

Greenshaw Learning Trust

Consolidated Report and Financial Statements

31 August 2016

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

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Reference and administrative information

At the date of the Trustees' Report:

Members	Mike Cooper Cliff Ford Carolyn Swain Sue Winspear Mathew Syed from 17 October 2016
Trustees	Mike Cooper (Chair) Carolyn Swain (Deputy Chair) Diana Coman Gary Miles Roger Mills Ingrid Percy William Smith (CEO, Ex-officio)
Company Secretary	Stacy Owen
Senior Leadership Team	
Executive Headteacher and CEO	William Smith
Director of Resources	Steve Bradford
Director of Primary Education	Simon Cooper-Hind
Director of Secondary Education	Nick Cross
Director of School Improvement	Ben Parnell
Headteacher of Greenshaw High School	Nick House
Headteacher of Edenham High School	Ciara Warnock from 1 September 2016
Headteacher of The Brakenhale School	Jane Coley
Headteacher of Green Wrythe Primary School	Anne Claxton
Headteacher of Victor Seymour Infants School	Helen Matt
Headteacher of Tweeddale Primary School	Mike Lovett from 1 September 2016
Registered address	Greenshaw Learning Trust Grennell Road Sutton Surrey SM1 3DY
Company registration number	07633694 (England and Wales)

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

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

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

INTRODUCTION

The Trustees of the Greenshaw Learning Trust ('the Trust') present their statutory report together with the financial statements of the charitable company and group for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

The Trust operates two secondary, one primary and one infant and nursery school in South London and a secondary school in Bracknell. In addition, the Trust has two approved free schools in pre-opening, a secondary and a special school for secondary aged students with autism in Sutton. A further primary school in Sutton joined the Trust on 1 September 2016. The Trust has a wholly owned subsidiary company, Greenshaw Learning Services Limited.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and governance

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

Details of the trustees who served during the year and the governance arrangements of the Trust and delegations to senior executive officers and committees are set out in the Statement on page 13.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the premium for the period ended 31 August 2016 was included within the overall insurance premium.

Method of recruitment and appointment or election of trustees

The Members of the Trust are set out on page 13.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of trustees

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

Organisational structure

The Executive Headteacher, as the chief executive officer, is directly responsible for the day to day running of the Trust. He is assisted by the Trust's senior executive team consisting of the Director of Resources, Director of Secondary Education and Director of Primary Education (since 31 August 2016 the Trust has also appointed a Director of School Improvement to the senior executive team); and by a central Trust team.

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

The Executive Headteacher is the Accounting Officer.

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

The Trust has an Audit Committee (further details below), a Performance Management Review Committee to oversee the performance management of senior Trust staff, an Admissions Committee to rule on admissions to Trust schools where a decision of the Trust is required, and a Trust Services Committee to oversee the strategy and budget for, and the monitoring and review of, the Trust's central services. The Board of Trustees has also established a committee to oversee the planning for and establishment of its proposed new Free Schools in Sutton, for which it has received approval from the DfE.

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

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

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

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

Connected organisations, including related party relationships

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

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

OBJECTIVES AND ACTIVITIES

Objects and aims

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

OBJECTIVES AND ACTIVITIES (continued)

Objects and aims (continued)

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

Principal activities

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

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

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

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

Brakenhale School, an academy school in Bracknell, providing education for pupils aged 11 to 18 (from 1 April 2016).

Victor Seymour Infants School, an academy school in Carshalton, providing education for pupils aged 2-7 (from 1 July 2016).

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

Public benefit

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

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

STRATEGIC REPORT

Achievements and performance

During this year, the Trust has been working with Greenshaw High School (in Sutton), Edenham High School (in Croydon) and The Brakenhale School (in Bracknell), as well as Green Wrythe Primary School and Victor Seymour Infant School.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Greenshaw High School

GCSE results				A level results		
	Progress 8	Attainment 8	A*-C in En & Ma	Grades	A*-B	Alps [§] value added grade
2016	-0.01	5.55	77	2016	53	3
2015	-0.05	5.17	67	2015	57	2

§ Alps (A level performance system) gives a grade for the value added by each school. The grades range from 1-9 (1 = outstanding; 9 = poor)

Greenshaw's results in the summer were very pleasing, there was a rise in the Progress 8 score; the school's own calculations based on 'best entry' measure yields a figure of 0.08. Attainment 8 and the percentage of students achieving A*-C in both English and Maths both rose. The school consolidated its A level performance, almost a quarter of grades were A*-A and over half were A*-B, with the overwhelming majority of students attaining grades that gained them entry to their first-choice university. Using the Alps measure, A level value added was 'excellent.'

Edenham High School

GCSE results				A level results		
Grades	Progress 8	Attainment 8	A*-C in En & Ma	Grades	A*-B	Alps value added grade
2016	+0.04	C-	60	2016	24	7
2015	-0.15	C-	58	2015	17	5

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Edenham High School (continued)

In comparison to last year, the Progress 8 measure increased and Attainment 8 figure held at C-. The percentage of students achieving A*-C in both English and Mathematics rose in comparison to last year. At A level, 24% of grades were achieved at A*-B, an increase on last year, although the school's Alps score fell.

The Brakenhale School

GCSE results				A level results		
Grades	Progress 8	Attainment 8	A*-C in En & Ma	Grades	A*-B	Alps value added grade
2016	+0.14	C	53	2016	29	4
2015	-0.19	D+	50	2015	22	7

This year's Progress 8 score of +0.14 represents a significant increase (and is expected to rise further) as does the Attainment 8 score. The percentage of students achieving A*-C in both English and Maths also rose in comparison to last year. At A level there was an increase in the percentage of grades secured at A*-B, in addition the Alps score rose significantly, from 7 ('less than satisfactory') to 4 ('very good').

Green Wrythe Primary School

KPI	% Emerging	% Expected
Foundation Baseline	57	43
KPI (includes Rainbow, a special education provision for children with autism)	% Not Met	% Met
Year 1 Phonics	42	58

KPI KS1	% At interim pre KS1 standards	% Working towards expected	% Working at expected or greater	% Working at greater depth
Reading	27	10	63	13
Writing	37	23	40	0
Math	27	13	60	17

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Green Wrythe Primary School (continued)

KPI KS2	% Working towards expected	% Working at expected or greater	Progress in the top % of schools nationally
Reading	48	52	40
Writing	30	70	25
Math	34	66	40
Combined	59	41	
SPG	37	63	

This year the children entering the school made very good progress when matched to age related expectations on entry. Year 1 phonics results were very pleasing showing a 20% on last year. KS1 results were on track and showed a slight increase. The schools KS2 attainment results for combined were disappointing when compared to national expectations. The KS2 progress results were very good putting the school in the top 40% of schools nationally for progress.

Victor Seymour Infant School

KPI	% Emerging	% Expected
Foundation Baseline	20	80
KPI	% Not Met	% Met
Year 1 Phonics	33	67

KPI KS1	% At interim pre standards	% Working towards expected	% Working at expected or greater	% Working at greater depth
Reading	0	16	84	23
Writing	0	38	62	14
Math	0	29	71	15

This year 80% of children on entry made expected age related or above. Year 1 phonics results were down on last year .KS1 results were pleasing overall. The % of children who achieved working at or greater in reading was excellent.

STRATEGIC REPORT (continued)

Going concern

The Trustees have considered carefully the Trust's level of reserves at 31 August 2016 and its results for the period then ended. They have also considered the likely limitations in future increases of funding for the Trust's existing schools and the known cost pressures arising from increases in the rates of pension contributions and changes in National Insurance following recent pension reform. The Trustees are also mindful of the increased risk attaching to the increasing number of schools operated by the Trust.

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

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

FINANCIAL REVIEW

The majority of the Group's income is obtained from the EFA in the form of recurrent grant, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Group's total income was £40,656,000 (2015 - £15,335,000) and the total expenditure was £24,641,000 (2015 - £12,488,000) for the year.

Income for the year included a one off transfer of £13,344,000 for Edenham High School, The Brakenhale School and Victor Seymour Infant School (2015 - £3,071,000 for Green Wrythe).

At the 31 August 2016, the net book value of fixed assets was £39,148,000 (2015 - £18,717,000) and movements in tangible assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to students of the School.

Financial position and reserves policy

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

FINANCIAL REVIEW (continued)

Financial position and reserves policy (continued)

On 31 August 2016, the Trust held total funds of £26,842,000 (2015 - £15,220,000) comprising of £26,542,000 (2015 - £15,020,000) of restricted funds (including the pension deficit of £13,317,000 (2015 - £3,796,000)) and unrestricted funds of £300,000 (2015 - £200,000). The total funds excluding the pension deficit are £40,159,000 (2015 - £19,016,000).

Each of the individual schools within the trust had a surplus on funds carried forward with the exception of Greenshaw High School and The Brackenhale School. Greenshaw High School had a deficit as at 31 August 2016 of £116,000 (2015 – surplus of £34,000). The school completed a restructure during the year in order to improve the financial results going forward and the deficit reflects the full one off costs of the re-organisation. The action taken provides a sustainable future cost base and the school will return to surplus in 2016/17.

The Brackenhale School joined the Trust during the year with a deficit of £102,000 including a loan of £130,000 transferred from Bracknell Forest Local Authority. As at 31 August 2016, the school had a fund deficit of £176,000. 2016/17 will be the first budget cycle as part of the Greenshaw Learning Trust and the Trust has put plans in place to turn around the deficit. These include re-scheduling of the loan with repayments commencing in September 2018 over 3 years and following significant additional students joining an agreed change to the funding agreement to move to estimated student funding from lagged funding for 2016/17.

Investment policy

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

Principal risks and uncertainties

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

The principal risk relates to control of staff costs. Employer contribution rates for both the Teacher's Pension Fund and Local Government Pension Fund have increased significantly, the removal of the lower contracted out rate will increase employer National Insurance contributions and annual cost of living rises are unfunded. In addition the triennial valuation for Local Government Pension Schemes is likely to require further increased employer contributions from 1 April 2017. The impact of the Apprenticeship Levy is also unknown. Further pressure is therefore likely on payroll costs and each school's payroll ratio.

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

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

PLANS FOR FUTURE PERIODS

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

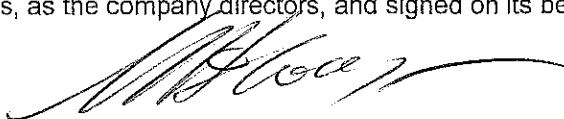
- ◆ We wish to grow the Trust in a managed and sustainable manner, balancing schools that add capacity with schools that need more support when they join.
- ◆ We will welcome schools that can demonstrate that they understand and either already share or can commit to adopting our essential vision and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

AUDITOR

In so far as the Trustees are aware:

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

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



Mike Cooper
Chair of Board of Trustees of the Trust

Date: 19/12/16

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

Governors of the Trust

The following persons were in office for the period 1 September 2015 – 31 August 2016 inclusive (or part thereof as indicated).

Members	Appointed/Resigned
Mike Cooper	
Cliff Ford	
Julie Hendry	Resigned 25 February 2016
Carolyn Swain	
Sue Winspear	Appointed 22 April 2016

Trustees	Appointing Body	Appointed/Resigned
Diana Comam	Members of the Trust	
Mike Cooper	Members of the Trust	
Nick Cross	Board of Trustees	Appointed 1 October 2015 and resigned 5 February 2016)
Gary Miles	Members of the Trust	Appointed 10 June 2016
Roger Mills	Members of the Trust	Appointed 10 June 2016
Ingrid Percy	Members of the Trust	Appointed 10 June 2016
William Smith	Ex-Officio	
Carolyn Swain	Members of the Trust	
Sue Winspear	Members of the Trust	Resigned 24 June 2016

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

The Board of Trustees

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

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

The Board of Trustees retains responsibility for:

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

The Board of Trustees (continued)

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

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

Local Governing Bodies

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

Each LGB is responsible for:

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

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

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

The LGB may carry out its delegated functions as it sees fit and may delegate those functions to a committee, individual governor or executive office holder, subject to such delegation and any associated committee remits or conditions being approved by the Board of Trustees. The Board of Trustees may, in exceptional circumstances, impose conditions and restrictions upon the delegated authority it has given to the LGB.

Trust Committees

The Board of Trustees has established the following committees:

- ♦ An Audit Committee that reviews the risks to internal financial control and agrees the processes and checks required to address these risks and ensure the Trust's financial policies and procedures are being carried out properly.
- ♦ A Trust Central Services Committee to which it delegates authority to agree the strategy and budget for, and monitor and review the delivery and performance of, the Trust's central services.
- ♦ A New School Establishment Committee to which it delegates authority for the oversight of, planning for and establishment of the Trust's Sutton new schools.
- ♦ An Admissions Committee to which it delegates the consideration of admissions applications where a decision of Trustees is required.

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

The Board of Trustees has established a Panel from which members may be selected to form an ad hoc committee. The Panel is made up of made up of Trustees and selected non-Trustee members from across the Trust and outside if it, who bring specific expertise and experience.

Delegation to Trust Executive officers

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

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

Meeting attendance

The Board of Trustees has formally met 7 times during the year 2015/16. Attendance during the year at meetings of the Board was as follows:

Trustees	Number of meetings attended	Out of a possible
Diana Comam	6	7
Mike Cooper	7	7
Nick Cross	1	2
Gary Miles	1	2
Roger Mills	2	2
Ingrid Percy	2	2
William Smith	7	7
Carolyn Swain	7	7
Sue Winspear	4	6

In addition, there were two meetings of the Audit Committee – see page 17.

Governance review

When Julie Hendry resigned as a Member (on 25 February 2016) and the Board of Trustees were informed that Sue Winspear would be resigning as a Trustee (which she subsequently did on 24 June 2016) the Trust commenced a review of its operation and procedures, its committee structure and the skills of Trustees. The Trust also carried out a skills audit and self-evaluation review of all its local governing bodies and reviewed the effectiveness of their existing governance arrangements and procedures.

The Members of the Trust appointed Sue Winspear as a Member with effect from 22 April 2016 and on 10 June 2016 the Members appointed three new Trustees, Gary Miles, Roger Mills and Ingrid Percy, to strengthen the Board and bring their particular skills and experience. The Board of Trustees added further external, non-Trustee, members to the Trust Panel and some of its committees and local governing bodies to ensure they have the skills required to carry out their role.

Taking account of the review and the latest guidance and evidence of good practice from across the country, the Board of Trustees updated the governance procedures for the Board and developed model procedures and committee structures for local governing bodies, to make them more effective and more consistent across the Trust. New governance procedures and model committee remits were drawn up and were subsequently agreed by the Board of Trustees and its local governing bodies in September 2016.

Scope of responsibility

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

Scope of responsibility (continued)

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

Review of value for money

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

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

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

Audit committee

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

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

During the year the Audit Committee met twice.

Members of Committee	Number of meetings attended	Out of a possible
Don Brims	2	2
Diana Coman	2	2
Sue Winspear	2	2

Audit committee (continued)

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

Local Governing Bodies

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees have is of the view that there is an ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The risk and control framework (continued)

- ◆ identification and management of risks.

The Board of Trustees has agreed a programme of internal and external audits during 2016-17 and agreed to continue with the framework commenced in 2015-16:

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

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

- ◆ Commenced a process for the harmonisation of Trust policies and procedures
- ◆ Introduction of Trust clerking service
- ◆ Introduction of new finance and budget monitoring systems
- ◆ Commenced a process for the development of a Trust data dashboard for monitoring student outcomes

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

Review of effectiveness

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

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

Review of effectiveness (continued)

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

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



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



William Smith
(Executive Headteacher and Accounting Officer)

Approved on: 19/12/16

Statement on regularity, propriety and compliance 31 August 2016

As Accounting Officer of the Greenshaw Learning Trust, I have considered my responsibility to notify the Trustees of the Trust and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

A handwritten signature in black ink, appearing to read 'W. Smith', with a stylized flourish at the end.

William Smith

Accounting Officer

Date: 19/12/16

Statement of Trustees' responsibilities 31 August 2016

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

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

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

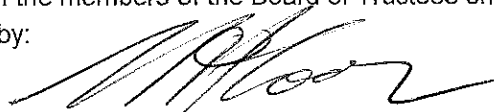
The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act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

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

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

Approved by order of the members of the Board of Trustees on 19/12/16 and signed on its behalf by:

Mike Cooper
Chair of Board of Trustees of the Trust



Independent auditor's report on the financial statements to the Members of The Greenshaw Learning Trust

We have audited the financial statements of the Greenshaw Learning Trust for the year ended 31 August 2016 which comprise the consolidated statement of financial activities, the balance sheets, the consolidated statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditor

The Trustees act as trustees for the charitable activities of the Greenshaw Learning Trust and are also the directors of the charity for the purpose of company law.

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report, including the strategic report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report 31 August 2016

Opinion

In our opinion:

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


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

21/12/16

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

In accordance with the terms of our engagement letter dated 24 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Greenshaw Learning Trust during the period from 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Greenshaw Learning Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Greenshaw Learning Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Greenshaw Learning Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of the Greenshaw Learning Trust's funding agreement with the Secretary of State for Education dated 27 May 2011 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Approach (continued)

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

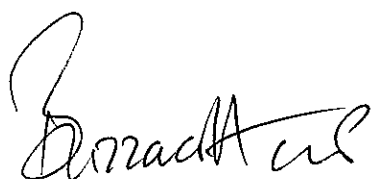
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

21/12/16

Consolidated statement of financial activities Year ended 31 August 2016

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

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

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

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

Balance sheets 31 August 2016

	Notes	2016		2015	
		Group £'000	Trust £'000	Group £'000	Trust £'000
Fixed assets					
Tangible fixed assets	12	39,148	39,148	18,717	18,717
Current assets					
Debtors	14	1,290	1,320	578	671
Cash at bank and in hand		1,888	1,854	398	301
		3,178	3,174	976	972
Creditors: amounts falling due within one year	15	(2,080)	(2,076)	(677)	(673)
Net current assets		1,098	1,098	299	299
Total assets less current liabilities		40,246	40,246	19,016	19,016
Creditors: amounts falling due after more than one year	16	(87)	(87)	—	—
Net assets excluding pension scheme liability		40,159	40,159	19,016	19,016
Pension scheme liability	21	(13,317)	(13,317)	(3,796)	(3,796)
Total net assets		26,842	26,842	15,220	15,220
Funds of the Trust					
Restricted funds					
. Fixed assets fund	17	39,789	39,789	18,780	18,780
. Restricted income	17	76	76	36	36
. Pension reserve	17	(13,317)	(13,317)	(3,796)	(3,796)
		26,548	26,548	15,020	15,020
Unrestricted funds					
. General fund	17	294	294	200	200
Total funds		26,842	26,842	15,220	15,220

The financial statements on page 27 to 55 were approved by the Trustees, and authorised for issue on 19/12/16 and are signed on their behalf by:



Mike Cooper
Chair of Directors of the Trust

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

Consolidated statement of cash flows Year to 31 August 2016

		2016 £'000	2015 £'000
Net cash inflow from operating activities			
Net cash provided by operating activities	A	694	139
Cash received on conversion		184	7
Cash flows from investing activities	B	612	136
Change in cash and cash equivalents in the year		1,490	282
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2015		398	116
Cash and cash equivalents at 31 August 2016	C	1,888	398

A Reconciliation of income to net cash flow from operating activities

	2016 £'000	2015 £'000
Net income for the year (as per the statement of financial activities)	16,015	2,888
Adjusted for:		
Inherited pension deficit	4,740	1,411
Inherited assets	(17,590)	(4,306)
Cash inherited on conversion	(184)	(7)
Depreciation (note 12)	1,319	552
Capital grants from DfE and other capital income	(4,771)	(716)
Interest receivable (note 3)	(1)	(7)
Defined benefit pension scheme cost less contributions payable (note 21)	131	108
Defined benefit pension scheme finance cost (note 21)	257	64
Increase in debtors	(712)	(251)
Increase in creditors within one year	1,403	403
Increase in creditors due after one year	87	—
Net cash provided by operating activities	694	139

B Cash flows from investing activities

	2016 £'000	2015 £'000
Dividends, interest and rents from investments	1	7
Purchase of tangible fixed assets	(4,160)	(528)
Capital grants from DfE/EFA	4,771	657
Net cash provided by investing activities	612	136

Consolidated statement of cash flows Year to 31 August 2016

C Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	1,888	398

Principal accounting policies Year to 31 August 2016

Statement of accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

Basis of consolidation

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

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

Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of Greenshaw Learning Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Greenshaw Learning Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Transition to FRS 102 (continued)

Explanation of transition to FRS 102

It is the first year that the academy trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The transition to FRS 102 had no impact on the total funds previously reported. A reconciliation and description of the effect of the transition to FRS 102 and SORP 2015 on the net income for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

	2015 £'000
Reconciliation of net income	
Net income previously reported under UK GAAP	2,903
Change in recognition of LGPS interest cost (A)	(56)
Net movement in funds reported under FRS 102	2,847

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the academy trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £56,000 and reduce the debit in other recognised gains and losses in the statement of financial activities by an equivalent amount.

Going concern

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

Principal accounting policies Year to 31 August 2016

Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

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

Expenditure

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

Expenditure on raising funds

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

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

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

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

Depreciation is charged from the month of acquisition.

Principal accounting policies Year to 31 August 2016

Tangible fixed assets (continued)

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

Liabilities

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

Leased assets

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

Taxation

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

Pensions benefits

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

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

Pensions benefits (continued)

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

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

Fund accounting

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

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

Restricted EFA funds comprise all other grants received from the Education Funding Agency.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Victor Seymour Pension estimate

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

Brackenhale building valuation

Brackenhale School joined Greenshaw Learning Trust on 1 April 2016 with buildings transferred under a long leasehold arrangement. Due to the timing of joining the Trust, no EFA valuation was available. The value of the building has been estimated using a discounted insurance valuation, which includes a significant reduction in the value of the buildings due to the condition of the buildings and their useful economic life. On receipt of the EFA valuation the Trustees will consider whether this valuation needs impairing.

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset funds £'000	2016 Total funds £'000	2015 Total funds £'000
Other donations	83	—	—	83	49
Capital grants	—	—	4,771	4,771	447
	83	—	4,771	4,854	496
Conversion from LA (note 23)	494	(4,740)	17,590	13,344	3,071
	577	(4,740)	22,361	18,198	3,567

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Hire of facilities	210	—	210	159
Catering and uniform sales income	929	—	929	568
School trips	104	—	104	316
Other income	193	—	193	31
	1,436	—	1,436	1,074

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Interest receivable	1	—	1	7

4 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
DfE / EFA grants				
. General Annual Grant (GAG)	—	18,575	18,575	8,992
. Pupil premium	—	957	957	472
. Other DfE / EFA	—	—	—	318
	—	19,532	19,532	9,782
Other government grants				
. Local Authority grants	—	1,489	1,489	905
	—	1,489	1,489	905
	—	21,021	21,021	10,687

Notes to the financial statements Year to 31 August 2016

5 Expenditure

	Staff costs £'000	Non pay expenditure		2016 Total funds £'000	2015 Total funds £'000
		Premises £'000	Other costs £'000		
Cost of other trading activities	120	—	239	359	178
Charitable activities					
.. Trust's educational operations					
.. Direct costs	15,526	1,055	1,223	17,804	8,882
.. Allocated support costs	3,255	1,220	2,003	6,478	3,428
	18,901	2,275	3,465	24,641	12,488

	2016 Total funds £'000	2015 Total funds £'000
Net expenditure for the period include:		
Operating leases	153	113
Fees payable to auditor		
.. Statutory audit	19	13
.. Other assurance services	2	2
.. Accounting and reporting	12	9
Depreciation	1,319	500

6 Charitable activities – Trust's educational operations

	2016 Total funds £'000	2015 Total funds £'000
Direct costs	17,804	8,882
Support costs	6,478	3,428
	24,282	12,310

	2016 Total funds £'000	2015 Total funds £'000
Analysis of support costs		
Support staff costs	3,255	1,724
Depreciation	264	110
Technology costs	21	—
Premises costs	956	404
Other support costs	1,549	1,171
Governance costs	433	19
Total support costs	6,478	3,428

Notes to the financial statements Year to 31 August 2016

7 Comparative information

Analysis of income and expenditure in the year ended 31 August 2015 between restricted and unrestricted funds:

	Un-restricted general fund £'000	Restricted funds		2015 Total funds £'000
		Restricted general fund £'000	Fixed assets fund £'000	
Income				
Donations and capital grants	49	—	—	49
. Transfer from Local Authority on conversion	175	(1,411)	4,306	3,070
Other trading activity	1,074	—	—	1,074
Investments	7	—	—	7
Charitable activities				
. Funding for the Trust's educational operations	—	10,419	716	11,135
Total income	1,305	9,008	5,022	15,335
Expenditure				
Raising funds	178	—	—	178
Charitable activities				
. Trust's educational operations	597	11,160	553	12,310
Total expenditure	775	11,160	553	12,488
Net income/(expenditure) before transfers	530	(2,152)	4,469	2,847
Transfers between funds	(530)	549	(19)	—
Net income for the period	—	(1,603)	4,450	2,847
Other recognised gains and losses				
Actuarial gains on defined benefit pension scheme	—	264	—	264
Net movement in funds	—	(1,339)	4,450	3,111

8 Staff

(a) Staff costs

Staff costs during the period were:

	2016 Total funds £'000	2015 Total funds £'000
Wages and salaries	14,514	7,530
Social security costs	1,295	521
Pension costs	2,550	1,205
	18,359	9,256
Supply teacher costs	435	46
Staff restructuring costs	107	15
	18,901	9,317
	2016 £'000	2015 £'000
Staff restructuring costs comprise		
Severance payments	107	—
	107	—

(b) Staff severance payments

Included in compensation payments are two non-contractual severance payments totalling £25,781 (2015 – £380). Individually the payments were £13,596 and £12,185.

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2016 was as follows:

Charitable activities	2016 No	2015 No
Teachers	266	118
Administration and support	296	138
Management	16	12
	578	268

8 Staff (continued)

(d) Higher paid staff

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

	2016 No	2015 No
£60,001 - £70,000	11	5
£70,001 - £80,000	2	1
£80,001 - £90,000	1	—
£90,001 - £100,000	—	1
£100,001 - £110,000	2	1
£130,001 - £140,000	1	—

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

(e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the academy trust was £592,320 (2015: £318,115).

9 Trustees' remuneration and expenses

One trustee has been paid remuneration and has received other benefits from an employment with the academy trust (2015 – four trustees). The Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect to their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of trustees' remuneration and other benefits whilst in office was as follows:

	2016 £	2015 £
W Smith, Headteacher and trustee		
. Remuneration	105,001 - 110,000	100,001 - 105,000
. Employer's pension contributions	15,000 - 20,000	10,000 - 15,000
T Bliss, staff governor and trustee		
. Remuneration	n/a	0 - 5,000
. Employer's pension contributions		0 - 5,000
D Holding, staff governor and trustee		
. Remuneration	n/a	0 - 5,000
. Employer's pension contributions		0 - 5,000
F Weatherhead, staff governor and trustee		
. Remuneration	n/a	0 - 5,000
. Employer's pension contributions		0 - 5,000

Notes to the financial statements Year to 31 August 2016

9 Trustees' remuneration and expenses (continued)

During the year ended 31 August 2016, £388 (2015 - £100) travel and subsistence expenses were reimbursed to two Trustees (2015 – one).

Other related party transactions involving the trustees are set out in note 22.

10 Trustees' and Officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2016 was included within the overall insurance premium.

11 Central services

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

- ♦ School improvement
- ♦ Pupil monitoring and assessment
- ♦ Governance
- ♦ HR and payroll
- ♦ Budget planning and monitoring
- ♦ Catering

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

The actual amounts charged during the year were as follows:

	2016 £	2015 £
Green Wrythe Primary School	45	19
Greenshaw High School	253	—
Edenham High School	150	—
Brackenhale School	60	—
Victor Seymour Infant School	6	—

12 Tangible fixed assets (group and trust)

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Assets under construction £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost/valuation							
At 1 September 2015	—	19,630	269	137	171	—	20,207
Transferred on conversion	11,433	6,109	—	12	31	6	17,591
Additions	—	—	4,063	4	93	—	4,160
Disposals	—	—	—	(87)	—	—	(87)
At 31 August 2016	11,433	25,739	4,332	66	295	6	41,871
Depreciation							
At 1 September 2015	—	1,332	—	101	58	—	1,491
Charge in period	326	869	—	19	103	2	1,319
Disposals	—	—	—	(87)	—	—	(87)
At 31 August 2016	326	2,201	—	33	161	2	2,723
Net book value							
At 31 August 2016	11,107	23,538	4,332	33	134	4	39,148
At 31 August 2015	—	18,299	269	36	113	—	18,717

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

13 Investments – Greenshaw Learning Services Limited

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

	2016 £'000	2015 £'000
Turnover	370	190
Cost of sales	(355)	(170)
Gross profit	15	20
Administrative expenses	(4)	(8)
Retained profit before charitable donation under Gift Aid at 31 August 2016	11	12
Charitable donation under Gift Aid	(11)	(12)
Profit on ordinary activities after taxation	—	—
Retained profits brought forward at 1 September 2015	—	—
Retained profits carried forward at 31 August 2016	—	—
Called up share capital	1	1
Net assets at 31 August 2016	1	1

Notes to the financial statements Year to 31 August 2016

14 Debtors

	Group 2016 £'000	Trust 2016 £'000	Group 2015 £'000	Trust 2015 £'000
Trade debtors	18	18	24	—
Prepayments and accrued income	325	305	285	285
Amounts due from subsidiary	—	50	—	110
VAT debtor	357	357	101	108
Other debtors	590	590	168	168
	<u>1,290</u>	<u>1,320</u>	<u>578</u>	<u>671</u>

15 Creditors: amounts falling due within one year

	Group 2016 £'000	Trust 2016 £'000	Group 2015 £'000	Trust 2015 £'000
Trade creditors	23	23	193	191
Taxation and social security	427	427	157	157
Accruals and deferred income	1,235	1,231	327	324
Loans	43	43	—	—
Other creditors	352	352	—	—
	<u>2,080</u>	<u>2,076</u>	<u>677</u>	<u>672</u>

	Group 2016 £'000	Trust 2016 £'000
Deferred income at 1 September 2015	27	46
Resources deferred in the year – School trips 2016/17	229	27
Amounts released from previous years	(27)	(46)
Deferred income at 31 August 2016	<u>229</u>	<u>27</u>

16 Creditors: amounts falling due in greater than one year

	2016 £'000	2015 £'000
Group and Academy		
Loans	<u>87</u>	<u>—</u>

The loan of £130,000 from Bracknell Forrest Local Authority was transferred with Brackenhale School. The loan is repayable in monthly instalments over a 36 month period from September 2016.

17 Funds

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
Restricted general fund					
. General Annual Grant (GAG)	—	18,455	(18,481)	26	—
. Pupil premium	—	957	(957)	—	—
. Other EFA grants	36	120	(86)	6	76
Total EFA revenue funds	36	19,532	(19,524)	32	76
. Local authority grants	—	1,489	(1,489)	—	—
. Pension reserve	(3,796)	(4,740)	(388)	(4,393)	(13,317)
	(3,760)	16,281	(21,401)	(4,361)	(13,241)
Fixed assets fund					
. EFA capital grants	534	59	(69)	(9)	515
. Local Authority capital grants	268	4,712	(35)	—	4,945
. Capital expenditure from GAG and other funds	149	—	(19)	(24)	106
. Academy building and furniture and equipment transferred from Local Authority	17,829	17,590	(1,196)	—	34,223
	18,780	22,361	(1,319)	(33)	39,789
Total restricted funds	15,020	38,642	(22,720)	(4,394)	26,548
Unrestricted funds					
. Unrestricted funds	200	2,014	(1,921)	1	294
Total unrestricted funds	200	2,014	(1,921)	1	294
Total funds	15,220	40,656	(24,641)	(4,393)	26,842

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

EFA revenue grant fund and other restricted funds

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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

Fixed asset fund

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

Pension reserve

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

17 Funds (continued)

Analysis of fund balance by academy

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £'000	Total 2015 £'000
Greenshaw High School	(116)	34
Green Wrythe Primary School	117	166
Brackenhale School	(176)	—
Edenham High School	299	—
Victor Seymour Infant School	198	—
Central services	48	36
Total before fixed assets and pension reserve	370	236
Restricted fixed assets fund	39,789	18,780
Pension liability	(13,317)	(3,796)
Total	26,842	15,220

Greenshaw High School had a deficit as at 31 August 2016 of £116,000 (2015 – surplus of £34,000). The school completed a restructure during the year in order to improve the financial results going forward and the deficit reflects the full one off costs of the re-organisation. The action taken provides a sustainable future cost base and the school will return to surplus in 2016/17.

The Brackenhale School joined the Trust during the year with a deficit of £102,000 including a loan of £130,000 transferred from Bracknell Forest Local Authority. As at 31 August 2016, the school had a fund deficit of £176,000. 2016/17 will be the first budget cycle as part of the Greenshaw Learning Trust and the Trust has put plans in place to turn around the deficit. These include re-scheduling of the loan with repayments commencing in September 2018 over 3 years and following significant additional students joining an agreed change to the funding agreement to move to estimated student funding from lagged funding for 2016/17.

17 Funds (continued)

Analysis of cost by academy

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

	Teaching and educational support costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs (excluding depreciation) £'000	Total £'000
Greenshaw High School	6,798	1,422	544	684	9,448
Green Wrythe Primary School	1,902	280	246	225	2,653
Brackenhale School	196	40	7	112	355
Edenham High School	4,501	1,313	469	1,160	7,443
Victor Seymour Infant School	1,531	276	206	282	2,295
Central services	163	350	112	144	769
Academy Trust	15,091	3,681	1,584	2,607	22,963

18 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	—	—	39,148	39,148
Current assets	294	2,243	641	3,178
Current liabilities	—	(2,080)	—	(2,080)
Non-current liabilities	—	(87)	—	(87)
Pension scheme liability	—	(13,317)	—	(13,317)
Total net assets	294	(13,241)	39,789	26,842

19 Commitments under operating leases

Operating leases

At 31 August 2016, the total of the Academy's future minimum lease payments under non-cancellable operating leases as follows:

	2016 £'000	2015 £'000
Amounts due within one year	132	113
Amounts due between two and five years inclusive	175	237
	307	350

20 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.

21 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Sutton, London Borough of Croydon and Royal County of Berkshire pension funds. 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 2013.

There were no contributions payable to the schemes at 31 August 2016 (2015: none).

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))

21 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ♦ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

Valuation of the Teachers' Pension Scheme (continued)

- ♦ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £1,328,000 (2015: £604,514).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme (LGPS)

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

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

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.60%	4.50%
Rate of increase for pensions in payment / inflation	2.20%	2.70%
Discount rate for scheme liabilities	2.10%	4.0%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.5 years	21.7 years
Females	25.1 years	25.0 years
<i>Retiring in 20 years</i>		
Males	24.6 years	23.7 years
Females	27.4 years	27.0 years

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

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equities	3,693	1,902
Gilts	774	425
Bonds	508	369
Property	424	211
Cash	28	106
Alternative	126	43
Total market value of assets	5,553	3,056

The actual return on scheme assets was £626,000 (2015: £1,000).

Amounts recognised in statement of financial activities	2016 £'000	2015 £'000
Current service costs (net of employee contributions)	1,222	622
Net interest cost	257	120
Total operating charge	1,479	742

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the present value of defined benefit obligations were as follows:	2016 £'000	2015 £'000
At 1 September 2015	6,852	4,821
Upon conversion	5,273	1,443
Current service cost	1,222	622
Interest cost	403	211
Employee contributions	255	130
Actuarial loss/(gain)	4,908	(354)
Benefits paid	(43)	(21)
At 31 August 2016	18,870	6,852

Changes in the fair value of the Academy's share of scheme assets:	2016 £	2015 £
At 1 September 2015	3,056	2,401
Upon conversion	533	32
Interest income	146	91
Actuarial gain/(loss)	515	(90)
Employer contributions	1,091	513
Employee contributions	255	130
Benefits paid	(43)	(21)
At 31 August 2016	5,553	3,056

The pension obligations inherited upon conversion of £5,273,000 include £1,310,000 in connection with Victor Seymour Infant School. The Local Government Pension Scheme actuary has not provided a pension report as a result of the date that Victor Seymour Infant School joined the Greenshaw Learning Trust. The pension liability was estimated by the Greenshaw Learning Trust based on values for Green Wrythe Primary School and adjusted for membership figures. The valuation will be updated based on a bespoke FRS 102 Section 28 report in 2016/17.

22 Related party transactions

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

The Trust also works closely with the PiXL Club (Partners in Excellence) providing support to many hundreds of schools nationally. The Executive Headteacher and CEO of the Trust is a Director of PiXL for which no salary is received. Greenshaw Learning Trust provides services to PiXL and invoices £80,170 during the year (2015 - £64,070). There was £14,834 owed to the Trust at the year end (2015 - £nil).

22 Related party transactions (continued)

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

Four of the five schools within the Trust have a service level agreement with Cygnet for the provision of IT and SIMS support. Roger Mills is a trustee and Director of Cygnet. All schools follow their own procurement process and had all chosen the Cygnet service before Roger joined the Board of Trustees in June 2016. During the year the amounts invoiced by Cygnet were £36,564.

23 Transfer from Local Authority on conversion

During the year ended 31 August 2016, three schools joined the Trust; Edenham High School, Brackenhale School and Victor Seymour Infant School. At the date of conversion to Academy status under the Academies Act 2010, the operations and assets and liabilities were transferred to the Greenshaw Learning Trust for £nil consideration.

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

Edenham High School

On 1 September 2015 Edenham High School converted to academy status.

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

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total 2016 £'000
Freehold land and buildings	—	—	11,433	11,433
Other tangible assets	—	—	21	21
Budget surplus on LA funds	314	—	—	314
LGPS pension deficit	—	(2,630)	—	(2,630)
Net assets/(liabilities)	314	(2,630)	11,454	9,138

The school building freehold was transferred to the Trust. The use of the land is restricted to educational purposes.

The value of the building has been estimated using the provided EFA valuation.

The above net assets include £314,000 that was transferred as cash after the year end.

23 Transfer from Local Authority on conversion (continued)

Brackenhale School

On 1 April 2016 Brackenhale High School converted to academy status.

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

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total 2016 £'000
Leasehold buildings	—	—	3,617	3,617
Other tangible assets	—	—	7	7
Budget surplus on LA funds	28	—	—	28
LGPS pension deficit	—	(800)	—	(800)
Other borrowing obligations	(130)	—	—	(130)
Net (liabilities)/assets	(102)	(800)	3,624	2,722

The school building was transferred in with a 125 year lease of the land and buildings from Royal County of Berkshire at a peppercorn rent.

The value of the building has been estimated using a discounted insurance valuation. On receipt of the EFA valuation the Trustees will consider whether this valuation needs impairing.

The balance of £28,000 was finalised with the Local Authority after the year end and therefore no cash was transferred on conversion.

Victor Seymour Infants School

On 1 July 2016 Victor Seymour Infants School converted to academy status.

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

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total 2016 £'000
Leasehold buildings	—	—	2,492	2,492
Other tangible assets	—	—	20	20
Budget surplus on LA funds	282	—	—	282
LGPS pension deficit	—	(1,310)	—	(1,310)
Net assets/(liabilities)	282	(1,310)	2,512	1,484

The school building was transferred in with a 125 year lease of the land and buildings from Sutton Borough Council at a peppercorn rent.

23 Transfer from Local Authority on conversion (continued)

Victor Seymour Infants (continued)

The value of the building has been estimated using a discounted insurance valuation. On receipt of the EFA valuation the Trustees will consider whether this valuation needs impairing.

The balance of £282,000 was owed from the Local Authority as at 31 August 2016.

24 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £41,933 (2015 - £27,188) and disbursed £35,606 (2015 - £27,188) from the fund.