

**GREEN SPRING EDUCATION TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

# GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

## CONTENTS

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 9
<b>Governance Statement</b>	10 - 12
<b>Statement on Regularity, Propriety and Compliance</b>	13
<b>Statement of Trustees' Responsibilities</b>	14
<b>Independent Auditors' Report on the Financial Statements</b>	15 - 16
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	17 - 18
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	19
<b>Balance Sheet</b>	20
<b>Statement of Cash Flows</b>	21
<b>Notes to the Financial Statements</b>	22 - 38

# GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2017

<b>Members</b>	J Earl D Barker G Taylor
<b>MAT Board</b>	Ms J Earl, Chair of Trustees (appointed 8 February 2017) Mr D Gracie Mr M Keary, Chief Executive (removed 17 July 2017) Mr A Laure (appointed 1 September 2016) Ms C Rawes (appointed 1 September 2016) Ms R Sacks Mr G Taylor, Chair, Community Governor (resigned 8 February 2017) Ms J Tyrrell Mr J Walker
<b>Company registered number</b>	07856680
<b>Company name</b>	Green Spring Education Trust
<b>Registered and principal office</b>	Green Spring Academy Shoreditch Gosset Street London E2 6NW
<b>Company Secretary</b>	Mr D Germon
<b>Interim Chief executive officer</b>	Dr V Ogden (Under a School-to-School Support Agreement)
<b>Senior Leadership Team</b>	Dr V Ogden, Interim Chief Executive (from 9 February 2017) T Blair, Deputy Principal J Cordice, Director of Marketing, Communications & External Affairs P Doel, Chief Financial Officer (Interim Accounting Officer from 9 February 2017) L Glees, Acting Vice Principal (left during the year) Mr M Keary, Principal, Chief Executive (until 17 July 2017) and Accounting Officer (until 8 February 17) K McEwan, Director of Sixth Form / Assistant Vice Principal J Montgomerie, Deputy Principal (Acting Head of School from 9 February 2017) W Moss, Assistant Vice Principal T Piccoli, Deputy Principal (left during the year) H Rashid, Deputy Principal (left during the year) T Scales, Assistant Vice Principal A Wallace, Assistant Vice Principal
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford CM23 3BT

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**Advisers (continued)**

**Bankers**

Co-Operative Bank  
4th Floor, 9 Prescott Street  
London, E1 BAZ

Lloyds Bank  
London  
EC2V 7HN

**Solicitors**

Winckworth Sherwood  
Minerva House  
5 Montague Close  
London  
SE1 9BB

# GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their Annual Report together with the Financial Statements and Auditors' Report of Green Spring Education Trust (the Charitable Company, the Trust, or the Academy) for the period 1 September 2016 to 31 August 2017. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates one academy school, Green Spring Academy Shoreditch (formerly known as Bethnal Green Academy, the School), for pupils aged 11-18 serving the catchment area of East London. It has a pupil capacity of 1,100 (900 pre-16 years old and 200 post-16 years old) and had a roll of 993 (875 pre-16 years old, 118 post-16 years old) at the May 2017 school census date.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Academy is a Company Limited by Guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are its primary governing documents. The Trustees of Green Spring Education Trust are also the Directors of the Charitable Company for the purposes of company law. The charitable company is known as Green Spring Education Trust. Throughout this report the terms Director, Governor, and Trustee are interchangeable.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1.

#### Member's 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.

#### Trustee Indemnities

In accordance with normal commercial practice, up to 31st December 2016 the Trust purchased insurance to protect Trustee' claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provided cover up to £5,000,000 on any one claim. From 1st January 2017 the Academy opted into the Department for Education's 'Risk Protection Arrangements' (RPA). The RPA is not an insurance scheme, but is a mechanism through which the cost of risks that materialise from the date of joining are covered by Government funds. The level of Governors' liability is £10,000,000 for any one loss and any one membership year. Details of the insurance and RPA cost is disclosed in Note 14 to the accounts.

#### Method of recruitment and appointment or election of Trustees

The Board comprised seven Trustees at the year end. The Chair and Directors are highly skilled individuals, bringing a range of professional backgrounds and experience including corporate finance, HR, local and central Government policy and planning. They all have a major interest in the education and well-being of young people.

In accordance with the Trust's Articles of Association, the Directors can appoint such number of directors as they see fit. The total number of Directors including the Chief Executive Officer who are employees of the Company shall not exceed one-third of the total number of Directors.

#### Policies and Procedures adopted for the induction and training of Trustees

Upon appointment, Governors receive an induction pack and training on their roles and responsibilities. This was enhanced this year with a comprehensive review and roll out of a new Governance Handbook and some joint training with the Local Advisory Body. Training needs for Board and Committee Members were identified by means of a review of Board and Committee governance effectiveness.

#### Organisational Structure

The governance of the Trust is defined in the Articles of Association together with the funding agreement with the Department for Education (DfE) and the Scheme of Delegation for the School within the Trust. Throughout 2016/17 the Trust operated one School, Green Spring Academy Shoreditch. The Local Advisory Body for Green Spring Academy Shoreditch was established to ensure there is local accountability and dialogue with parents and the wider community. It also provides the Trustees with an additional forum for the management and oversight of risk. The Trustees are grateful to the LAB for their support and commitment during the year.

## GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

The Trust Board, which meets on at least 4 occasions per year, has strategic decision-making responsibility. Day-to-day management responsibility for the Trust is delegated to the Chief Executive Officer (CEO), and in turn to the senior leadership teams (SLTs) within the School. The CEO will report to the Trust Board, one of whose functions is to hold the CEO to account. The Trust Board's strategic governance responsibilities include:

- setting the overall Trust budget;
- approving the School's budgets put forward by the CEO/SLTs;
- curriculum assessment and development;
- allocation of resources;
- monitoring School progress and target setting;
- ensuring the proper maintenance of the Trust buildings;
- legal and statutory compliance and risk management;
- approving of pay and performance policies and HR policies generally;
- ensuring there is appropriate staff development and training; and
- with the assistance of the CEO, appointing the Principal of each School in the Trust and carrying out his or her performance management.

The Trust also includes a number of committees with the following responsibilities:

Performance & General Purpose committee:

- Individual School performance: pupil and staff data
- HR, pay and rewards
- Review and recommendation of operational policies
- Safeguarding

Audit, Finance and Risk committee:

- Compliance
- Scrutiny and oversight of the Trust's financial management
- Risk management
- Health & safety

All decisions taken by the Trustees are informed both by the reports presented by the CEO and the relevant committees above as well as from objective data obtained from other sources (including professional advice from time to time), ensuring that the Trustees are empowered to ask relevant questions and challenge the CEO as appropriate. The Trust Board is also informed by recommendations and feedback received from the Local Advisory Bodies, which means that they will have a complete picture of what is happening at both Trust and local level.

Trustees are required to adhere to statutory and regulatory frameworks at all times. These include: the Academies Financial Handbook; the Funding Agreement; the Companies Act 2006; the Education Act 2011; Accounting and Reporting by Charities (SORP 2005); Academy Schools: Guidance on their Regulations as Charities.

The Principal has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Principal manages the Trust on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Principal and the Board as required for approval. Each member of the SLT has specific responsibilities to assist the Principal to manage certain aspects of the Academy.

#### **Arrangements for setting pay and remuneration of key management personnel**

The Trust has determined that the 'key management personnel' are; the Interim Chief Executive, the Acting Head of School, the Chief Financial Officer and the Director of Marketing, Communications & External Affairs. The arrangements for setting pay and remuneration for these employees are based on market testing and benchmarking in combination with setting performance targets and reviewing actual performance against targets during the appraisal.

## **GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017**

#### **Related Parties and other Connected Charities and Organisations**

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Articles of Association, the Academy's financial regulations and normal procurement procedures.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and Aims**

The principal object and aim of the Charitable Company is the operation of Green Spring Academy Shoreditch to provide free education and care for pupils of different abilities between the ages of 11 and 18.

Green Spring Education Trust's vision is to support students to achieve their absolute best whatever their ability or background. The Trust aims to get the best for, and from, each child. It intends to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. It also strives to deliver the greatest outcomes for young people and the communities they serve through closer links, sharing expertise and promoting outstanding practices. The Trust aims to develop flourishing partnerships with high achieving schools, building on delivering best educational practice locally, nationally and globally.

The School will be run to deliver a high quality of education and directly address the needs of their local community based on four key principles:

- equal opportunity for all students;
- expectations of success for all students;
- opportunities for cultural enrichment available to every student; and
- nurturing the personal development of each student.

The Trust will constantly aspire to:

- Provide a learning environment where students are nurtured to develop their skills for future success.
- Position students first in everything it does, providing a safe and vibrant environment in which all can achieve.
- Provide opportunities for all students to explore their talents and broaden their horizons through innovative curriculums, outstanding teaching and learning and enrichment opportunities.
- Support its teachers in continually raising standards to achieve maximum impact both inside and outside of the classroom, focusing on improving students' life chances.
- Grow the best teachers through developing excellence.
- Share best educational practices across the School to maintain high standards, enabling talent to flourish.
- Live by its core values: equality, mutual respect, trust and tolerance for all students, parents/carers, teachers and the wider communities within which it works.
- Relentlessly work to build and maintain strong relationships amongst the local communities it serves.
- Use its knowledge and experience to ensure the greatest outcomes for all students through outstanding teaching and careers guidance, enabling all to access further education and future employment.

##### **Strategies and Activities**

During the year the Trust has worked towards achieving these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements; and
- conducting the Trust's business in accordance with the highest standards of integrity

## GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

#### Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

#### STRATEGIC REPORT

##### Achievements and performance

The Trust measures success partly through a range of performance indicators. These comprise;

- Admission numbers – funding is based on student numbers and is a key measure of the popularity of the School.
- Public examination results and other indicators of student progress.
- Ofsted inspection judgements and performance monitoring.
- Financial health.
- Growth of the Trust

Due to legacy issues from its predecessor school, Green Spring Academy Shoreditch does not yet have a full student roll. However, that trend is reversing and the year 7 intake for 2016/17 was oversubscribed.

The year 2015/16 saw significant changes to ways in which schools' academic performance in England is measured at Key Stage 4, with an increased focus on the progress students make during their time in secondary education. The figures referenced in this Report are based on unvalidated data. Validated data will be released by the DfE in January 2018.

In addition to the changes introduced in 2015/16, in 2017 a new grading system was introduced, initially only for English and Mathematics. The highest grade was 9 and the lowest was 1. This replaced the old A\*-G grades.

##### Key Stage 4 - 2017 performance indicators

- Progress 8: +0.34
- Attainment 8: 48.52
- 9-4 English and Maths: 70%
- EBacc: 39% (4 or above)
- 5A\*-C (or equivalent) including English and Maths 66.5%

Whilst acknowledging that the achievements of the most able is very important, what gave the School the greatest sense of accomplishment is that many students made great progress irrespective of their ability or starting point. In July 2017, the School was once again awarded the prestigious Inclusion Quality Mark with a recommendation the School works towards becoming a Centre of Excellence. This year's results underscored the commitment in this area. The School also believes passionately in the arts and creativity. It provides its students with a diverse range of creative and cultural experiences of the highest quality, to equip students for learning and life.

In terms of attainment, the examinations results in 2017 represented the best performance yet for Green Spring Academy Sixth Form, which has only been in existence for 2 years. This was reflected in the increase in the average grade per exam entry and the increase in percentage of students achieving A\*-E, A\*-C and A\*-B.

The un-validated results for Key Stage 5 show;

- 98% pass rate
- 47% A\*-B grade or equivalent
- 35% A\*-B grades at A Level
- 72% A\*-C grades or equivalent

This was the most successful year to date with regards to the destination of our Sixth Form students. One student was the first to attain a place at the University of Cambridge and another was the first to attain a place to read Medicine.

Student attendance for 2016/2017 was an impressive 97.42% representing a very high performance. The Trust firmly believes that high attendance and academic success are linked. The Trust has well-established relationships with parents/carers and others in the community that ensures students are in the classroom, focused on their learning.

In 2012, the Academy was judged 'Outstanding' in all categories (Ofsted - December 2012). In the continual drive for excellence, the Academy has in place a robust and challenging School Improvement Plan that is closely monitored by the SLT and reviewed by the Board.

## **GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017**

#### **Significant challenge faced by the Trust in 2017**

Since February 2017, an investigation into alleged misconduct in relation to some examinations found certain irregularities. The Trustees took the matter seriously and took immediate action to work with the appropriate authorities to address concerns. The immediate priority from February 2017 was to safeguard students taking examinations at the School during the year. The Trustees took the decision to suspend a number of members of staff and, in light of this, additional leadership support was provided by Dr Vanessa Ogden, CEO of Mulberry Schools Trust as well as members of her team. The Board is grateful to all the staff who have worked tirelessly to ensure that the School provided a stable environment for all its students whilst appropriate investigations were carried out.

As an interim arrangement from 9 February 2017 and in place until at least 31 August 2018, Dr Ogden will fulfill the role of Interim Chief Executive Officer under a school-to-school support contract on a part time basis. In addition, under the interim arrangement from 9 February, the Chief Financial Officer was appointed as Interim Accounting Officer, and the Deputy Principal as Acting Head of School.

The external support provided by many stakeholders, the swift and decisive action taken by the Trustees, the capacity of Academy leadership, plus interim staffing arrangements has resulted in the School being able to continue to deliver the Trust's vision securely.

#### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the 'Going Concern' basis in preparing the Financial Statements. Further details regarding the adoption of the Going Concern basis can be found in the Statement of Accounting Policies.

#### **FINANCIAL REVIEW**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2017, the Trust received £9,976,345 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Academy Trust spent £9,218,921 of restricted funds and had a surplus of £12,404 from its unrestricted funds carrying a surplus of £68,550 forward.

#### **Reserves policy**

The Directors are aware of the requirement to balance current and future needs. The Directors always aim to set a balanced budget with annual income balancing annual expenditure. In July 2017, the Trust adopted Reserves and Investment Policies to strengthen its governance. These set an aspiration for the Trust to work towards keeping 2% of the GAG funding in reserves.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £9,608. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school. While the directors recognise that this level of reserves may be modest, they will be looking to increase them in the future whenever possible.

The cash balance of the Academy has been healthy all year, ending the year with a balance of £2,698,272. A high percentage of the cash holding at the year-end is set aside for amounts due to the Local Authority. The amount due has been recognised in the 'Statement of Financial Activity' and is also shown within 'creditors' on the Balance Sheet.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant Pension Fund deficit of £2,483,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

#### **Investment Policy**

The Academy has a policy of investing its cash so that a return on working capital should be optimised whilst allowing easy access of the funds. In balancing risk against return, the Academy's policy is clearly geared towards avoiding risk than to maximising return. The policy aims to invest cash such that its balances and liquid investments at least equal the figure required to meet budgeted recurring expenditure, plus a small contingency sum.

## **GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017**

In balancing risk against return the Academy policy is clearly geared towards avoiding risk than to maximising return. Monies surplus to the working requirements shall be invested in an account in the name of the Academy with the approved institutions authorised by the Board.

The Academy will not take out any long-term investments until a reliable cash flow pattern has been established. Monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding six months

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees maintain a Risk Register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Audit, Finance and Risk Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an Academy school, the level of financial risk is medium. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Directors assess the other principal risks and uncertainties facing the Trust are as follows:

- The Academy has considerable reliance on continued government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - The decisive action taken by the Trust Board has minimised adverse publicity and has enabled the internal and external stakeholders to have confidence in the Academy. Student numbers are strong and a full staffing complement was in place at the beginning of the new 2017/18 academic year.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Academy has appointed internal auditors to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

#### **PLANS FOR FUTURE PERIODS**

The key priority for the Trustees is to ensure that every student has the best possible opportunity to develop to their full potential. We recognise that this can only be achieved with a cadre of enthusiastic, skilled and committed staff and we are continuing to work with the SLT to develop the best possible support for our staff so that they can deliver excellent teaching and learning.

The Trustees will also be keeping the structure of the Trust under review with an ambition of ensuring that the future structures meet the needs of our students, staff and our local communities.

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

None

**PROVISION OF INFORMATION TO AUDITORS**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees' report, incorporating a Strategic Report, was approved by the Board of Trustees, on 6 December 2017 and signed on its behalf by:

**Ms J Earl**  
Chair of Trustees

# GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

## GOVERNANCE STATEMENT

### SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer\* (the Chief Financial Officer as Interim Accounting Officer with effect from 09 February 2017), 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 Green Spring Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Ms J Earl (Chair from 8 February 2017)	5	5
Mr D Gracie	3	5
Mr M Keary (Chief Executive until 17 July 2017 and Accounting Officer until 8 February 2017)	1	5
Mr A Laure (appointed 1 September 2016)	5	5
Ms C Rawes (appointed 1 September 2016)	2	5
Ms R Sacks	5	5
Mr G Taylor (resigned 8 February 2017)	2	5
Ms J Tyrrell	3	5
Mr J Walker	4	5

\*Dr V Ogden is Chief Executive Officer of Mulberry Schools Trust. On 9 February 2017 she was appointed Interim Chief Executive Officer of the Trust, but is not a Trustee. As Dr Ogden is also not an employee, she cannot be the Trust's Accounting Officer, as non-employees are not eligible for the role. Mr P Doel, the Chief Financial Officer was appointed Interim Accounting Officer with effect from 9 February 2017.

The Trust Board delegates clear responsibilities to the Local Advisory Body (LAB), whose purpose is to provide support and challenge to the Academy on behalf of the Board of Trustees. The functions and duties of the LAB are set out in the LAB Terms of Reference. The Trust Board maintains links with the LAB through the Company Secretary and receives reports from the Chair of the LAB. LAB members play a key role in the life of the Academy and provide essential challenge and support to Academy leaders. They help the Trust to make sure that all its students receive the very best education possible by professionally scrutinising progress against the improvement plans that have been made, and monitoring key action plans to ensure they are on track.

LAB members are appointed (parents & staff are elected) by reference to the skills and experience they bring to the role, and/or their willingness to undertake development training to both execute and expand their governance practice.

The Trust Board has two further committees which advise the Trust Board in accordance with their Terms of Reference. The two committees are the Performance and General Purpose Committee and the Audit, Finance and Risk Committee.

The Performance and General Purposes Committee's key purpose is to:

- Evaluate the performance of the School against the educational targets in relation to education and other matters.
- Monitor the overall effectiveness of leadership and management at the School.
- Review the safeguarding policies and practices at the School and ensure they are up to date and are followed.
- Review and update the pay policy and performance management policy at the School.
- Review and plan staffing within the Trust, with due regard to financial aspects.

## GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

### GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee / Committee Member	Meetings attended	Out of a possible
Mr D Gracie	2	2
Ms C Rawes	2	2
Ms R Sacks (Chair)	2	2

The Audit, Finance and Risk Committee's key purpose is to:

- Ensure that the Trust properly plans the use of its finances and is adequately funded to undertake projected expenditure
- Review and recommend the annual budgets for approval by the Board
- Monitor financial performance against agreed budgets
- Establish and implement a system of financial and risk reporting to ensure the Trust complies with its legal obligations.
- Ensure effective audit functions are in place (both external and internal)
- Advising the Trust Board on all issues relating to Health, Safety and Security and reviewing the effectiveness of Health and Safety policies and procedures in the School.

Attendance at meetings in the year was as follows:

Trustee / Committee Member	Meetings attended	Out of a possible
Ms J Earl	2	3
Mr A Laure	3	3
Mr R Mohamed	3	3

### REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive (subsequently the Chief Financial Officer from 9 February 2017) has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Better Purchasing: - A register of all services and contracts been developed and all contracts are appraised or renegotiated in a timely manner to get the best mix of quality and effectiveness. Three year contracts have been entered to ensure reduced cost where it was felt that this would benefit the trust. Some services previously provided by the Local Authority have been terminated and replaced by external providers that have demonstrated better value for money.

The Financial Regulations have clear schemes of delegating and limits for the requirement to source quotations or tenders for products or services. The Academy is a member of the Crescent Purchasing Consortium (CPC), which is used to deliver best value. The Academy also has the flexibility (within the framework of appropriate internal controls) to take advantage of purchasing opportunities, such as supplies from internet shopping.

- Benchmarking: - The Academy benchmarks its costs against similar organisations through the DfE Benchmarking website and through benchmarking data provided from audit firms.
- Better Income Generation: - The Academy has generated external income streams, mainly through letting the Academy's sport and leisure facilities.

## **GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

### **GOVERNANCE STATEMENT (continued)**

#### **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 Green Spring Education Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and Financial Statements.

#### **CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

#### **THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Buzzacott LLP as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

On a termly basis, the Internal Auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Buzzacott delivered their scheduled work as planned and no material control issues were identified.

#### **REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Chief Executive (subsequently the Chief Financial Officer from 9 February 2017) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Trustees and Interim Accounting Officer 6 December 2017 and signed by

**Ms J Earl**  
**Chair of Trustees**

**Mr P Doel**  
**Interim Accounting Officer**

## **GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Green Spring Education Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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

**Mr P Doel**  
**Interim Accounting Officer**

Date: 6 December 2017

## **GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees of Green Spring Education Trust (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the ESFA, United Kingdom Accounting Standards (UKGAAP) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UKGAAP Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 6 December 2017 and signed on its behalf by:

**Ms J Earl**  
Chair of Trustees

## **GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

### **INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GREEN SPRING EDUCATION TRUST**

#### **OPINION**

We have audited the financial statements of Green Spring Education Trust (the Trust) for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

#### **BASIS OF OPINION**

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

#### **CONCLUSIONS RELATING TO GOING CONCERN**

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

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

#### **OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GREEN SPRING EDUCATION TRUST

#### OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements have been prepared is consistent with the Financial Statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

#### RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Mr Gary Miller (Senior Statutory Auditor)  
for and on behalf of  
**Price Bailey LLP**  
Chartered Accountants and Statutory Auditors  
Causeway House  
1 Dane Street  
Bishop's Stortford  
CM23 3BT

11 December 2017

## **GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO GREEN SPRING EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 10 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Green Spring Education Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **RESPECTIVE RESPONSIBILITIES OF GREEN SPRING EDUCATION TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Green Spring Education Trust's funding agreement with the Secretary of State for Education dated 1 January 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **APPROACH**

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

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

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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO GREEN  
SPRING EDUCATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**Price Bailey LLP**

Chartered Accountants

11 December 2017

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	2,430	713,435	715,865	47,663
Charitable activities	3	-	9,138,491	-	9,138,491	8,914,743
Other trading activities	4	117,945	-	-	117,945	148,432
Investments	5	4,044	-	-	4,044	4,805
<b>TOTAL INCOME</b>		<u>121,989</u>	<u>9,140,921</u>	<u>713,435</u>	<u>9,976,345</u>	<u>9,115,643</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		<u>109,585</u>	<u>9,218,921</u>	<u>291,599</u>	<u>9,620,105</u>	<u>9,193,654</u>
<b>TOTAL EXPENDITURE</b>	6	<u>109,585</u>	<u>9,218,921</u>	<u>291,599</u>	<u>9,620,105</u>	<u>9,193,654</u>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		12,404	(78,000)	421,836	356,240	(78,011)
Actuarial gains/(losses) on defined benefit pension schemes	22	<u>-</u>	<u>810,000</u>	<u>-</u>	<u>810,000</u>	<u>(525,000)</u>
<b>NET MOVEMENT IN FUNDS</b>		<u>12,404</u>	<u>732,000</u>	<u>421,836</u>	<u>1,166,240</u>	<u>(603,011)</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		<u>56,146</u>	<u>(2,984,076)</u>	<u>10,598,860</u>	<u>7,670,930</u>	<u>8,273,941</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>68,550</u></u>	<u><u>(2,252,076)</u></u>	<u><u>11,020,696</u></u>	<u><u>8,837,170</u></u>	<u><u>7,670,930</u></u>

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)  
REGISTERED NUMBER: 07856680**

**BALANCE SHEET  
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		10,366,788		10,598,860
<b>CURRENT ASSETS</b>					
Debtors	14	466,200		412,999	
Cash at bank and in hand		2,698,272		1,719,343	
			<u>3,164,472</u>	<u>2,132,342</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	(2,053,090)		(1,747,272)	
<b>NET CURRENT ASSETS</b>			<u>1,111,382</u>		<u>385,070</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>11,478,170</u>		<u>10,983,930</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		(158,000)		(158,000)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>11,320,170</u>		<u>10,825,930</u>
Defined benefit pension scheme liability	22		(2,483,000)		(3,155,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>8,837,170</u></u>		<u><u>7,670,930</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	17	230,924		170,924	
Restricted fixed asset funds	17	11,020,696		10,598,860	
			<u>11,251,620</u>	<u>10,769,784</u>	
Restricted income funds excluding pension liability					
Pension reserve		(2,483,000)		(3,155,000)	
			<u>8,768,620</u>	<u>7,614,784</u>	
Total restricted income funds					
Unrestricted income funds	17		68,550		56,146
<b>TOTAL FUNDS</b>			<u><u>8,837,170</u></u>		<u><u>7,670,930</u></u>

The financial statements on pages 19 to 38 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:

**Ms J Earl**  
Trustee

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
<b>Net cash Inflow/(outflow) from operating activities</b>			
Net cash provided by/(used in) operating activities	19	1,025,821	(357,407)
		<hr/>	<hr/>
<b>Returns on investments and servicing of finance - interest</b>			
Interest received		4,044	4,805
Purchase of tangible fixed assets		(50,936)	(45,342)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(46,892)	(40,537)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		978,929	(397,944)
Cash and cash equivalents brought forward		1,719,343	2,117,287
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward</b>		2,698,272	1,719,343
		<hr/> <hr/>	<hr/> <hr/>

# GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 1. ACCOUNTING POLICIES

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

#### 1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Green Spring Education Trust constitutes a public benefit entity as defined by FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

#### 1.2 Company status

The Trust is a company limited by guarantee. Members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member of the Trust. Its Registered Office is Green Academy Shoreditch, Gosset Street, London, E6 6NW.

#### 1.3 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 Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the DfE.

#### 1.4 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account 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.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

# GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 1. ACCOUNTING POLICIES (continued)

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

Where an expense is deemed to be for business purposes i.e. not in relation to the Trust's charitable purpose, the expenditure this relates to will include irrecoverable VAT.

#### 1.6 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

#### 1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	2% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	33% straight line
Furniture and equipment	-	25% straight line

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

# GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 1. ACCOUNTING POLICIES (continued)

#### 1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

#### 1.9 Taxation

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

#### 1.10 Cash at Bank and in hand

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

#### 1.11 Liabilities and provisions

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

#### 1.12 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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 22, 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.

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 incorporating Income and Expenditure Account 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.

# GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 1. ACCOUNTING POLICIES (continued)

#### 1.13 Financial instruments

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured as amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

#### 1.14 Agency arrangements

The Trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities incorporating Income and Expenditure Account as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account. Where the funds have not been fully applied in the accounting period then an amount will be included as amounts due to the ESFA. Details of these arrangements can be found in note 25.

#### 1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Trustees make 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Trip income	-	430	-	430	18,662
Grants	-	2,000	-	2,000	7,957
Capital grants	-	-	713,435	713,435	21,044
	-	2,430	713,435	715,865	47,663
<i>Total 2016</i>	-	26,619	21,044	47,663	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	8,186,715	8,186,715	7,931,506
Other DfE / ESFA grants	-	122,742	122,742	279,425
Local authority grants	-	243,256	243,256	136,629
Pupil premium	-	585,778	585,778	567,183
	-	9,138,491	9,138,491	8,914,743
<i>Total 2016</i>	-	8,914,743	8,914,743	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	112,544	-	112,544	118,849
Other income	5,401	-	5,401	29,583
	117,945	-	117,945	148,432
<i>Total 2016</i>	148,432	-	148,432	

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	4,044	-	4,044	4,805
	<u>4,044</u>	<u>-</u>	<u>4,044</u>	
<i>Total 2016</i>	<u>4,805</u>	<u>-</u>	<u>4,805</u>	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of Education:					
Direct costs	4,656,733	-	442,497	5,099,230	4,824,286
Support costs	1,504,067	605,537	2,411,271	4,520,875	4,360,292
MAT costs	-	-	-	-	9,076
	<u>6,160,800</u>	<u>605,537</u>	<u>2,853,768</u>	<u>9,620,105</u>	<u>9,193,654</u>
<i>Total 2016</i>	<u>6,196,483</u>	<u>709,208</u>	<u>2,287,963</u>	<u>9,193,654</u>	

In 2017, of the total expenditure, £10,917 (2016 - £25,529) was to unrestricted funds and £9,609,188 (2016 - £9,168,125) was to restricted funds.

**7. CHARITABLE ACTIVITIES**

	2017 £	2016 £
Direct costs	5,099,230	4,824,286
Support costs	4,520,875	4,369,368
	<u>9,620,105</u>	<u>9,193,654</u>
Total	<u>9,620,105</u>	<u>9,193,654</u>

	2017 £	2016 £
Analysis of support costs		
Support costs	1,504,067	1,548,283
Depreciation	192,046	294,333
Technology costs	74,708	82,582
Premises costs	413,491	414,875
Other support costs	2,319,540	2,016,664
Governance costs	17,023	12,631
	<u>4,520,875</u>	<u>4,369,368</u>
Total	<u>4,520,875</u>	<u>4,369,368</u>

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned or leased by the Trust	192,046	294,333
Auditors' remuneration - audit	7,950	7,950
Auditors' remuneration - other assurance services	2,850	2,600
Auditors' remuneration - other services	1,700	1,700
Operating lease rentals	19,988	12,671
	192,046	294,333

**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,705,267	4,647,763
Social security costs	523,820	477,898
Operating costs of defined benefit pension schemes	906,851	717,009
	6,135,938	5,842,670
Apprenticeship levy	3,362	-
Supply teacher costs	257,304	347,793
Staff restructuring costs	21,500	6,020
	6,418,104	6,196,483

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

	2017 No.	2016 No.
Teaching staff	66	68
Management staff	6	6
Support staff	22	24
Administrative staff	16	20
	110	118

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

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	7	5
In the band £ 70,001 - £ 80,000	4	2
In the band £ 80,001 - £ 90,000	2	3
In the band £100,000 - £110,000	1	3
In the band £160,001 - £170,000	1	0
In the band £180,001 - £190,000	0	1

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £423,391 (2016: £448,150)

Included in the above are employer pension contributions of £61,951 (2016: £63,074).

## GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

#### 10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Chief Executive only received remuneration in respect of services he provided undertaking the role of Chief Executive under his contract of employment until the end of his employment, and not in respect of his role as a Trustee. The value of Trustees' remuneration and other benefits was as follows:

M Keary (Chief Executive)  
 Remuneration £160,000-£165,000 (2016: £180,000-£185,000)  
 Employer's Pension contributions paid £25,000-£30,000 (2016: £30,000-£35,000)

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

#### 11. TRUSTEES' REMUNERATION AND EXPENSES

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

#### 12. TRUSTEES' AND OFFICERS' INSURANCE

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

#### 13. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Computer equipment £	Other fixed assets £	Total £
<b>Cost</b>				
At 1 September 2016	11,420,142	267,005	240,393	11,927,540
Additions	37,795	6,891	6,250	50,936
Disposals	-	(80,863)	-	(80,863)
At 31 August 2017	<u>11,457,937</u>	<u>193,033</u>	<u>246,643</u>	<u>11,897,613</u>
<b>Depreciation</b>				
At 1 September 2016	956,810	216,458	155,412	1,328,680
Charge for the year	192,046	35,147	55,815	283,008
On disposals	-	(80,863)	-	(80,863)
At 31 August 2017	<u>1,148,856</u>	<u>170,742</u>	<u>211,227</u>	<u>1,530,825</u>
<b>Net book value</b>				
At 31 August 2017	<u><u>10,309,081</u></u>	<u><u>22,291</u></u>	<u><u>35,416</u></u>	<u><u>10,366,788</u></u>
At 31 August 2016	<u><u>10,463,332</u></u>	<u><u>50,547</u></u>	<u><u>84,981</u></u>	<u><u>10,598,860</u></u>

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**14. DEBTORS**

	2017 £	2016 £
Trade debtors	2,791	5,601
Other debtors	76,714	58,170
Prepayments and accrued income	386,695	349,228
	466,200	412,999
	466,200	412,999

**15. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	1,491,860	1,357,307
Other creditors	1,154	52,110
Accruals and deferred income	560,076	337,855
	2,053,090	1,747,272
	2,053,090	1,747,272

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	30,412	61,905
Resources deferred during the year	126,749	30,412
Amounts released from previous years	(30,412)	(61,905)
	126,749	30,412
	126,749	30,412

Deferred income relates to the GAG insurance, rates and sixth form funding for the academic year 2017/18.

**16. CREDITORS: Amounts falling due after more than one year**

	2017 £	2016 £
Other creditors	158,000	158,000
	158,000	158,000

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**17. STATEMENT OF FUNDS**

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted funds	56,146	121,989	(109,585)	-	-	68,550

**Restricted funds**

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	8,186,715	(8,186,715)	-	-	-
Pupil premium	-	585,778	(585,778)	-	-	-
Othe DfE/ESFA grants	-	62,742	(62,742)	-	-	-
Other Government grants	-	243,256	(243,256)	-	-	-
Restricted donations	-	2,000	(2,000)	-	-	-
Restricted trip donations	-	430	(430)	-	-	-
Free School pre-opening grant	170,924	60,000	-	-	-	230,924
Pension reserve	(3,155,000)	-	(138,000)	-	810,000	(2,483,000)
	<u>(2,984,076)</u>	<u>9,140,921</u>	<u>(9,218,921)</u>	<u>-</u>	<u>810,000</u>	<u>(2,252,076)</u>

**Restricted fixed asset funds**

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Restricted fixed asset funds	10,598,860	-	(283,009)	50,937	-	10,366,788
DFC	-	21,732	(8,590)	(13,142)	-	-
Roof refurbishment	-	691,703	-	(37,795)	-	653,908
	<u>10,598,860</u>	<u>713,435</u>	<u>(291,599)</u>	<u>-</u>	<u>-</u>	<u>11,020,696</u>
Total restricted funds	<u>7,614,784</u>	<u>9,854,356</u>	<u>(9,510,520)</u>	<u>-</u>	<u>810,000</u>	<u>8,768,620</u>
Total of funds	<u><u>7,670,930</u></u>	<u><u>9,976,345</u></u>	<u><u>(9,620,105)</u></u>	<u><u>-</u></u>	<u><u>810,000</u></u>	<u><u>8,837,170</u></u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted funds	41,090	154,770	(10,529)	(129,185)	-	56,146
	<u>41,090</u>	<u>154,770</u>	<u>(10,529)</u>	<u>(129,185)</u>	<u>-</u>	<u>56,146</u>

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**17. STATEMENT OF FUNDS (continued)**

**Restricted funds**

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	-	7,931,506	(8,036,393)	104,887	-	-
Pupil Premium	-	567,183	(567,183)	-	-	-
Other DfE/EFA grants	-	99,425	(99,425)	-	-	-
Other Government grants	-	136,629	(136,629)	-	-	-
Restricted donations	-	7,957	(7,957)	-	-	-
Restricted trip donations	-	17,129	(17,129)	-	-	-
Free School pre-opening grant	-	180,000	(9,076)	-	-	170,924
Pension reserve	(2,615,000)	-	(15,000)	-	(525,000)	(3,155,000)
	<u>(2,615,000)</u>	<u>8,939,829</u>	<u>(8,888,792)</u>	<u>104,887</u>	<u>(525,000)</u>	<u>(2,984,076)</u>

**Restricted fixed asset funds**

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
Restricted fixed asset funds	10,847,851	21,044	(294,333)	24,298	-	10,598,860
	<u>10,847,851</u>	<u>21,044</u>	<u>(294,333)</u>	<u>24,298</u>	<u>-</u>	<u>10,598,860</u>
Total restricted funds	<u>8,232,851</u>	<u>8,960,873</u>	<u>(9,183,125)</u>	<u>129,185</u>	<u>(525,000)</u>	<u>7,614,784</u>
Total of funds	<u><u>8,273,941</u></u>	<u><u>9,115,643</u></u>	<u><u>(9,193,654)</u></u>	<u><u>-</u></u>	<u><u>(525,000)</u></u>	<u><u>7,670,930</u></u>

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

**Unrestricted funds**

This represents income received that does not have restrictions.

The transfer from unrestricted funds to GAG relates to the contribution from unrestricted funding towards educational activities during the year.

The transfer from unrestricted funds to restricted fixed assets fund relates to the contributions from unrestricted funding towards the purchase of capital assets during the year.

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

**Pupil premium funding**

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals.

**Other DfE/ESFA grants**

This represents funding received from the DfE/ESFA that is restricted in nature.

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**17. STATEMENT OF FUNDS (continued)**

**Other government grants**

This represents funding received from other government bodies, local and national, which are restricted in nature.

**Restricted donations**

This represents additional funding by way of donations that is restricted in nature.

**Restricted trip donations**

This represents income received to be used for pupil trips.

**Pension Reserve**

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from a State Maintained School.

**Restricted fixed asset funds**

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	10,366,788	10,366,788
Current assets	68,550	2,442,014	653,908	3,164,472
Creditors due within one year	-	(2,053,090)	-	(2,053,090)
Creditors due in more than one year	-	(158,000)	-	(158,000)
Provisions for liabilities and charges	-	(2,483,000)	-	(2,483,000)
	<u>68,550</u>	<u>(2,252,076)</u>	<u>11,020,696</u>	<u>8,837,170</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	10,598,860	10,598,860
Current assets	56,146	2,076,196	-	2,132,342
Creditors due within one year	-	(1,747,272)	-	(1,747,272)
Creditors due in more than one year	-	(158,000)	-	(158,000)
Provisions for liabilities and charges	-	(3,155,000)	-	(3,155,000)
	<u>56,146</u>	<u>(2,984,076)</u>	<u>10,598,860</u>	<u>7,670,930</u>

# GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	356,240	(78,011)
<b>Adjustment for:</b>		
Depreciation charges	283,008	294,333
Dividends, interest and rents from investments	(4,044)	(4,805)
(Increase)/decrease in debtors	(53,201)	179,709
Increase/(decrease) in creditors	305,818	(763,633)
Defined benefit pension adjustments	138,000	15,000
<b>Net cash provided by/(used in) operating activities</b>	<b>1,025,821</b>	<b>(357,407)</b>

### 20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	2,698,272	1,719,343
<b>Total</b>	<b>2,698,272</b>	<b>1,719,343</b>

### 21. 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.

### 22. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Tower Hamlets. Both are Multi-Employer Defined Benefit Pension Schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### 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.

## GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

#### 22. PENSION COMMITMENTS (continued)

##### Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £515,171 (2016 - £532,929).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £282,956 (2016 - £245,962), of which employer's contributions totalled £210,921 (2016 - £181,605) and employees' contributions totalled £72,035 (2016 - £64,357). The agreed contribution rates for future years are 20.6% for employers and 5.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.20 %	1.90 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

**GREEN SPRING EDUCATION TRUST**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**22. PENSION COMMITMENTS (continued)**

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

	2017	2016
Retiring today		
Males	22.1	22.2
Females	24.1	24.2
Retiring in 20 years		
Males	23.9	24.3
Females	25.8	26.4

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	4,868,288	5,092,768
Discount rate -0.1%	5,107,712	5,343,232
Mortality assumption - 1 year increase	4,928,144	5,186,692
Mortality assumption - 1 year decrease	5,047,856	5,249,308
CPI rate +0.1%	5,087,760	5,301,488
CPI rate -0.1%	4,888,240	5,134,512

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,728,450	1,465,000
Bonds	400,800	268,000
Property	250,500	206,000
Cash and other liquid assets	125,250	124,000
<b>Total market value of assets</b>	<b>2,505,000</b>	<b>2,063,000</b>

The actual return on scheme assets was £114,000 (2016 - £277,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(389,000)	(245,000)
Interest income	44,000	60,000
Interest cost	(108,000)	(155,000)
<b>Total</b>	<b>(453,000)</b>	<b>(340,000)</b>
<b>Actual return on scheme assets</b>	<b>114,000</b>	<b>277,000</b>

## GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

#### 22. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2017 £	2016 £
Opening defined benefit obligation	5,218,000	4,054,000
Current service cost	389,000	245,000
Interest cost	108,000	155,000
Employee contributions	72,000	64,000
Actuarial (gains)/losses	(740,000)	742,000
Benefits paid	(59,000)	(42,000)
Exchange differences on foreign schemes	-	-
	<u>4,988,000</u>	<u>5,218,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	2,063,000	1,439,000
Interest income	44,000	60,000
Actuarial losses	70,000	217,000
Employer contributions	315,000	325,000
Employee contributions	72,000	64,000
Benefits paid	(59,000)	(42,000)
	<u>2,505,000</u>	<u>2,063,000</u>

#### 23. 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, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.

During the period the Academy incurred expenditure of £1,584 (2016 £9,883) with Toucan Computing, of which Stephen Bonnick, a Local Advisory Board Member, is a Director. He had no decision making authority in awarding the contract.

The amount due to Toucan Computing at the year end was £ NIL (2016: £NIL).

## GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

#### 24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	52,646	19,975
Between 1 and 5 years	75,330	14,981
Total	<u>127,976</u>	<u>34,956</u>

#### 25. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the Trust received £15,161 and disbursed £15,161 from the fund. An amount of nil is included in other creditors relating to undistributed funds that is repayable to ESFA.