

**Greenshaw High School
Educational Trust**

**Annual Report and Financial
Statements**

31 August 2013

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

GREENSHAW 
...be remarkable

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Reference and administrative information

Governors	Mike Cooper (Chair)
Community Governors	Cliff Ford Neil Garratt Charles Johnson Ingrid Percy (to 14 January 2013) Carolyn Swain Mark Tomlinson Jas Weir
Parent Governors	Rosemary Brennan (to 21 November 2012) Chris Case (from 21 November 2012) Sue Goodman (from 21 November 2012) Julie Hendry Paul Matthews Paul McGill Susan Middleton (to 5 March 2013)
Staff Governors	Tony Bliss Duncan Holding Jo Plummer William Smith
Company Secretary	Linda Welch
Senior Leadership Team	
Headteacher	William Smith
Deputy Headteachers	Linda Wallace Nick House
Assistant Headteachers	Alan Gardner (to 30 August 2013) Pete Jemson Tim Kidd Rob Middlecoat Jason Mirtchsin (from 1 September 2013)
Business Manager	Steve Bradford
Registered address	Grennell Road Sutton Surrey SM1 3DY
Company registration number	07633694 (England and Wales)

Reference and administrative information

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers Lloyds TSB
49-53 High Street
Sutton
SM1 1DT

Solicitors Baker Small Solicitors
Exchange House
494 Midsummer Boulevard
Milton Keynes
MK9 2EA

Governors' report Year to 31 August 2013

The governors of Greenshaw High School Educational Trust ('the School') present their statutory report together with the financial statements of the charitable company for the year ended 31 August 2013.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes the directors report for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 26 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Greenshaw High School is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the School.

The Governors act as the trustees for the charitable activities of Greenshaw High School and are also the directors of the Charitable Company for the purposes of company law.

Details of the governors who served throughout the period are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

In accordance with normal commercial practice the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the premium for the period ended 31 August 2013 was include within the school's overall insurance premium .

Principal activities

The principal activity of Greenshaw High School is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a comprehensive school offering a broad and balanced curriculum.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of Recruitment and Appointment or Election of Governors

The Members of Greenshaw High School are the Chair of Governors and Chair of Resources Committee, Vice Chair of Governors, Chair of Student Support Committee and the Chair of Curriculum Committee. The Secretary of State has power to appoint a member if he so wishes.

The 18 governors of Greenshaw High School comprises of the following: nine Community Governors appointed by Greenshaw High School Governing Body (there is currently one vacancy); six parent governors appointed by ballot of parents; three staff governors appointed by ballot of staff and the Headteacher. When appointing and recruiting governors regard is given, so far as is possible, to the skills mix and backgrounds of the governors on both the full Governing body and committees, so as to ensure that the Governing Body has all the necessary skills required to contribute fully to the School's development.

During the period under review the governors have held five full meetings. In addition, there were regular meetings of the Governing Body committees: Resources Committee, Student Support Committee and the Curriculum Committee. Governors also participate in matters relating to exclusions, discipline and Health and Safety.

Policies and Procedures Adopted for the Induction and Training of Governors

All governors appointed at the commencement of the period under review were existing governors apart from Chris Case and Sue Goodman who were elected as Parent Governors as a result of a ballot. A formal induction process was carried out and an explanation of the role of a company director was given. All new governors will be recruited on their ability to play an active part in the governance of Greenshaw High School and will be supported during their first few months by the Secretary and experienced governors. They will be provided with all necessary documents needed to undertake their role as governor. They will also be invited to attend training sessions run by the Local Authority or other providers.

Organisational Structure

Greenshaw High School is governed by a Governing Body constituted under a Memorandum of Association and Articles of Association. The Governing Body is responsible for ensuring that high standards of governance are maintained. It exercises its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the School, addressing such matters as:

- ◆ Policy development and strategic direction;
- ◆ Ensuring compliance with legal requirements;
- ◆ Ensuring sound management and administration;
- ◆ Establishing and maintaining effective internal controls;
- ◆ Management of all resources;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational Structure (continued)

- ◆ Monitoring of the School's performance; and
- ◆ Assessing and managing risk.

Governors are responsible for setting general policy, adopting an annual School Development Plan and Budget and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

The Headteacher is directly responsible for the day to day running of the School, and is assisted by a Senior Leadership Team consisting of Two Deputy Headteachers, a Business Manager and four Assistant Headteachers. Together the Senior Leadership Team controls the School at an executive level implementing the policies laid down by the governors and reporting back to them and providing evidence, reports and data analysis to Governing Body meetings, enabling governors to monitor effectively.

The Curriculum Committee considers matters relating to the curriculum and reviews in detail policies and procedures for the School making recommendations to the full Governing Body. The responsibilities of the Resources Committee include reviewing and monitoring the financial performance of the School, reviewing reports from the Responsible Officer and overseeing the systems of internal control at the School. The Student Support Committee deals with issues directly affecting students. The Full Governing Body determines matters relating to the admission criteria to the School. There are also committees established to deal with matters of pupil discipline and staff salary and discipline which meet as and when required.

The Headteacher is the Accounting Officer.

Risk Management

Greenshaw High School has a formal risk management process in place to assess all risks and implements risk management strategies. The process which is overseen and reviewed by the Resources Committee on an annual basis identifies the types of risk the School faces. These risks are then assessed and prioritised in terms of their potential operational and financial impact and the likelihood of occurrence. Where necessary, actions to mitigate the risks identified are put in place. The Risk Management Policy was last reviewed by the Resources Committee in November 2013.

Connected Organisations, including Related Party Relationships

Greenshaw High School works with the Department of Education and the EFA and maintains links with the London Borough of Sutton. It has strong links with all local Secondary Schools (in the London Borough of Sutton) and several of the neighbouring Primary Schools. The School also works closely with the PiXL Club (Partners in Excellence) providing support to many hundreds of schools nationally.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The sole activity of the charitable company is the operation of Greenshaw High School, an Academy School providing education for pupils aged 11 to 18.

Greenshaw's aims are as follows:

- ◆ We are a forward thinking school without limits; a dynamic community; welcoming to all; a family that values the journey and the destination.
- ◆ We all take responsibility, believe in each other, strive for success and lead by example.
- ◆ We are ambitious, sharing an exciting vision, building lives for the future.

Our Classroom

Outstanding Teachers:

- ◆ have a passion for their subject and inspire it in others;
- ◆ engage, challenge and support all of their students;
- ◆ create classrooms that are safe, secure places to learn; and
- ◆ monitor the progress of students throughout each lesson.

Outstanding Students:

- ◆ focus all of their energies on successful learning;
- ◆ take responsibility for their own learning;
- ◆ act in a considerate and co-operative manner;
- ◆ know what is needed to progress to the next level.

Overall we aim:

- ◆ To provide outstanding teaching that enables students to attain the highest levels of academic achievement;
- ◆ To prepare our students for admission to and success at the best universities;
- ◆ To encourage our students to be independent and courageous thinkers who are prepared to explore, innovate and meet life's challenges creatively;
- ◆ To provide the encouragement, guidance and support necessary to help students succeed and be happy;

OBJECTIVES AND ACTIVITIES (continued)

Objects and Aims (continued)

- ◆ To provide outstanding opportunities for achievement and enjoyment beyond the curriculum, particularly in sport and the arts;
- ◆ To develop in our students a desire to serve, to render a strong contribution to society and to make their mark; and
- ◆ To encourage students to explore and engage with spiritual, moral and cultural ideas.

Objectives, Strategies and Activities

The curriculum is designed to stretch and challenge within a supportive environment so that each may reach his/her potential.

The Curriculum provides:

- ◆ A full comprehensive curriculum that meets individuals' needs and interests;
- ◆ Innovative approaches to ensure that all students are stretched and appropriately challenged; and
- ◆ A well-structured personal, social and careers education for every student.

Public Benefit

In setting the Academy's objectives and planning its activities, the Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit.

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

ACHIEVEMENTS AND PERFORMANCE

Review of Activities

The key priorities set by the Governing Body in the School Development and Improvement Plan for 2013-13 were:

- ◆ To achieve significantly above expectation across all subjects groups with a particular focus on the most able. (Progress and attainment)
- ◆ Increasing the proportion of outstanding teaching through the development of differentiation, AfL strategies and improved planning between teachers and additional adults.
- ◆ The development of literacy and language skills across subjects.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of Activities (continued)

- ◆ The development of tracking systems across all key stages.

The majority of the tasks set under each criteria were met.

GCSE Results – 2013

The school celebrated its best results ever GCSE results this summer. 91% of students attained at least five A* - C grade passes, with 76% of students attaining five A* - C grades including English and Maths. A quarter of all GCSE grades were A* or A. The majority of the year group are returning to Greenshaw to study for their A levels.

A Level Results – 2013

Once again the school's A level results were the best ever, with some outstanding individual achievements. Almost a quarter of grades were A*/A and over half were A* - B,

University Admissions

The overwhelming majority of students attained grades that gained them entry to their first-choice university, including a place at Oxford.

Sporting Achievements

Physical Education at Greenshaw provides all students with a broad and balanced curriculum, and a wide range of extra curricular sporting opportunities. Students of all levels of ability are encouraged to take part; many participate in fixtures and competitions. Clubs and practice sessions help students to develop their skills in many sports including netball, basketball, badminton, football, handball, dance, gymnastics and athletics.

The department is involved with the Sutton Competition programme which develops competition both within our own school and the surrounding primary schools. Our Gold Partner award from Youth Sports Trust highlights our innovative practice in ensuring all students access sport and are interested in lifelong participation. It acknowledges the students' enthusiasm and the commitment and energy of the PE staff. Our major sporting events of the year are our Sports Day, Swimming Gala, School Sports Morning, Inter-house Athletics Week and National School Sports Week, which allow all students the opportunity to represent their house team.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the School 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

Financial report for the year

The majority of the School's income is obtained from the EFA in the form of recurrent grant, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The School converted to Academy Trust status on 1 June 2011 and all of the assets and liabilities totalling £13,676,089 were transferred to the School at that date for £nil consideration as shown in the Statement of Financial Activities. The School's total incoming resources were £9,823,163 (15 month period to 31 August 2012 - £11,604,584 excluding transfer from Local Authority) and the total resources expended was £10,206,846 (15 month period to 31 August 2012 - £11,621,319) for the year.

At the 31 August 2013, the net book value of fixed assets was £14,591,070 (15 month period to 31 August 2012 - £15,025,313) and movements in tangible assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to students of the School.

Reserves Policy

The governors review the reserves of the School annually. The review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of the reserves. The governors have determined that the level of reserves held is adequate for the School's needs although it should be noted that the majority of the income is received from the EFA with restriction on the amount that can be carried forward (as explained in note 1).

Financial position

On 31 August 2013, the School held total funds of £13,032,671 (31 August 2012 - £13,415,354) comprising of £12,825,070 (31 August 2012 - £13,342,313) of restricted funds (including a pension deficit of £1,766,000) and unrestricted funds of £207,601 (31 August 2012 - £73,041). The total funds excluding the pension deficit are £14,798,671 (31 August 2012 - £15,098,354).

Investment policy

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

Governors' report Year to 31 August 2013

AUDITOR

In so far as the governors are aware:

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

Approved by order of the members of the Governing Body on 3 December 2013 and signed on its behalf by:

Mike Cooper
Chair of the Governing Body

Date: 3 December 2013

Governance statement 31 August 2013

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The governing body has formally met five times during the year 2012/13. Attendance during the year at meetings of the governing body was as follows:

Governor	Number of meetings attended	Out of a possible
Tony Bliss	5	5
Rosemary Brennan (term of office ended 21/11/2013)	1	1
Chris Case (from 21/11/12)	2	4 (Mr Case was seriously ill during the year)
Mike Cooper (Chair)	5	5
Cliff Ford	4	5
Neil Garratt	3	5
Sue Goodman (from 21/11/12)	4	4
Julie Hendry	5	5
Duncan Holding	5	5
Charles Johnson	4	5
Paul Matthews	5	5
Paul McGill	4	5
Susan Middleton (term of office ended 05/03/13)	1	3
Ingrid Percy (resigned 14/01/13)	2	3
Jo Plummer	5	5
William Smith	5	5
Carolyn Swain	3	5 (Mrs Swain was seriously ill during the year)
Mark Tomlinson	5	5
Jas Weir	1	5 (Mr Weir was incapacitated most of the year due to an injury)

The composition of the Governing Body has been very stable over the last four years.

Governance statement 31 August 2013

Governance (continued)

Changes have only been necessary because of governors' term of office coming to an end and a community governor resigning due to new increased work commitments.

The Resources Committee is a sub-committee of the main governing body. Its purpose is to monitor the financial performance of the School, ensure the financial requirements and regulations are adhered to and ensure value for money. During the year, the Resources Committee met four times during 2012/13.

Attendance at meetings in the year was as follows:

Committee Members	Number of meetings attended	Out of a possible
Mike Cooper (Chair)	2	3
Tony Bliss	3	3
Sue Buddery (retired 04/01/13)	1	1
Steve Bradford (appointed 19/11/12)	2	2
Neil Garratt	1	3
Charles Johnson	3	3
Paul Matthews	2	3
William Smith	2	3

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 Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;

Governance statement 31 August 2013

The risk and control framework (continued)

- ◆ regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (including asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

The governors have appointed Neil Garratt, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. As permitted by the Financial Handbook for Academies, this task has been outsourced to the external auditors, who report to the RO. On a periodic basis, the RO reports to the governors on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. The School has also been audited by the EFA under the Financial Management and Governance Guidelines and was judged as outstanding.

Review of effectiveness

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

- ◆ the work of the Responsible Officer;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self assessment process; and
- ◆ the work of the Senior Leadership Team within the Academy which has 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 resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the governing body and signed on their behalf by:

Mike Cooper
(Chair of Governing Body)

William Smith
(Headteacher and Accounting
Officer)

Approved on: 3 December 2013

Statement on regularity, propriety and compliance 31 August 2013

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

I confirm that I and the Academy Trust Governing Body 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.

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

William Smith

Accounting Officer

Date: 3 December 2013

Statement of governors' responsibilities 31 August 2013

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy 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 in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

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

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

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

Approved by order of the members of the Board of governors on 3 December 2013 and signed on its behalf by:

Chair of governors

Date: 3 December 2013

Independent auditor's report on the financial statements to the members of Greenshaw High School Educational Trust

We have audited the financial statements of Greenshaw High School Educational Trust for the year ended 31 August 2013 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2012/13 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

The governors act as trustees for the charitable activities of Greenshaw High School Educational Trust and are also the directors of the charity for the purpose of company law.

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

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

Scope of the audit of the financial statements

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

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

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

19 December 2013

Independent reporting auditor's assurance report on regularity to Greenshaw High School Educational Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 12 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Greenshaw High School Educational Trust during the period from 1 September 2012 to 31 August 2013 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 Greenshaw High School Educational Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Greenshaw High School Educational Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Greenshaw High School Educational Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Greenshaw High School Educational Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Greenshaw High School Educational Trust's funding agreement with the Secretary of State for Education dated 27 May 2011 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2012 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

19 December 2013

Statement of financial activities Year ended 31 August 2013

	Notes	Un- restricted general fund £	Restricted funds		Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
			Restricted general fund £	Fixed assets fund £		
Incoming resources						
Incoming resources from generated funds						
. Voluntary income	2	35,534	—	—	35,534	35,093
. Voluntary income - transfer from Local Authority on conversion	25	—	—	—	—	13,676,089
. Activities for generating funds	3	530,689	—	—	530,689	610,440
. Investment income	4	11,320	—	—	11,320	5
Incoming resources from charitable activities						
. Funding for the academy's educational operations	5	—	8,855,347	390,273	9,245,620	10,959,046
Total incoming resources		<u>577,543</u>	<u>8,855,347</u>	<u>390,273</u>	<u>9,823,163</u>	<u>25,280,673</u>
Resources expended						
Charitable activities						
. Academy's educational operations	7	410,929	8,940,691	841,001	10,192,621	11,610,819
Governance costs	8	—	14,225	—	14,225	10,500
Total resources expended		<u>410,929</u>	<u>8,954,916</u>	<u>841,001</u>	<u>10,206,846</u>	<u>11,621,319</u>
Net (outgoing) / incoming resources before transfers		166,614	(99,569)	(450,728)	(383,683)	13,659,354
Transfers between funds	15	(32,054)	15,569	16,485	—	—
Net income for the period		<u>134,560</u>	<u>(84,000)</u>	<u>(434,243)</u>	<u>(383,683)</u>	<u>13,659,354</u>
Other recognised gains and losses						
Actuarial gains (losses) on defined benefit pension scheme	23	—	1,000	—	1,000	(244,000)
Net movement in funds		<u>134,560</u>	<u>(83,000)</u>	<u>(434,243)</u>	<u>(382,683)</u>	<u>13,415,354</u>
Reconciliation of funds						
Fund balances brought forward at 1 September 2012		73,041	(1,683,000)	15,025,313	13,415,354	—
Fund balances carried forward at 31 August 2013		<u>207,601</u>	<u>(1,766,000)</u>	<u>14,591,070</u>	<u>13,032,671</u>	<u>13,415,354</u>

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

A separate Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Balance sheet 31 August 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible fixed assets	12		14,591,070		15,025,313
Current assets					
Debtors	13	66,780		89,096	
Cash at bank and in hand		446,122		<u>379,407</u>	
		512,902		<u>468,503</u>	
Creditors: amounts falling due within one year	14	(305,301)		<u>(395,462)</u>	
Net current assets			207,601		<u>73,041</u>
Total assets less current liabilities			14,798,671		15,098,354
Net assets excluding pension scheme liability					
Pension scheme liability	23		(1,766,000)		<u>(1,683,000)</u>
Net assets including pension scheme liability					
			13,032,671		<u>13,415,354</u>
Funds of the School					
Restricted funds					
. Fixed assets fund	15		14,591,070		15,025,313
. Restricted general fund	15		—		—
. Pension reserve	15		(1,766,000)		<u>(1,683,000)</u>
			12,825,070		<u>13,342,313</u>
Unrestricted funds					
. General fund	15		207,601		73,041
Total funds			13,032,671		<u>13,415,354</u>

The financial statements on page 20 to 42 were approved by the Governors, and authorised for issue on 3 December 2013 and are signed on their behalf by:

Mike Cooper
Chair

Greenshaw High School Educational Trust
Company Limited by Guarantee
Registration Number: 07633694 (England and Wales)

Cash flow statement Year to 31 August 2013

	Notes	Year to 31 August 2013 £	Period to 31 August 2012 £
Net cash inflow from operating activities	18	71,880	214,236
Cash transferred on conversion to academy trust		—	212,678
Returns on investment and servicing of finance	19	11,320	5
Capital expenditure	20	(16,485)	(47,512)
Increase in cash in the period	21	66,715	379,407
Reconciliation of net cash flow to movement in net funds:			
Net funds at 1 September 2012		379,407	—
Net funds at 31 August 2013		446,122	379,407

All of the cash flows derived from acquisitions in the current financial period.

Principal accounting policies 31 August 2013

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

The comparative figures are for the period from incorporation on 13 May 2011 to 31 August 2012.

Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust in the prior period involved the transfer of identifiable assets and liabilities and the operation of the School for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Greenshaw High School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Greenshaw High School Educational Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25 of the financial statements.

Going concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the School has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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.

Incoming resources (continued)

Grants receivable (continued)

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable 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

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

Other income

Other income is recognised in the period it is receivable.

Gifts in kind

The value of gifts in kind provided to the School are recognised at a valuation attributed by the governors in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income.

Charitable activities

These are costs incurred on the School's educational operations.

Governance costs

These include the costs attributable to the School's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

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

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

Leasehold buildings	Over 35 years
Fixtures, fittings and equipment	Over 3-10 years

Depreciation is charged from the month of acquisition.

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Taxation

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

Pensions benefits

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the School.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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 quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the School 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

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

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

Notes to the Financial Statements Year to 31 August 2013

1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2013.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
Legacy	25,000	—	25,000	—
Other donations	10,534	—	10,534	35,093
	35,534	—	35,534	35,093

3 Activities for Generating Funds

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
Hire of facilities	40,185	—	40,185	72,933
Catering and uniforms income	269,312	—	269,312	314,427
School trips	215,510	—	215,510	213,178
Other income	5,682	—	5,682	9,902
	530,689	—	530,689	610,440

Notes to the Financial Statements Year to 31 August 2013

4 Investment Income

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
Interest receivable	11,320	—	11,320	5

5 Funding for academy's educational operations

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
DfE / EFA revenue grant				
. General Annual Grant (GAG) (note 1)	—	8,358,745	8,358,745	10,455,473
. Other DfE / EFA	—	264,400	264,400	131,307
	—	8,623,145	8,623,145	10,586,780
Other government grants				
. Other grants	—	7,619	7,619	108,836
. Special educational projects	—	224,583	224,583	126,070
	—	232,202	232,202	234,906
DfE/EFA capital grant				
. Academy main building grant	—	390,273	390,273	137,360
	—	9,245,620	9,245,620	10,959,046

Notes to the Financial Statements Year to 31 August 2013

6 Resources expended

	Staff costs £	Non pay expenditure		Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
		Premises £	Other costs £		
Charitable activities					
. School's educational operations					
.. Direct costs	6,142,265	—	744,501	6,886,766	8,689,929
.. Allocated support costs	1,206,085	1,203,945	895,825	3,305,855	2,920,890
	<u>7,348,350</u>	<u>1,203,945</u>	<u>1,640,326</u>	10,192,621	11,610,819
Governance costs	—	—	14,225	14,225	10,500
	<u>7,348,350</u>	<u>1,203,945</u>	<u>1,654,551</u>	10,206,846	11,621,319

	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
Incoming resources for the period include:		
Operating leases	36,876	35,180
Fees payable to auditor		
. Statutory audit	9,200	9,000
. Other assurance services	3,275	3,250
. Accounting and reporting	4,625	3,650
Depreciation	450,728	18,970

Notes to the Financial Statements Year to 31 August 2013

7 Charitable activities - academy's educational operations

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
Direct costs				
Teaching and educational support staff costs	—	6,142,265	6,142,265	7,842,741
Educational supplies	—	518,619	518,619	601,777
Examination fees	—	207,124	207,124	218,311
Staff development	—	18,758	18,758	27,100
	—	6,886,766	6,886,766	8,689,929
Allocated support costs				
Support staff costs	—	1,206,085	1,206,085	1,272,211
Depreciation	—	450,728	450,728	18,970
Recruitment and support	—	53,706	53,706	48,344
Maintenance of premises and equipment	—	165,374	165,374	479,603
Premises	—	587,843	587,843	87,411
Heat and light	—	106,683	106,683	128,125
Insurance	—	49,601	49,601	79,974
Catering	195,951	—	195,951	253,103
School trips	214,978	—	214,978	213,612
Office overheads	—	90,586	90,586	108,378
Other support costs	—	184,320	184,320	231,159
	410,929	2,894,926	3,305,855	2,920,890
	410,929	9,781,692	10,192,621	11,610,819

8 Governance costs

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
Auditor's remuneration:				
. Audit of financial statements	—	9,200	9,200	9,000
. Other assurance services				
.. Current year	—	3,275	3,275	1,500
.. Prior year	—	1,750	1,750	—
	—	14,225	14,225	10,500

Notes to the Financial Statements Year to 31 August 2013

9 Staff costs

Staff costs during the period were:

	Year to 31 August 2013 Total funds £	Period to 31 August 2012 Total funds £
Wages and salaries	5,992,118	7,493,421
Social security costs	435,944	549,649
Pension costs	850,475	991,973
	7,278,537	9,035,043
Supply teacher costs	16,813	30,535
Compensation payments	53,000	49,374
	7,348,350	9,114,952

The average numbers of persons (including Senior Leadership Team) employed by the School during the period expressed as a full time equivalent was as follows:

Charitable activities	2013 No	2012 No
Teachers	88	96
Administration and support	92	86
Management	9	8
	189	190

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

	2013 £	2012 No
£60,001 - £70,000	3	3
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013 pension contributions for these staff amounted to £34,107 (period to 31 August 2012 - £23,476).

10 Governors' remuneration and expenses

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration on an annualised basis was as follows:

	2013 £	2012 £
W Smith, Headteacher and trustee	£95,001-£100,000	£95,001-£100,000
T Bliss, staff governor and trustee	£30,001-£35,000	£30,001-£35,000
D Holding, staff governor and trustee	£40,001-£45,000	£50,001-£55,000
J Plummer, staff governor and trustee	£40,001-£45,000	£45,001-£50,000

Notes to the Financial Statements Year to 31 August 2013

10 Governors' remuneration and expenses (continued)

In addition, in the prior period, C Vilday (staff governor and trustee) received remuneration in the £10,001-£15,000 band prior to stepping down from the Board of Governors.

Total remuneration paid to governors who are also directors of the Academy Trust for the purposes of the Companies Act 2006, for the year ended 31 August 2013 was £210,129 (period to 31 August 2012 - £298,626).

During the year ended 31 August 2013, no travel and subsistence expenses were reimbursed to any governors (period to 31 August 2012 – none).

Other related party transactions involving the trustees are set out in note 24.

11 Governors' and Officers' insurance

In accordance with normal commercial practice the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was included within the overall insurance premium.

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total funds £
Cost/valuation			
At 1 September 2012	14,973,606	70,677	15,044,283
Additions	—	16,485	16,485
At 31 August 2013	<u>14,973,606</u>	<u>87,162</u>	<u>15,060,768</u>
Depreciation			
At 1 September 2012	—	18,970	18,970
Charge in period	424,013	26,715	450,728
At 31 August 2013	<u>424,013</u>	<u>45,685</u>	<u>469,698</u>
Net book value			
At 31 August 2013	<u>14,549,593</u>	<u>41,477</u>	<u>14,591,070</u>
At 31 August 2012	<u>14,973,606</u>	<u>51,707</u>	<u>15,025,313</u>

Title to the site at Grennell Road is registered in the name of the Academy but has not been included in these financial statements because the site is designated for educational purposes only and has no open market value. Leasehold buildings transferred on conversion at 1 June 2011 were included at a depreciated replacement cost valuation as at 31 August 2012.

Notes to the Financial Statements Year to 31 August 2013

13 Debtors

	2013 £	2012 £
Prepayments	40,448	11,840
VAT debtor	26,332	50,032
Other debtors and accrued income	—	27,224
	66,780	89,096

14 Creditors: amounts falling due within one year

	2013 £	2012 £
Accruals and deferred income	305,301	395,462

	2013 £
Deferred income at 1 September 2012	38,518
Resources deferred in the year – School trips 2013/14	55,996
Amounts released from previous years	(38,518)
Deferred income at 31 August 2013	55,996

Notes to the Financial Statements Year to 31 August 2013

15 Funds

	Balance at 1 September 2012 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2013 £
Restricted general fund					
. General Annual Grant (GAG)	—	8,358,745	(8,374,314)	15,569	—
. Other EFA grants	—	264,400	(264,400)	—	—
Total EFA revenue funds	—	8,623,145	(8,638,714)	15,569	—
. Local authority grants	—	232,202	(232,202)	—	—
. Pension reserve	(1,683,000)	—	(84,000)	1,000	(1,766,000)
	<u>(1,683,000)</u>	<u>8,855,347</u>	<u>(8,954,916)</u>	<u>16,569</u>	<u>(1,766,000)</u>
Fixed assets fund					
. EFA capital grants	137,360	390,273	(394,198)	—	133,435
. Capital expenditure from GAG and other funds	47,512	—	(15,837)	16,485	48,160
. Academy building and furniture and equipment transferred from Local Authority	14,840,441	—	(430,966)	—	14,409,475
	<u>15,025,313</u>	<u>390,273</u>	<u>(841,001)</u>	<u>16,485</u>	<u>14,591,070</u>
Total restricted funds	<u>13,342,313</u>	<u>9,245,620</u>	<u>(9,795,917)</u>	<u>33,054</u>	<u>12,825,070</u>
Unrestricted funds					
. Unrestricted funds	73,041	577,543	(410,929)	(32,054)	207,601
Total unrestricted funds	<u>73,041</u>	<u>577,543</u>	<u>(410,929)</u>	<u>(32,054)</u>	<u>207,601</u>
Total funds	<u>13,415,354</u>	<u>9,823,163</u>	<u>(10,206,846)</u>	<u>1,000</u>	<u>13,032,671</u>

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

EFA revenue grant fund and other restricted funds

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 1 discloses whether the limit was exceeded.

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

Fixed asset fund

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

Pension reserve

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

Notes to the Financial Statements Year to 31 August 2013

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2013 £
Fund balances at 31 August 2013 are represented by:				
Tangible fixed assets	—	—	14,591,070	14,591,070
Current assets	263,597	249,305	—	512,902
Current liabilities	(55,996)	(249,305)	—	(305,301)
Pension scheme liability	—	(1,766,000)	—	(1,766,000)
Total net assets	207,601	(1,766,000)	14,591,070	13,032,671

17 Financial commitments

	2013 £	2012 £
Operating leases - equipment Expiring within two and five years	36,876	28,144

18 Reconciliation of net income to net cash inflow from operating activities

	Year to 31 August 2013 £	Period to 31 August 2012 £
Net (expenditure) income	(383,683)	13,659,354
Cash transferred on conversion	—	(212,678)
Fixed assets transferred on conversion	—	(14,859,411)
Inherited pension deficit	—	1,396,000
Depreciation (note 12)	450,728	18,970
Capital grants from DfE and other capital income	—	(137,360)
Interest receivable (note 4)	(11,320)	(5)
FRS 17 pension cost less contributions payable (note 23)	23,000	(35,000)
FRS 17 pension finance cost (note 23)	61,000	78,000
Decrease (increase) in debtors	22,316	(89,096)
(Decrease) increase in creditors	(90,161)	395,462
Net cash inflow from operating activities	71,880	214,236

Notes to the Financial Statements Year to 31 August 2013

19 Returns on investment and servicing of finance

	Year to 31 August 2013 £	Period to 31 August 2012 £
Interest received	11,320	5
Net cash inflow from returns on investment and servicing of finance	11,320	5

20 Capital expenditure and financial investment

	Year to 31 August 2013 £	Period to 31 August 2012 £
Purchase of tangible fixed assets	(16,485)	(184,872)
Capital funding received from sponsors and others	—	137,360
Net cash inflow from capital expenditure and financial investments	(16,485)	(47,512)

21 Analysis of changes in net funds

	At 1 September 2012 £	Cashflows £	At 31 August 2012 £
Cash in hand and at bank	379,407	66,715	446,122

22 Members' liability

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

23 Pension and similar obligations

The School's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Sutton. Both are defined-benefit schemes.

As described below, the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

23 Pension and similar obligations (continued)

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

Employer's contributions amounting to £850,475 were payable to the schemes during the year ended 31 August 2013 (period to 31 August 2012 - £991,973).

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions.

23 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

23 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £384,000 (period ended 31 August 2012 - £468,000), of which employer's contributions totalled £300,000 (period to 31 August 2012 - £364,000) and employees' contributions totalled £84,000 (period to 31 August 2012 - £104,000).

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

Principal Actuarial Assumptions	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	5.1%	4.5%
Rate of increase for pensions in payment / inflation	2.8%	2.2%
Discount rate for scheme liabilities	4.6%	4.1%
Expected return on assets	5.6%	4.7%

Notes to the Financial Statements Year to 31 August 2013

23 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	At 31 August 2013	At 31 August 2012
<i>Retiring today</i>		
Males	21.0 years	21.0 years
Females	23.8 years	23.8 years
<i>Retiring in 20 years</i>		
Males	22.9 years	22.9 years
Females	25.7 years	25.7 years

The School's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2013	Fair value at 31 August 2013 £	Expected return at 31 August 2012	Fair value at 31 August 2012 £
Equities	6.60%	1,011,000	5.5%	762,000
Bonds	4.00%	549,000	3.3%	285,000
Property	4.70%	86,000	3.7%	83,000
Cash	3.60%	69,000	2.8%	59,000
Total market value of assets		1,715,000		1,189,000
Present value of scheme liabilities		(3,481,000)		(2,872,000)
Deficit in the scheme		(1,766,000)		(1,683,000)

The actual return on scheme assets was £141,000 (period to 31 August 2012 - £34,000).

Amounts recognised in statement of financial activities	2013 £	2012 £
Current service costs (net of employee contributions)	323,000	329,000
Total operating charge	323,000	329,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	65,000	75,000
Interest on pension liabilities	(126,000)	(153,000)
Pension finance costs	(61,000)	(78,000)

Notes to the Financial Statements Year to 31 August 2013

23 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £243,000 (period to 31 August 2012 - £244,000).

Movements in the overall deficit were as follows:	2013	2012
	£	£
Deficit at 1 September 2012	(1,683,000)	(1,396,000)
Current service cost	(323,000)	(329,000)
Employer contributions	300,000	364,000
Net finance interest	(61,000)	(78,000)
Actuarial gains (losses)	1,000	(244,000)
At 31 August 2013	(1,766,000)	(1,683,000)

Movements in the present value of defined benefit obligations were as follows:	2013	2012
	£	£
Deficit at 1 September 2012	2,872,000	2,082,000
Current service costs	323,000	329,000
Interest costs	126,000	153,000
Employee contributions	84,000	104,000
Actuarial loss	76,000	204,000
At 31 August 2013	3,481,000	2,872,000

Movements in the fair value of School's share of scheme assets:	2013	2012
	£	£
At 1 September 2012	1,189,000	686,000
Expected return on assets	65,000	75,000
Actuarial gain (loss)	77,000	(40,000)
Employer contributions	300,000	364,000
Employee contributions	84,000	104,000
At 31 August 2013	1,715,000	1,189,000

The estimated value of the employer contributions for the year ended 31 August 2014 is £317,000.

The experience adjustments are as follows:

	2013	2012
	£	£
Present value of defined benefit obligations	(3,481,000)	(2,872,000)
Fair value of share scheme assets	1,715,000	1,189,000
Deficit on the scheme	(1,766,000)	(1,683,000)
 Experience adjustments on share of scheme assets	 77,000	 (40,000)
 Experience adjustments on scheme liabilities	 —	 —

24 Related party transactions

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

25 Conversion to an academy trust

In the prior period on 1 June 2011 the Greenshaw High School converted to academy trust status under the Academies Act 2010 and all operations and assets and liabilities were transferred to Greenshaw High School Educational Trust for the Sutton Local Authority for £nil consideration.

The assets and liabilities transferred from the Local Authority were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities as voluntary income.

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets (note 12)				
. Leasehold land and buildings	—	—	14,840,006	14,840,006
. Other tangible fixed assets	—	—	19,405	19,405
Budget surplus on LA funds	139,649	—	—	139,649
Budget surplus on other school funds	73,029	—	—	73,029
LGPS pension deficit (note 23)	—	(1,396,000)	—	(1,396,000)
Net assets (liabilities)	212,678	(1,396,000)	14,859,411	13,676,089

The above net assets include £212,678 that were transferred as cash.