.04.19)	1	2
N Pitt (from 01.04.19)	2	2
M Barnes (from 01.04.19)	2	2

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

The Standards Committee is also a sub-committee of the main Governing Board. Its purpose is to monitor and make strategic decisions, primarily around curriculum development and delivery and make recommendations to the Board regarding new initiatives and significant changes to or departures from established curriculum practice. The committee also has a wider remit to oversee and monitor any area of school life where a 'standard' may be applied i.e. standards of behaviour, conduct, communication, website compliance etc. The remit and Terms of Reference for this committee are as follows:

1. To review, monitor and evaluate the curriculum offer.
 2. To ensure on behalf of the Governing Board that its strategic responsibility to raise standards is acted upon.
 3. To review and analyse the performance of the school, against national and local indicators, and to advise the Governing Board on any action required in order to sustain improvement.
 4. To ensure that the School Development Plan reflects the requirement to raise standards, and to monitor and evaluate it accordingly.
 5. To monitor the implementation of any Action Plan resulting from external reviews of the school (e.g. Ofsted inspection or local School Effectiveness Partners), in order to maintain progress.
 6. To establish, with assistance of the Headteacher and subject co-coordinators, information about how the curriculum is taught, evaluated and resourced.
 7. To make recommendations to the Assets Committee on resources that are needed to meet the needs of the whole curriculum, and the sustainability of the non-statutory elements.
 8. To receive regular reports from the Headteacher and/or Senior Leadership Team on the quality of teaching and learning, to identify areas for improvement, and to ensure that any necessary action is taken to maximize outcomes for pupils.
 9. To ensure that annual assessment and examination arrangements comply with national requirements. To ensure that the requirements of children with special needs are met, as laid out in the Code of Practice, and receive termly reports from the Headteacher/SENCO and an annual report from the SEN governor.
 10. To regularly review and develop the assessment policy and to ensure that the policy is operating effectively.
 11. To develop and review policies identified within the school's policy review programme and in accordance with its delegated powers (e.g. sex education and pupil behaviour/discipline).
 12. To ensure that other relevant policies such as behaviour and attendance, which support learning and improvements in attainment are in place.
 13. To ensure that all children have equal opportunities.
 14. To monitor the school's publicity, public presentation and relationships with the wider community
 15. To oversee arrangements for educational visits, including the appointment of a named co-ordinator.
 16. To identify and celebrate pupil achievements.
 17. To monitor the impact of Pupil Premium Funding and Sport premium on the achievement and attainment of pupils.
 18. To ensure that the Pupil Premium Funding is spent appropriately and that this information is easily accessible (eg. on the school's website).
 19. To monitor and advise the Board by written report each term on the following:
 - a. data on attainment and achievement for all of the trust's academies
 - b. school improvement work and leadership
 - c. overall performance of the academies
 - d. leadership standards
 - e. governance effectiveness
-

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

20. To monitor and advise the Board on:

- a. SEN and inclusion
- b. partnership working
- c. admissions
- d. safeguarding arrangements

To monitor the academies statutory requirements in relation to the curriculum offer and other curriculum issues such as spiritual, moral, social and cultural learning.

21. To monitor educational needs of the pupils attending the Trust's academies.

22. To monitor the attendance rates of Trust academies and ensure that there are procedures in place to fulfil statutory requirements, especially regarding children missing from education.

23. To review and recommend for adoption the Trust's policies in relation to its curriculum statement.

24. To monitor and review the achievement of strategic objectives, in particular the overview of performance against quantitative and qualitative benchmarks for key indicators/outcomes and the Ofsted framework, providing challenge and recommending remedial actions where required in line with the academy development plan.

25. To receive progress reports on the implementation of post-Ofsted action plans and any other formal evaluation reports related to the quality and achievement of learning across the Trust to further inform and develop the trust's quality improvement plans and strategies.

26. To review outcomes, identifying significant changes in performance, emerging trends and risks in relation to future performance of each academy.

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Attendance at meetings in the year was as follows:

Standards Meetings

Trustee	Meetings attended	Out of a possible
G Blakesley (Chair)	4	4
R Foster (Vice Chair)	4	4
M Heathcote (Vice Chair)	4	4
S Cooper	0	4
J Douglas (until 03.03.19)	1	2
R Green (Headteacher & Accounting Officer)	4	4
F Hooper	4	4
A Reynolds	1	4
M Barney (from 01.06.19)	0	0
G Pritchard (from 01.06.19)	0	0
S Fernon from 01.04.19	1	1
N Pitt from (01.04.19)	1	1
M Barnes (from 01.04.19)	1	1

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Headteacher 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 outcome 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 Governing Board where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Ensuring that all contracts were regularly reviewed
- Ensuring that several quotations were obtained for large purchases
- Ensuring that small purchases are compared for price and value
- Arranging training for staff where required (assessed by Performance Management Review)
- Requiring feedback on the usefulness of training courses to ensure value for money
- Reviewing and streamlining staff where possible
- Ensuring that income from the letting of premises is maximised
- Ensuring that grant funding is sought wherever possible
- Ensuring that key staff maintain links with other schools (e.g. Business Managers' Network) so that good practice can be shared and contracts benchmarked
- Seeking to have jobs which may have previously been outsourced brought 'in house' (e.g. data cabling, painting, general repairs)

The school's main resource is its staff. In order to achieve best value we hold Performance Management Reviews for each member of staff at least once a year. This review is an opportunity for the staff member and the school to review individuals' performances, recognise their successes and highlight any areas for development.

Staff development can take place in many ways and costly, external training courses are not always the answer. This year, again we have hosted training sessions ourselves whilst selling any 'spare' places to other schools. We have also linked up with other schools to share training and knowledge between ourselves. In addition to this we have held 'in house' sessions where our expert staff train lesser experienced staff.

We have developed a detailed programme of spending for the Pupil Premium Grant received. This is tailored to meet each child's needs and is evaluated carefully to ensure that the outcomes are successful.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Grove Wood Academy Trust Limited for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Trustees' Report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Board 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 Governing Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Trustees' Report and financial statements. This process is regularly reviewed by the Governing Board.

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 Governing Board;
- regular reviews by the Assets 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; and identification and management of risks.

GROVE WOOD ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

The Governing Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks

The external auditor's role includes performing a range of checks on the Academy Trust's financial systems.

On a periodic basis the auditor reports to the Governing Board, through the Assets Committee on the operation of the systems of control and on the discharge of the Governing Board's financial responsibilities.

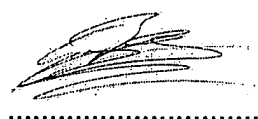
REVIEW OF EFFECTIVENESS

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

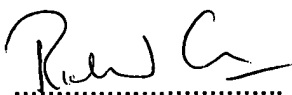
- the work of the external auditor;
- the work of the Chair of the Assets Committee (Finance)

The Accounting Officer has been advised of the implications of the result of their reviews of the system of internal control and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Board on 11 December 2019 and signed on the Board's behalf by:


.....

G Blakesley
Chair of Trustees


.....

R Green
Accounting Officer

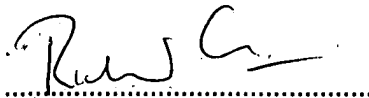
GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Grove Wood 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 all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 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.



R Green
Accounting Officer
Date: 11/12/2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:


.....
G Blakesley
Chair of Trustees

Date: 11/12/2019

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GROVE WOOD ACADEMY TRUST

Opinion

We have audited the financial statements of Grove Wood Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust'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.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GROVE WOOD ACADEMY TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes Reference and Administrative details, Trustees' Report, incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GROVE WOOD ACADEMY TRUST (CONTINUED)

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

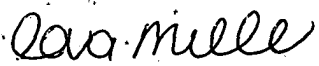
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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


Cara Miller ACCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Date: 18 December 2019

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GROVE WOOD ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 November 2017 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 Grove Wood Academy Trust during the year 1 September 2018 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 Grove Wood Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Grove Wood Academy Trust and 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 Grove Wood Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Grove Wood Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Grove Wood Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2014 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 1 September 2018 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.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GROVE WOOD ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

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.

The work undertaken to draw our conclusions include:

- Reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- Testing a sample of payroll payments to staff;
- Testing a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Consideration of governance issues; and
- Evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 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.

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Date: *18 December 2019*

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	40,235	-	34,397	74,632	26,385
Charitable activities	4	50,741	2,557,632	-	2,608,373	2,502,534
Other trading activities	5	248,239	-	-	248,239	170,124
Investments	6	445	-	-	445	419
Total income		339,660	2,557,632	34,397	2,931,689	2,699,462
Expenditure on:						
Raising funds		14,788	-	-	14,788	14,458
Charitable activities	8	149,489	2,744,632	187,657	3,081,778	2,948,399
Total expenditure	7	164,277	2,744,632	187,657	3,096,566	2,962,857
Net income/(expenditure)		175,383	(187,000)	(153,260)	(164,877)	(263,395)
Transfers between funds	16	(78,336)	-	78,336	-	-
Net movement in funds before other recognised gains/(losses)		97,047	(187,000)	(74,924)	(164,877)	(263,395)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	21	-	(270,000)	-	(270,000)	325,000
Net movement in funds		97,047	(457,000)	(74,924)	(434,877)	61,605

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
	Note					
Reconciliation of funds:						
Total funds brought forward	16	589,104	(1,556,000)	6,996,822	6,029,926	5,968,321
Net movement in funds		97,047	(457,000)	(74,924)	(434,877)	61,605
Total funds carried forward		686,151	(2,013,000)	6,921,898	5,595,049	6,029,926

The Statement of Financial Activities includes all gains and losses recognised in the year.


The notes on pages 35 to 63 form part of these financial statements.

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09068218

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	6,921,898	6,996,822
		<u>6,921,898</u>	<u>6,996,822</u>
Current assets			
Debtors	14	42,440	59,948
Cash at bank and in hand	20	829,070	721,591
		<u>871,510</u>	<u>781,539</u>
Creditors: amounts falling due within one year	15	(185,359)	(192,435)
Net current assets		<u>686,151</u>	<u>589,104</u>
Total assets less current liabilities		<u>7,608,049</u>	<u>7,585,926</u>
Net assets excluding pension liability		<u>7,608,049</u>	<u>7,585,926</u>
Defined benefit pension scheme liability	21	(2,013,000)	(1,556,000)
Total net assets		<u><u>5,595,049</u></u>	<u><u>6,029,926</u></u>
Funds of the Academy Trust			
Restricted funds:			
Restricted fixed asset funds	16	6,921,898	6,996,822
Restricted funds excluding pension liability	16	6,921,898	6,996,822
Restricted general funds - Pension reserve	16	(2,013,000)	(1,556,000)
Total restricted funds	16	<u>4,908,898</u>	<u>5,440,822</u>
Unrestricted funds	16	<u>686,151</u>	<u>589,104</u>
Total funds		<u><u>5,595,049</u></u>	<u><u>6,029,926</u></u>

The financial statements on pages 31 to 63 were approved by the Trustees, and are signed on their behalf, by:


G Blakesley
Chair of Trustees
Date: 11/12/2019

The notes on pages 35 to 63 form part of these financial statements.

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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	150,973	73,062
Cash flows from investing activities	19	(43,494)	(51,095)
Change in cash and cash equivalents in the year		107,479	21,967
Cash and cash equivalents at the beginning of the year		721,591	699,624
Cash and cash equivalents at the end of the year	20	829,070	721,591

The notes on pages 35 to 63 form part of these financial statements

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), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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.

Grove Wood Academy Trust meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in pounds which is the functional currency of the Academy Trust and rounded to the nearest pound.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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.

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

1. Accounting policies (continued)

1.3 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 year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

1.4 Expenditure

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

• **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

• **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

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

1. Accounting policies (continued)

1.4. Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

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

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

1.7 Tangible fixed assets and depreciation

Assets costing £1,000 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 a transfer is made to place these assets into the Restricted fixed asset 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, as follows:

The estimated useful lives are as follows:

Freehold property	- 50 years straight line
Fixtures and fittings	- 10 years straight line
Plant and machinery	- 5 years straight line
Computer equipment	- 3 years straight line
Motor vehicles	- 5 years straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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

1. Accounting policies (continued)

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 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.

1.11 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.

1.12 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

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

1. Accounting policies (continued)

1.13 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local 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.

1.14 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 the 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.

Investment income, gains and losses are allocated to the appropriate fund.

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

Critical areas of judgment:

The judgments that have had a significant effect on the amounts in the financial statements are those concerning the choice of depreciation and asset lives.

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	40,235	-	40,235
Capital grants	-	34,397	34,397
Total 2019	40,235	34,397	74,632

	Unrestricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	15,275	-	15,275
Capital grants	-	11,110	11,110
Total 2018	15,275	11,110	26,385

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

4. Charitable activities - Funding for the Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	2,084,718	2,084,718
Pupil Premium	-	85,107	85,107
Other DfE / ESFA revenue grants	-	144,770	144,770
		2,314,595	2,314,595
Other government grants			
Local Authority revenue grants	-	160,406	160,406
		160,406	160,406
Other funding			
Other Educational income	50,741	82,631	133,372
Total 2019	<u>50,741</u>	<u>2,557,632</u>	<u>2,608,373</u>

There are no unfulfilled conditions or other contingencies attached to the government grants above.

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	2,000,538	2,000,538
Pupil Premium	-	84,933	84,933
Other DfE / ESFA revenue grants	-	120,490	120,490
	-	2,205,961	2,205,961
Other government grants			
Local Authority revenue grants	-	156,954	156,954
	-	156,954	156,954
Other funding			
Other Educational income	58,973	80,646	139,619
Total 2018	<u>58,973</u>	<u>2,443,561</u>	<u>2,502,534</u>

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

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rental income	25,077	25,077	22,311
Other self generated income	223,162	223,162	147,813
Total 2019	248,239	248,239	170,124

In 2018, all Income from other trading activities was allocated to unrestricted funds.

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	445	445	419

In 2018, all Income from investments was allocated to unrestricted funds.

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

7. Total expenditure

	Staff costs 2019 £	Premises costs 2019 £	Other costs 2019 £	Total 2019 £
Expenditure on raising funds:				
Direct costs	-	-	14,788	14,788
Educational operations:				
Direct costs	1,799,121	-	337,831	2,136,952
Allocated support costs	652,486	240,867	51,473	944,826
Total 2019	2,451,607	240,867	404,092	3,096,566
	Staff costs 2018 £	Premises costs 2018 £	Other costs 2018 £	Total 2018 £
Educational operations:				
Direct costs	1,741,141	-	311,938	2,053,079
Allocated support costs	624,427	221,447	49,446	895,320
Total 2018	2,365,568	221,447	361,384	2,948,399

In 2018, of the total expenditure of £2,962,857, £180,841 was from unrestricted funds, £2,630,561 was from restricted general funds and £151,455 was from restricted fixed asset funds.

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

8. Analysis of expenditure by charitable activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	2,136,952	944,826	3,081,778

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Educational operations	2,053,079	895,320	2,948,399

Analysis of support costs

	Educational operations 2019 £	Total funds 2019 £	Total funds 2018 £
Defined benefit pension scheme finance cost	40,000	40,000	43,000
Staff costs	612,486	612,486	581,427
Depreciation	153,260	153,260	151,455
Premises costs	116,656	116,656	95,706
Other costs	8,137	8,137	8,634
Governance costs	14,287	14,287	15,098
Total 2019	944,826	944,826	895,320

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

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	153,260	151,455
Fees paid to auditors for:		
- Audit of the financial statements	7,800	7,650
- Other service	4,700	7,448
	<u>125,760</u>	<u>166,553</u>

No central services were provided by the Trust in the year, and no central charges arose as Grove Wood remains the only academy in the Multi Academy Trust at 31 August 2019.

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,831,188	1,762,330
Social security costs	111,677	118,844
Pension costs	458,334	438,726
	<u>2,401,199</u>	<u>2,319,900</u>
Agency staff costs	10,408	2,668
Defined benefit pension scheme finance cost	40,000	43,000
	<u>2,451,607</u>	<u>2,365,568</u>

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

10. Staff costs (continued)

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	28	26
Management	5	5
Administration and support	90	94
	<u>123</u>	<u>125</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	<u>1</u>	<u>-</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019 pension contributions for these staff amounted to £12,357 (2018 - £12,180)

d. Key management personnel

The Key Management Personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £352,795 (2018 - £339,225).

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

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
R Green, Head Teacher	Remuneration	80,000 -	70,000 -
		85,000	75,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
F Hooper	Remuneration	35,000 -	30,000 -
		40,000	35,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
S Mark (resigned 17 May 2018)	Remuneration	-	10,000 -
			15,000
	Pension contributions paid	-	0 - 5,000
J Douglas (resigned 3 March 2019)	Remuneration	-	-
	Pension contributions paid	-	-
N Pitt (appointed 1 April 2019)	Remuneration	0 - 5,000	-
	Pension contributions paid	0 - 5,000	-

During the period ended 31 August 2019, expenses totalling £338 (2018 - £338) were reimbursed to 1 Trustee (2018 - 1).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2019 is included in the total insurance cost.

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

13. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2018	7,400,857	88,709	20,795	55,932	6,654	7,572,947
Additions	53,839	-	-	24,497	-	78,336
At 31 August 2019	7,454,696	88,709	20,795	80,429	6,654	7,651,283
Depreciation						
At 1 September 2018	497,148	21,980	16,289	39,044	1,664	576,125
Charge for the year	124,211	8,913	4,159	14,646	1,331	153,260
At 31 August 2019	621,359	30,893	20,448	53,690	2,995	729,385
Net book value						
At 31 August 2019	6,833,337	57,816	347	26,739	3,659	6,921,898
At 31 August 2018	6,903,709	66,729	4,506	16,888	4,990	6,996,822

Included in freehold property is land at valuation of £1,220,000 (2018 - £1,220,000), which is not depreciated.

The Freehold property was valued at conversion to academy status on 21 July 2015 by Mouchel, a RICS Registered Valuer using the depreciated replacement cost method. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

14. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	1,579	1,938
Other debtors	5,592	12,063
Prepayments and accrued income	35,269	45,947
	<u>42,440</u>	<u>59,948</u>

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

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	13,033	17,700
Other taxation and social security	31,965	31,065
Other creditors	38,194	35,945
Accruals and deferred income	102,167	107,725
	<u>185,359</u>	<u>192,435</u>
	2019 £	2018 £
Deferred income at 1 September	77,300	77,751
Resources deferred during the year	89,667	77,300
Amounts released from previous periods	(77,300)	(77,751)
Deferred income at 31 August	<u>89,667</u>	<u>77,300</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for the 2019/20 Academic year in respect of funding paid in advance for a teacher seconded to another institution as well as UIFSM and trips advance payments.

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
Capital improvements - (Boiler)	165,000	-	-	-	-	165,000
Capital improvements - (Toilets)	10,000	-	(10,000)	10,000	-	10,000
Capital improvements - (LED Lighting)	27,000	-	-	(12,000)	-	15,000
	<u>202,000</u>	<u>-</u>	<u>(10,000)</u>	<u>(2,000)</u>	<u>-</u>	<u>190,000</u>
General funds						
Unrestricted general funds	387,104	339,660	(154,277)	(76,336)	-	496,151
Total Unrestricted funds	<u>589,104</u>	<u>339,660</u>	<u>(164,277)</u>	<u>(78,336)</u>	<u>-</u>	<u>686,151</u>
Restricted general funds						
General Annual Grant (GAG)	-	2,084,718	(2,084,718)	-	-	-
Pupil Premium	-	85,107	(85,107)	-	-	-
Other DfE / ESFA revenue grants	-	144,770	(144,770)	-	-	-
Local Authority revenue grants	-	160,406	(160,406)	-	-	-
Other Educational income	-	82,631	(82,631)	-	-	-
Pension reserve	(1,556,000)	-	(187,000)	-	(270,000)	(2,013,000)
	<u>(1,556,000)</u>	<u>2,557,632</u>	<u>(2,744,632)</u>	<u>-</u>	<u>(270,000)</u>	<u>(2,013,000)</u>

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
NBV of fixed assets	6,996,822	-	(153,260)	78,336	-	6,921,898
DfE / ESFA capital grants	-	34,397	(34,397)	-	-	-
	<u>6,996,822</u>	<u>34,397</u>	<u>(187,657)</u>	<u>78,336</u>	<u>-</u>	<u>6,921,898</u>
Total Restricted funds	<u>5,440,822</u>	<u>2,592,029</u>	<u>(2,932,289)</u>	<u>78,336</u>	<u>(270,000)</u>	<u>4,908,898</u>
Total funds	<u>6,029,926</u>	<u>2,931,689</u>	<u>(3,096,566)</u>	<u>-</u>	<u>(270,000)</u>	<u>5,595,049</u>

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

The Unrestricted General fund has been created to recognise the income and expenditure in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities. During the year, £10,000 was transferred out of unrestricted funds and into designated funds to top this funds up following expenditure in the year. A further £76,336 was transferred out of unrestricted funds and into the NBV of fixed assets funds for capital additions made out of unrestricted funds.

The Unrestricted Designated fund was created in the previous year in respect of funding future capital expenditure. At the year end the Academy Trust has designated a total of £190,000 for new capital projects over the following financial year. During the year, £10,000 of non-capitalisable expenditure was recognised in the Capital improvements - (Toilets) fund. Following this, a transfer of £10,000 was made from unrestricted funds to top the fund back up. During the year, £12,000 of capitalisable expenditure was transferred out of the Capital improvements - (LED Lighting) fund to the NBV of fixed assets fund. Following this, a transfer of £15,000 was made from unrestricted funds to top the fund back up.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy Trust via the Education and Skills Funding Agency (ESFA) by the Department for Education (DfE). The GAG fund has been established because the GAG must be used for the normal running costs of the Academy Trust.

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

16. Statement of funds (continued)

The Pupil Premium fund has been established to recognise the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE/ESFA Grants fund has been created to recognise the restricted funding received from the DfE/ESFA which fall outside the scope of core funding.

The Pension reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The NBV of fixed assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund. During the year, £27,000 was transferred in from designated funds and £51,336 was transferred in from unrestricted funds which represent capital additions made using these funds.

The DfE/ESFA Capital Grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of fixed asset funds.

Grove Wood remains the only academy in the Multi Academy Trust at 31 August 2019 and all the funds above are those of Grove Wood.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

16. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Designated funds						
Capital improvements - (Boiler)	174,252	-	-	(9,252)	-	165,000
Capital improvements - (Toilets)	-	-	-	10,000	-	10,000
Capital improvements - (LED Lighting)	-	-	-	27,000	-	27,000
	<u>174,252</u>	<u>-</u>	<u>-</u>	<u>27,748</u>	<u>-</u>	<u>202,000</u>
General funds						
Unrestricted funds	402,416	244,791	(180,841)	(79,262)	-	387,104
Total Unrestricted funds	<u>576,668</u>	<u>244,791</u>	<u>(180,841)</u>	<u>(51,514)</u>	<u>-</u>	<u>589,104</u>
Restricted general funds						
General Annual Grant (GAG)	-	2,000,538	(2,000,538)	-	-	-
Pupil Premium	-	84,933	(84,933)	-	-	-
Other DfE / ESFA revenue grants	-	120,490	(120,490)	-	-	-
Local Authority revenue grants	-	156,954	(156,954)	-	-	-
Other Educational income	-	80,646	(80,646)	-	-	-

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Pension reserve	(1,694,000)	-	(187,000)	-	325,000	(1,556,000)
	<u>(1,694,000)</u>	<u>2,443,561</u>	<u>(2,630,561)</u>	<u>-</u>	<u>325,000</u>	<u>(1,556,000)</u>
Restricted fixed asset funds						
NBV of fixed assets	7,085,653	-	(151,455)	62,624	-	6,996,822
DfE / ESFA capital grants	-	11,110	-	(11,110)	-	-
	<u>7,085,653</u>	<u>11,110</u>	<u>(151,455)</u>	<u>51,514</u>	<u>-</u>	<u>6,996,822</u>
Total Restricted funds	<u>5,391,653</u>	<u>2,454,671</u>	<u>(2,782,016)</u>	<u>51,514</u>	<u>325,000</u>	<u>5,440,822</u>
Total funds	<u>5,968,321</u>	<u>2,699,462</u>	<u>(2,962,857)</u>	<u>-</u>	<u>325,000</u>	<u>6,029,926</u>

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted general funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	6,921,898	6,921,898
Current assets	871,510	-	-	871,510
Creditors due within one year	(185,359)	-	-	(185,359)
Defined benefit pension scheme liability	-	(2,013,000)	-	(2,013,000)
Total	686,151	(2,013,000)	6,921,898	5,595,049

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	6,996,822	6,996,822
Current assets	589,104	192,435	-	781,539
Creditors due within one year	-	(192,435)	-	(192,435)
Defined benefit pension scheme liability	-	(1,556,000)	-	(1,556,000)
Total	589,104	(1,556,000)	6,996,822	6,029,926

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

18. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(164,877)	(263,395)
Adjustments for:		
Depreciation	153,260	151,455
Capital grants from DfE and other capital income	(34,397)	(11,110)
Investment income	(445)	(419)
Defined benefit pension scheme cost less contributions payable	147,000	144,000
Defined benefit pension scheme finance cost	40,000	43,000
Decrease/(increase) in debtors	17,508	(16,719)
(Decrease)/increase in creditors	(7,076)	26,250
Net cash provided by operating activities	150,973	73,062

19. Cash flows from investing activities

	2019 £	2018 £
Investment income	445	419
Purchase of tangible fixed assets	(78,336)	(62,624)
Capital grants from DfE Group	34,397	11,110
Net cash used in investing activities	(43,494)	(51,095)

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	829,070	721,591
Total cash and cash equivalents	829,070	721,591

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

21. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex 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.

Contributions amounting to £38,194 were payable to the schemes at 31 August 2019 (2018 - £35,945) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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

21. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £166,907 (2018 - £157,266).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £185,000 (2018 - £176,000), of which employer's contributions totalled £143,000 (2018 - £136,000) and employees' contributions totalled £42,000 (2018 - £40,000). The agreed contribution rates for future years are 22.5 per cent for employers and 5.5 - 12.5 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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

21. Pension commitments (continued)

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	2.65
Inflation assumption (CPI)	2.20	2.30
Inflation assumption (RPI)	3.20	3.30

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.5
Females	25.4	27.1

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(80)	(61)
Discount rate -0.1%	82	63
Mortality assumption - 1 year increase	112	75
Mortality assumption - 1 year decrease	(108)	(73)

GROVE WOOD ACADEMY TRUST
(A Company Limited by Guarantee)

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

21. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	652,000	507,000
Gilts	57,000	43,000
Other bonds	58,000	47,000
Property	83,000	71,000
Cash	30,000	27,000
Alternative assets	101,000	72,000
Other managed funds	53,000	31,000
Total market value of assets	1,034,000	798,000

The actual return on scheme assets was £74,000 (2018 - £41,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(246,000)	(280,000)
Past service cost	(44,000)	-
Interest income	23,000	17,000
Interest cost	(63,000)	(60,000)
Total amount recognised in the Statement of Financial Activities	(330,000)	(323,000)

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

	2019 £	2018 £
At 1 September	2,354,000	2,276,000
Benefits paid	(23,000)	(1,000)
Employee contributions	42,000	40,000
Current service cost	246,000	280,000
Interest cost	63,000	60,000
Actuarial losses/(gains)	321,000	(301,000)
Past service costs	44,000	-
At 31 August	3,047,000	2,354,000

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

21. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	798,000	582,000
Interest income	23,000	17,000
Benefits paid	(23,000)	(1,000)
Employee contributions	42,000	40,000
Actuarial gains	51,000	24,000
Employer contributions	143,000	136,000
At 31 August	1,034,000	798,000

Reconciliation of opening to closing defined benefit pension scheme liability

	2019 £	2018 £
Balance brought forward at 1 September	1,556,000	1,694,000
Defined benefit pension scheme cost less contributions payable	147,000	144,000
Defined benefit pension scheme finance cost	40,000	43,000
Actuarial (gains) / losses	270,000	(325,000)
Balance carried forward at 31 August	2,013,000	1,556,000

The amounts recognised in the Balance Sheet are as follows:

	2019 £	2018 £
Closing defined benefit scheme obligation	(3,047,000)	(2,354,000)
Fair value of scheme assets	1,034,000	798,000
Net defined benefit pension scheme liability	(2,013,000)	(1,556,000)

22. Members' liability

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

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

23. Related party transactions

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.

24. Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital.

25. Controlling party

There is no ultimate controlling party.