

Financial Statements Greenwood Academies Trust

For the year ended 31 August 2015

Registered number: 06864339

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Greenwood Academies Trust

(A company limited by guarantee)

Reference and Administrative Details of the Trust, its Trustees and Advisers

For the year ended 31 August 2015

| | |
|-----------------|---|
| Trustees | David Shelton, Chair # Kate Ransom, # (resigned as a Trustee 20 November 2014) Trevor Frost, # Alistair Scullion, # John Dunstan, # Nigel Hastings, # (resigned 27 March 2015) Tim Render Jim Mason (resigned 8 January 2015) Fiona Church (resigned 10 July 2015) Sir Barry Day Graham Feek Edwina Grant (appointed 12 December 2014) |
|-----------------|---|

= members of the Company

Company registered number 06864339

Principal and registered office Greenwood House
Colwick Quays Business Park
Private Road No 2, Colwick
NOTTINGHAM
NG4 2JY

Senior management team Sir Barry Day, Chief Executive
Graham Feek, Deputy Chief Executive

Independent auditor Grant Thornton UK LLP
Chartered Accountants
Regent House
80 Regent Road
LEICESTER
LE1 7NH

Bankers HSBC Bank plc
Nottingham Commercial Centre
1st Floor, The Arc
NG2 Business Park
Enterprise Way
NOTTINGHAM
NG2 1EN

Solicitors Browne Jacobson LLP
44 Castle Gate
NOTTINGHAM
NG1 7BJ

Greenwood Academies Trust

(A company limited by guarantee)

Trustees' Report

For the year ended 31 August 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Greenwood Academies Trust (the Trust) for the year ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

Constitution

Greenwood Academies Trust (the Trust) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of the Trust are directors of the charitable company for the purposes of company law.

In accordance with the articles of association, the charitable company has adopted a scheme of governance approved by the Secretary of State for Education. The scheme of governance specifies, amongst other things, the criteria for admitting students to Academies and that the curriculum should comply with the substance of the national curriculum.

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.

Principal activities

The principal activity of the charitable company is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad curriculum with a strong emphasis on a combination of specialisms.

Trustees

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006. The term of office for any Trustee shall be four years unless re-appointed for a further term. The Trustees shall at their first meeting in an academic year, elect a Chair and a Vice Chair. However a Trustee who is employed to work in the Trust shall not be eligible for election as Chair or Vice Chair.

Trustees of the charitable company are nominated by either the Secretary of State for Education, or by The Greenwood Dale Foundation, the principal Sponsor of the Trust.

Trustees' Report (continued)

For the year ended 31 August 2015

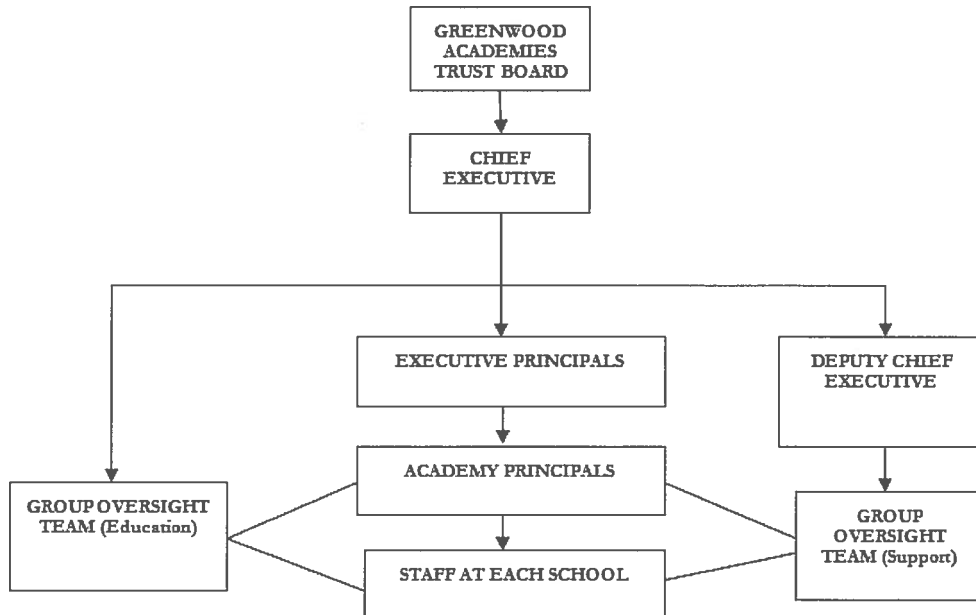
Training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All Trustees are provided with Committee Terms of Reference and Standing Orders. Additional specialist training has also been provided to Trustees periodically.

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

During the year the Chief Executive Officer, Sir Barry Day, gave notice of his retirement effective from 31 December 2015. The Trustees would like to record their appreciation for the dedication and commitment shown by Sir Barry Day during his tenure as Chief Executive Officer, and the significant achievements he has delivered for the Academies within the Trust. Wayne Norrie, currently employed as an Executive Principal with the Trust, has been appointed Chief Executive Officer from 1 January 2016.

Organisational structure

The organisational structure of the Trust reflects the current operational needs, whilst being 'scalable' to support future developments, primarily the expansion of the number of academies in the Greenwood Academies Trust group of academies.



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Trustees' Report (continued)

For the year ended 31 August 2015

Objectives and Activities

Trust objects

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charities Commission's general guidance on public benefit. The objects of the Trust are:

"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 schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or 16 to 19 Academies offering a curriculum appropriate to the needs of its students specially organised to make special educational provision for pupils with Special Educational Needs; and

To promote for the benefit of individuals living in communities where the Company operates Academies who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals."

Objectives, strategies and activities

The Trust aims to continue developing an extensive network of academies over the East Midlands which provide a high quality of education for local students. The Trust will seek to establish Academies in areas that have previously been poorly served by their local school, with typically very low levels of educational achievement and subsequent life chances.

The Trustees believe that the policies for its Academies' admissions, its achievements and performance in the year (as outlined below) provide clear evidence that the Trust is meeting its obligations as a charity to deliver public benefit.

Equal opportunities policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust has established equal opportunity policies and practices in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

Significant works have already been carried out to facilitate disabled access to the Trust's sites. The redevelopment and rebuild of all Academy sites are fully compliant with the DDA. The policy of the Trust is to support recruitment and retention of pupils and employees with disabilities. The Trust seeks to do this by adapting the physical environment, by making support resources available and through training and career developments.

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Trustees' Report (continued)

For the year ended 31 August 2015

Strategic report

Achievements and performance

Review of activities

The Trustees have reviewed the significant activities undertaken by the Trust during the past year to further its charitable purposes for the public benefit. Below is a review of these significant activities and achievements which clearly show that the Trust is delivering its charitable purpose.

The Trust was established on 31 March 2009 in order to facilitate the opening of the Nottingham Academy in September 2009. Originally the Trust was known as the Nottingham Academy Trust. However, part way through 2009/10, the Trust agreed to change its charitable objects to become a Multi-Academy Trust in order to be able to expand its group of Academies. The Trust is now known as the Greenwood Academies Trust.

The last 12 months has built on the significant achievements made during the previous years and advanced plans have been developed to further the Trust's charitable objects. What follows is not an exhaustive list, but does represent some of what has been achieved.

On 31 August 2014 the Trust had twenty four open Academies. They were:

Primary Academies

- Corby Primary Academy 4-11
- Green Oaks Primary Academy 4-11
- Ingoldmells Academy 4-11
- Kingswood Primary Academy 3-11
- Mablethorpe Primary Academy 3-11
- Mansfield Primary Academy 3-11
- Newark Hill Academy 4-11
- Queensmead Primary Academy 3-11
- Skegby Junior Academy 7-11
- Skegness Infant Academy 3-7
- Skegness Junior Academy 7-11
- Sunnyside Primary Academy 4-11
- Welland Academy 4-11
- Woodvale Primary Academy 3-11

Secondary and all-through Academies

- City of Derby Academy 11-16
- City of Peterborough Academy 11-18
- City of Peterborough Academy Special School 4-18
- Houghton Regis Academy 10-14
- Kingswood Secondary Academy 11-18
- Nottingham Academy 3-18
- Nottingham Girls' Academy 11-18
- Skegness Academy 11-18
- Stanground Academy 11-18
- Weston Favell Academy 11-18

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Trustees' Report (continued)

For the year ended 31 August 2015

The Greenwood Academies Trust added a further three Academies to the Trust during 2014/15 bringing the total number of Academies to twenty seven:

- Beacon Primary Academy 4-11 (1st September 2014)
- Dogsthorpe Academy 7-11 (1st September 2014)
- Bishop Creighton Academy 4-11 (1st April 2015)

During the year the Trust's rationale for expansion was based on:

- Schools in an Ofsted Category requiring a sponsor led Academy solution,
- Primary schools adjacent to our secondary academies, and
- Local Authority procured new schools.

In September 2015 the Trust opened a further three Academies, bringing the total number of Academies to thirty;

- Rushden Primary Academy (4-11)
- Hazel Leys Academy (4-11)
- Danesholme Junior Academy (7-11)

The Trust also has plans to:

- build additional primary places for the Nottingham Academy to increase admissions from three to five forms of entry, to satisfy the local demand for places, in collaboration with Nottingham City Council
- build a new post-16 facility for the Nottingham Academy on land already procured
- transform the Houghton Regis Academy into a 1,680 pupil 11-18 Academy, between 2016 and 2019,
- open a new Free School adjacent to the Green Oaks Primary Academy in collaboration with Northamptonshire Local Authority
- expand the capacity of Green Oaks Primary Academy by one form of entry by September 2018
- open new Primary, Secondary and Special Academies in Littleport, in collaboration with Cambridgeshire Local Authority, with a planned opening of September 2017

Greenwood Academies Trust

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Trustees' Report (continued)

For the year ended 31 August 2015

Educational outcomes

In 2015 the Trust had fifteen Academies reporting Key Stage 2 results, seven reporting GCSE results and six reporting A-level results.

Key Stage 2 – the Trust's Primary Academies continue to make good to outstanding progress overall

Fifteen of the Trust's Primary Academies have now had section 5 inspections from Ofsted up to August 2015. 100% of all Primary Academies are rated good or outstanding.

The tables below detail the percentage improvement in KS2 results for each GAT Academy since:

- joining the Trust
- 2014, and
- 2013

The change in reading results for Greenwood Academies Trust

| | L4+ % | L5+ % |
|----------------------|-------|-------|
| From opening to 2015 | 10.2 | 12.6 |
| From 2014 to 2015 | 2.7 | 7.9 |
| From 2013 to 2015 | 6.4 | 9.5 |

The change in mathematics results for Greenwood Academies Trust

| | L4+ % | L5+ % |
|----------------------|-------|-------|
| From opening to 2015 | 8.2 | 6.5 |
| From 2014 to 2015 | 1.1 | 3.5 |
| From 2013 to 2015 | 3.8 | 4.2 |

The change in writing results for Greenwood Academies Trust

| | L4+ % | L5+ % |
|----------------------|-------|-------|
| From opening to 2015 | 13.6 | 10.9 |
| From 2014 to 2015 | 5.5 | 6.9 |
| From 2013 to 2015 | 8.2 | 6.2 |

The change in RE, WR and MA results for Greenwood Academies Trust

| | L4+ % | L5+ % |
|----------------------|-------|-------|
| From opening to 2015 | 11.3 | 4.9 |
| From 2014 to 2015 | 3.0 | 4.9 |
| From 2013 to 2015 | 6.8 | 7.2 |

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Trustees' Report (continued)

For the year ended 31 August 2015

Of particular note were improvements at:

- Corby Primary Academy being judged as outstanding by Ofsted after only five full terms
- Dogsthorpe Junior Academy L4+ results up 22% for reading, writing and mathematics in one year
- Ingoldmells Academy L5+ results up 10.4 % for reading, writing and mathematics in one year
- Mablethorpe Primary Academy L5+ results up 8.7% for reading, writing and mathematics in one year
- Mansfield Primary Academy L5+ results up 7.7% for reading, writing and mathematics in one year
- Nottingham Primary Academy L5+ results up 8.3% for reading, writing and mathematics in one year
- Queensmead Primary Academy L5+ results up 7.5% for reading, writing and mathematics in one year
- Skegby Junior Academy L4+ results up 6.7% for reading, writing and mathematics in one year
- Skegness Junior Academy L5+ results up 8.8% for reading, writing and mathematics in one year
- Sunnyside Primary Academy L5+ results up 6.9% for reading, writing and mathematics in one year
- Woodvale Primary Academy L4+ results up 8.1% and L5+ results up 7.5%, both for reading, writing and mathematics in one year

Key stage 4 - the Trust has not been immune from the continued turbulence in the system this year for GCSE results

Overall Trust results were as follows:

English A*-C grades up by 3.7% on results in 2014

Mathematics A*-C grades decreased by 3.3% on results in 2014, reflecting the significant rise in grade C boundaries this year

5+ A*-C grades decreased by 1.8% on results in 2014

Ebacc results increased by 3.6%

Of particular note were one year improvements at:

Kingswood Secondary Academy: English A*-C grades up 6.1% with expected progress up 9.4%. Mathematics expected progress up 6.6%. 5+ A*-C grades, including English and mathematics, up 4%.

City of Derby Academy: English A*-C results up 4.3%

Skegness Academy: Mathematics A*-C grades up 12%, with expected progress up 14%.

Nottingham Girls' Academy: English A*-C grades up by 31%, with expected progress up 25% and more than expected progress up 27%. 5A*-C grades including English and mathematics, up 6% and Ebacc up 18%.

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Trustees' Report (continued)

For the year ended 31 August 2015

Post-16 results 2015

The number of students continuing their education in GDFT post-16 education has increased again from 356 in 2014 to 425 in 2015.

Again this year the Post-16 results have been split into Academic and Vocational Results. Vocational are particularly impressive across the Trust and out-perform national norms in many areas.

Academic Results

At Stanground Academy the average point score per FTE* students is 807 which is 2/3rd of a grade better than the National Results (787).

At Weston Favell the percentage of students attaining 2+ A levels was 2% higher than the national results at 94.2%.

The average point score per entry at Nottingham Academy has seen a 3 year upward trend.

Vocational Results

The average point score per FTE* student for the Trust averages out at 694. Compared to the National figure of 560 this is 134 points better equating to 4 additional grades for every student.

In four out of the six Academies the average point score per vocational entry was at least half a grade better than the national result of 216. When expressed as an average grade all Academies were in the top grade band of Distinction.

*FTE - full time equivalent student

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Trustees' Report (continued)

For the year ended 31 August 2015

Ofsted inspections

Since March 2012, up to 31 August 2015, 22 of the Trust's Academies have been inspected by Ofsted. For these inspections 82% of Academies were judged to be good or outstanding. The Trust has no Academies in a category, and all Primary Academies are good or outstanding. The outcomes are extremely positive and can be summarised as:

| | |
|------------------------------|--------------------------|
| Special measures/ Inadequate | 0% |
| Good or Outstanding overall | 82% |
| Achievement | 82% good or outstanding |
| Teaching | 82% good or outstanding |
| Behaviour and safety | 96% good or outstanding |
| Leadership | 96% good or outstanding |
| Early Years | 100% good or outstanding |
| Post -16 | 100% good |

During the 2014/2015 Academies year the Trust had 11 Ofsted inspections, and the outcomes from these are summarised below. For 10 of these 11 Academies, Behaviour and Safety and Leadership have been judged as good or better.

| | |
|-----------------|---|
| September 2014: | Sunnyside Primary Academy was rated Good |
| October 2014: | Skegness Infant Academy was rated Good |
| October 2014: | Woodvale Primary Academy was rated Good |
| November 2014: | Weston Favell Academy was rated Requires Improvement |
| January 2015: | City of Derby Academy was rated Requires Improvement with Good for both behaviour and safety and leadership |
| February 2015: | Kingswood Primary Academy was rated Good |
| April 2015: | Kingswood Secondary Academy was rated Requires Improvement with Good for both behaviour and safety and leadership |
| April 2015: | City of Peterborough Academy was rated as Outstanding |
| May 2015: | Skegby Junior Academy was rated as Good |
| June 2015: | Corby Primary Academy was rated as Outstanding |
| July 2015: | Welland Primary Academy was rated as Good |

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Trustees' Report (continued)

For the year ended 31 August 2015

Financial review

Principal funding

A proportion of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting Activities by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance will be reduced by annual depreciation charges over the expected useful life of the assets concerned.

At the commencement of a long term lease on any of the sites that the Trust occupies, the property is assigned a value and included in the assets of the Trust.

Financial report for the period

The Trustees consider the financial year end position of £78,898k, comprising £(18,203k) of restricted funds, £92,379k of restricted fixed asset funds, £450k of restricted endowment funds and £4,272k of unrestricted funds to be satisfactory. Restricted funds consist of restricted general funds of £9,700k less the pension reserve amounting to £27,903k.

The reserves policy will be reviewed annually as part of setting the following year's budget.

Financial and risk management objectives and policies

The Trust's exposure to financial risks is minimal due to the fact that the financial instruments that it deals with are largely bank balances, cash and trade creditors, with limited trade and other debtors. There is a deficit on the Local Government Pension Scheme, as described in Note 29 to the financial statements but this is subject to periodic actuarial review and is regularly monitored by the Trustees.

Reserves policy

The Trust's policy on reserves seeks to balance the competing priorities of expending the maximum amount of resources on students, principally through the provision of highly qualified staff, and the need to retain resources to manage future uncertainty.

The Trustees wish to maintain a reasonable level of ongoing reserves, which is primarily made up of carried forward school balances from the predecessor schools and one-off 'start up' grants allocated to the Trust for its Academies. The Trust's Risk Management Strategy and Risk Register are actively used to make informed judgements about the appropriate level of reserves to hold.

Principal risks and uncertainties

There remains significant uncertainty regarding future years' funding allocations, and the desire to move to a national funding formula provides uncertainty and hence risk. The Trust is seeking to reduce this risk by seeking to maximise the number of students in its Academies and to plan its budget over a longer period of time. However, clearly there remains a significant risk.

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Trustees' Report (continued)

For the year ended 31 August 2015

Risk management

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the organisation faces, including in operational areas (e.g. in relation to teaching, health & safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operations procedures (e.g. vetting of new staff and visitors, supervision on school grounds) and internal financial controls (see Governance Statement below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Rebuild and refurbishment programmes

Some of the Trust's main school sites continue to undergo major redevelopment. The Trust does not hold any build contracts: the relevant local authorities contract for the work and the completed sites are then leased back to the Trust on a 125 year lease. However, whilst there are not significant direct contractual risks to the Trust through this arrangement, provision has been made to provide additional capital funding into the schemes for high priority developments that might otherwise not be affordable under the Government resources allocated to the projects.

Going concern

After making appropriate enquiries, the Trust Board has a reasonable expectation that the 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.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, has indicated its willingness to continue in office. The Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report, incorporating the Strategic report, was approved by order of the board of Trustees, as the company directors, on 11 December 2015 and signed on the board's behalf by:



David Shelton
Chair

Greenwood Academies Trust

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Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board has formally met 4 times during the year. Attendance during the year at meetings of the Board was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| David Shelton (Chair) | 4 | 4 |
| Kate Ransom (resigned 20 November 2014) | 0 | 1 |
| Trevor Frost | 1 | 4 |
| John Dunstan | 3 | 4 |
| Nigel Hastings (resigned 27 March 2015) | 3 | 3 |
| Alistair Scullion | 1 | 4 |
| Tim Render | 4 | 4 |
| Jim Mason (resigned 8 January 2015) | 1 | 2 |
| Fiona Church (resigned 10 July 2015) | 1 | 3 |
| Sir Barry Day | 4 | 4 |
| Graham Feek | 3 | 4 |
| Edwina Grant (appointed 12 December 2014) | 3 | 3 |

The Trust Board has performed a review during the year of the skills and experience of its trustees and have taken steps to recruit additional trustees during the year to further strengthen the Trust Board.

The Finance Board is a sub-committee of the main Trust Board. Its purpose is to assist the decision making of the Trust Board, by enabling more detailed consideration to be given to the best means of fulfilling the Trust Board's responsibility to ensure sound management of the Trust's and individual academies' finances and resources. The Finance Board met 3 times during the year. Attendance during the year at meetings of the Finance Board was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------------|-------------------|-------------------|
| Tim Render (Chair) | 3 | 3 |
| David Shelton | 2 | 3 |
| Trevor Frost | 3 | 3 |

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Governance Statement (continued)

The Audit Committee is also a sub-committee of the Board. Its purpose is to assist the Trust Board by reviewing the financial management and control processes of the Trust, and in particular the processes for management of risk and reviewing the output from the fieldwork of the Internal Assurance Team and the statutory audit. The Audit Committee met 3 times during the year. Attendance during the year at meetings of the Audit Committee was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Alistair Scullion | 3 | 3 |
| John Dunstan (Chair) | 3 | 3 |
| Nigel Hastings (resigned 27 March 2015) | 2 | 2 |
| Jim Mason (resigned 8 January 2015) | 1 | 1 |

The Standards Committee is also a sub-committee of the Trust Board. Its purpose is to assist the Trust Board by reviewing the educational performance of Academies within the Trust. The following Trustees have served on the Standards Committee during the 2014/15 academic year, and attended the following meetings in that year:

| Trustee | Meetings attended | Out of a possible |
|---------------|-------------------|-------------------|
| Tim Render | 2 | 2 |
| David Shelton | 2 | 2 |
| Barry Day | 2 | 2 |
| Edwina Grant | 2 | 2 |

The Remuneration Committee is also a sub-committee of the Trust Board. Its purpose is to assist the Trust Board by ensuring that officers are appropriately compensated for their employment by the Trust, and to review and evaluate the performance of the Chief Executive and senior management. The following trustees have served on the Remuneration Committee during the 2014/15 academic year, and attended the following meetings in that year:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Alistair Scullion | 1 | 1 |
| David Shelton | 1 | 1 |
| Kate Ransom (resigned 20 November 2014) | 0 | 1 |

Review of Value for Money

As Accounting Officer the Chief Executive 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 available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Educational Outcomes
The Strategic Report within these financial statements describes in detail the educational outcomes achieved by the Trust in the 2014/2015 academic year.

Governance Statement (continued)

- **Staffing**
Staffing is deployed to meet the needs of delivering the curriculum in each Academy. Appropriate levels of education support have been provided to meet the individual needs of pupils in order for all pupils to be able to reach their full potential, regardless of any challenges they may face.
- **Financial Governance and Oversight**
The Trust has established a robust framework for ensuring strong financial governance, which ensures that the Accounting Officer has assurance that finance procedures are being properly implemented. Good financial planning allows the Trust's Executive Principals and Principals to plan ahead with greater certainty and enables them to prioritise and de-prioritise activities to deliver the most effective educational outcomes at the best value.
- **Better Purchasing**
The Trust has a procurement directorate which has undertaken many major purchases and procurements for the Trust and its Academies. The professionally qualified team not only ensure compliance with public and EU procurement regulations but maximise the buying power of the Trust's Academies and, like many other of the Trust's central services, has allowed Academies to focus their resource on teaching and learning rather than administration.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Greenwood Academies Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board 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 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

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;
- regular reviews by the Audit Committee of the key organisational risks and the Trust's plans to address them;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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Governance Statement (continued)

The Board has established an Internal Assurance Team and approved an Audit Charter which describes the scope of this function, including giving advice on financial matters and performing a range of checks on the Trust's financial systems. The Internal Assurance Team reports to the Trust Board, through the Audit Committee, on the results of the reviews it has performed on the operation of the systems of control.

In particular the checks carried out in the current period included:

- testing of core financial processes of Academies
- testing of the payroll system
- testing of budgeting processes

Three times a year, the Internal Assurance Team reports to the Trust Board via the Audit Committee on the results of these checks, on the operation of the systems of control and on the discharge of the Trust Board's financial responsibilities.

Review of Effectiveness

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

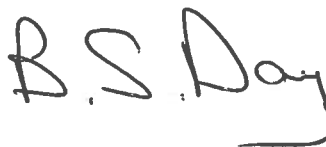
- the work of the Internal Assurance function;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the staff within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Trustees on 11 December 2015 and signed on its behalf, by:



David Shelton
Chair



Sir Barry Day
Accounting Officer

Greenwood Academies Trust

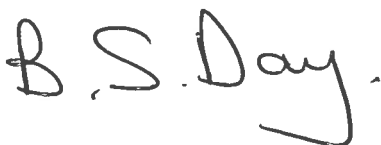
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Greenwood Academies Trust I have considered my responsibility to notify the Trust Board 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Trust Board are able to identify any material, irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook (2014).

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 and EFA.

A handwritten signature in black ink that reads "B.S. Day." The signature is written in a cursive style with a large, sweeping flourish at the end of the word "Day".

Sir Barry Day
Accounting Officer

Date: 11 December 2015

Greenwood Academies Trust

(A company limited by guarantee)

Trustees' Responsibilities Statement

For the year ended 31 August 2015

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction 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 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/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 Trustees on 11 December 2015 and signed on its behalf by:



David Shelton
Chair

Independent Auditor's Report to the Members of Greenwood Academies Trust

We have audited the financial statements of Greenwood Academies Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 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 its members, as a body for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' 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.

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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.



Independent Auditor's Report to the Members of Greenwood Academies Trust

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

A handwritten signature in blue ink that reads "Grant Thornton UK LLP".

Christopher Frostwick (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Statutory Auditor
Chartered Accountants
East Midlands

11 December 2015

Independent Reporting Accountant's Assurance Report on Regularity to Greenwood Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 25 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Greenwood Academies Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Greenwood Academies Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Greenwood Academies Trust's funding agreement with the Secretary of State for Education dated July 2014, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Independent Reporting Accountant's Assurance Report on Regularity to Greenwood Academies Trust and the Education Funding Agency (continued)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 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.

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

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

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- detailed testing on a sample basis of income and expenditure for the areas identified as high risk.

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 1 September 2014 to 31 August 2015 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

East Midlands

11 December 2015

Greenwood Academies Trust

(A company limited by guarantee)

Statement of Financial Activities incorporating income and expenditure account and statement of total recognised gains and losses

For the year ended 31 August 2015

| | | Unrestricted funds 2015 £000 | Restricted funds 2015 £000 | Restricted fixed asset funds 2015 £000 | Endowment funds 2015 £000 | Total funds 2015 £000 | Total funds 2014 £000 |
|--|-------|---------------------------------------|-------------------------------------|--|------------------------------------|--------------------------------|--------------------------------|
| | Note | | | | | | |
| Incoming resources | | | | | | | |
| Incoming resources from generated funds: | | | | | | | |
| Voluntary income - transfer from local authority on conversion | | | | | | | |
| | 2, 24 | 115 | (1,065) | 1,781 | - | 831 | 18,142 |
| | 2 | 73 | (318) | 3,320 | - | 3,075 | 27,945 |
| | 3 | 1,049 | 2,110 | - | - | 3,159 | 2,739 |
| Incoming resources from charitable activities | | | | | | | |
| | 4 | - | 87,222 | 1,791 | - | 89,013 | 83,317 |
| | 5 | 49 | - | - | - | 49 | 52 |
| Total incoming resources | | 1,286 | 87,949 | 6,892 | - | 96,127 | 132,195 |

Greenwood Academies Trust

(A company limited by guarantee)

Statement of Financial Activities incorporating income and expenditure account and statement of total recognised gains and losses (continued)

For the year ended 31 August 2015

| | | Unrestricted funds 2015 £000 | Restricted funds 2015 £000 | Restricted fixed asset funds 2015 £000 | Endowment funds 2015 £000 | Total funds 2015 £000 | Total funds 2014 £000 |
|---|----------|---------------------------------------|-------------------------------------|--|------------------------------------|--------------------------------|--------------------------------|
| | Note | | | | | | |
| Continuing operations | | 1,050 | 86,391 | 3,546 | - | 90,987 | 100,595 |
| Acquired operations | | 236 | 1,558 | 3,346 | - | 5,140 | 31,600 |
| Resources expended | | | | | | | |
| Charitable activities | 7 | 1,431 | 88,450 | 4,183 | - | 94,064 | 85,992 |
| Governance costs | 6 | - | 236 | - | - | 236 | 272 |
| Total resources expended | 8 | 1,431 | 88,686 | 4,183 | - | 94,300 | 86,264 |
| Net incoming / (outgoing) resources before transfers | | (145) | (737) | 2,709 | - | 1,827 | 45,931 |

Greenwood Academies Trust
(A company limited by guarantee)

Statement of Financial Activities incorporating income and
expenditure account and statement of total recognised gains
and losses (continued)

For the year ended 31 August 2015

| | Note | Unrestricted funds 2015 £000 | Restricted funds 2015 £000 | Restricted fixed asset funds 2015 £000 | Endowment funds 2015 £000 | Total funds 2015 £000 | Total funds 2014 £000 |
|--|------|---------------------------------------|-------------------------------------|--|------------------------------------|--------------------------------|--------------------------------|
| Gross transfers between funds | 19 | (145) | (1,150) | 1,295 | - | - | - |
| Net incoming/ (outgoing) resources | | (290) | (1,887) | 4,004 | - | 1,827 | 45,931 |
| Continuing operations | | (389) | (517) | 625 | - | (281) | 27,125 |
| Acquired operations | | 99 | (1,370) | 3,379 | - | 2,108 | 18,806 |
| Actuarial losses on defined benefit pension schemes | | - | (133) | - | - | (133) | (5,815) |
| Net movement in funds for the year | | (290) | (2,020) | 4,004 | - | 1,694 | 40,116 |
| Total funds at 1 September 2014 | | 4,562 | (16,183) | 88,375 | 450 | 77,204 | 37,088 |
| Total funds at 31 August 2015 | | 4,272 | (18,203) | 92,379 | 450 | 78,898 | 77,204 |

The notes on pages 28 to 56 form part of these financial statements.

Greenwood Academies Trust**(A company limited by guarantee)
Registered number: 06864339****Balance Sheet****As at 31 August 2015**

| | Note | £000 | 2015 £000 | 2014 £000 |
|---|------|-----------------|-----------------|-----------------|
| Fixed assets | | | | |
| Tangible assets | 15 | | 86,085 | 81,919 |
| Investments | 16 | | <u>25</u> | <u>25</u> |
| | | | 86,110 | 81,944 |
| Current assets | | | | |
| Debtors | 17 | 4,893 | | 5,418 |
| Cash at bank and in hand | | <u>21,871</u> | | <u>20,273</u> |
| | | 26,764 | | 25,691 |
| Creditors: amounts falling due within one year | 18 | <u>(6,073)</u> | | <u>(5,868)</u> |
| Net current assets | | | <u>20,691</u> | <u>19,823</u> |
| Total assets less current liabilities | | | 106,801 | 101,767 |
| Defined benefit pension scheme liability | 29 | | <u>(27,903)</u> | <u>(24,563)</u> |
| Net assets including pension scheme liability | | | <u>78,898</u> | <u>77,204</u> |
| Funds of the Academy | | | | |
| Endowment funds | 19 | | 450 | 450 |
| Restricted funds: | | | | |
| Restricted general funds | 19 | 9,700 | | 8,380 |
| Restricted fixed asset funds | 19 | <u>92,379</u> | | <u>88,375</u> |
| Restricted funds excluding pension liability | | 102,079 | | 96,755 |
| Pension reserve | 19 | <u>(27,903)</u> | | <u>(24,563)</u> |
| Total restricted funds | | | 74,176 | 72,192 |
| Unrestricted funds | 19 | | <u>4,272</u> | <u>4,562</u> |
| Total funds | | | <u>78,898</u> | <u>77,204</u> |

The financial statements were approved by the Trustees, and authorised for issue, on 11 December 2015 and are signed on their behalf, by:



David Shelton
Chair

The notes on pages 28 to 56 form part of these financial statements.

Greenwood Academies Trust

(A company limited by guarantee)

Cash Flow Statement

For the year ended 31 August 2015

| | Note | 2015 £000 | 2014 £000 |
|---|------|---------------------|---------------------|
| Net cash flow from operating activities | 21 | 2,169 | 4,877 |
| Returns on investments and servicing of finance | 22 | 49 | 52 |
| Capital expenditure and financial investment | 22 | (620) | (762) |
| Increase in cash in the year | | <u>1,598</u> | <u>4,167</u> |

Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 August 2015

| | 2015 £000 | 2014 £000 |
|--|----------------------|----------------------|
| Increase in cash in the year | <u>1,598</u> | <u>4,167</u> |
| Movement in net funds in the year | 1,598 | 4,167 |
| Net funds at 1 September 2014 | <u>20,273</u> | <u>16,106</u> |
| Net funds at 31 August 2015 | <u>21,871</u> | <u>20,273</u> |

The notes on pages 28 to 56 form part of these financial statements.

Greenwood Academies Trust

(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

Endowment funds established solely for the purpose of the Trust, with the Trust as a trustee of the endowment fund charity, are considered to be part of the Trust and are incorporated into the financial statements.

Endowment capital receivable is shown as income in a separate restricted fund in the Statement of Financial Activities. Any income generated from the endowment fund is shown in the Trust's restricted general fund or unrestricted fund depending on the terms of the gift.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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.

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.

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies (continued)

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's policies.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

1.4 Resources expended

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 are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Trust's educational operations.

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 one year from the date of approval of the financial statements.

After making appropriate enquiries, the Trustees have a reasonable expectation that the 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.

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Tangible fixed assets acquired since the Trust was established are included in the accounts at cost.

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 are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

Academies joining the Trust

When an academy joins the Trust, this involves the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and which is accounted for under the acquisition accounting method.

The assets and liabilities transferred are valued at their fair value. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the voluntary income in the Statement of Financial Activities and analysed under restricted fixed asset funds.

- **Land and buildings**

Typically the Trust's various operations are undertaken from sites where the original construction cost was borne by a third party (for instance a Local Authority). Such sites are usually leased to the Trust for a peppercorn rent.

An estimate of the fair value of the site is calculated, and treated as an addition to fixed assets in the appropriate period with a corresponding credit reflected in the Statement of Financial Activities. The period in which such assets are capitalised is typically the point at which the Trust enters into a long term lease. The estimate of fair value is made using the best available data, which in certain cases involves using depreciated replacement cost as an indicator of fair value.

- **Fixtures and fittings**

These are treated as acquired at fair value, calculated by reference to:

- net book value at the date of transfer; or
- estimated depreciated replacement cost; or
- an estimate of fair value calculated by reference to an assumed value of fixed assets, flexed to recognise the type of academy (primary, secondary etc) as compared to the pupil roll.

Greenwood Academies Trust

(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies (continued)

Depreciation

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:

| | | |
|---|---|----------------------------|
| Freehold property | - | 50 years straight line |
| Leasehold property | - | 50 years straight line |
| Fixtures, fittings, plant and machinery | - | 5 - 10 years straight line |
| Computer equipment and software | - | 3 - 5 years straight line |

No depreciation is provided on freehold land.

PFI contracts

Where the properties occupied by acquired academies are the subject of PFI contracts, consideration is given to the detailed terms of the relevant contract and to whether or not the PFI contract transfers the risks and rewards of ownership to the Trust. If there is such a transfer of risk and reward, such assets are accounted for under the policies for land and buildings set out above. If such risks and rewards are not transferred, the nature of the properties is deemed to be akin to serviced accommodation, and payments under the PFI contract are treated as operating lease payments.

1.7 Investments

The Trust's shareholdings in wholly owned subsidiaries are included in the Balance Sheet at cost. As the charitable company is itself a wholly owned subsidiary of an entity preparing consolidated accounts, the charitable company has taken advantage of available exemptions and not prepared consolidated accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.8 Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities 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.

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies (continued)

1.10 Pensions

Retirement benefits to employees of the Trust 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 Trust.

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 quinquennial valuations using a prospective benefit method. As stated in note 29, the TPS is a multi-employer scheme and the Trust 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 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 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 the 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 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.

1.11 Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities 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 if appropriate, and where applicable this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 33.

Notes to the Financial Statements

For the year ended 31 August 2015

2. Voluntary income

| | Unrestricted funds 2015 £000 | Restricted funds 2015 £000 | Total funds 2015 £000 | Total funds 2014 £000 |
|-------------------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Transfer from local authority | 115 | 716 | 831 | 18,142 |
| Existing academy taken over | 59 | 1,208 | 1,267 | - |
| Other voluntary income | 14 | 20 | 34 | 151 |
| Academies converted in earlier year | - | 1,774 | 1,774 | 27,794 |
| Other voluntary income | 73 | 3,002 | 3,075 | 27,945 |
| Total voluntary income | 188 | 3,718 | 3,906 | 46,087 |

3. Activities for generating funds

| | Unrestricted funds 2015 £000 | Restricted funds 2015 £000 | Total funds 2015 £000 | Total funds 2014 £000 |
|--------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Hire of facilities | 544 | - | 544 | 466 |
| Catering income | 12 | 910 | 922 | 944 |
| Other | 493 | 1,200 | 1,693 | 1,329 |
| | 1,049 | 2,110 | 3,159 | 2,739 |

4. Funding for Trust's educational operations

| | Unrestricted funds 2015 £000 | Restricted funds 2015 £000 | Total funds 2015 £000 | Total funds 2014 £000 |
|----------------------------|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Grants | | | | |
| DfE/EFA capital grants | - | 1,800 | 1,800 | 2,865 |
| General Annual Grant (GAG) | - | 75,893 | 75,893 | 70,251 |
| Other government grants | - | 4,440 | 4,440 | 3,285 |
| Other DfE/EFA funding | - | 6,880 | 6,880 | 6,916 |
| | - | 89,013 | 89,013 | 83,317 |

Greenwood Academies Trust

(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

5. Investment income

| | Unrestricted funds 2015 £000 | Restricted funds 2015 £000 | Endowment funds 2015 £000 | Total funds 2015 £000 | Total funds 2014 £000 |
|---------------------|---------------------------------------|-------------------------------------|------------------------------------|--------------------------------|--------------------------------|
| Short term deposits | <u>49</u> | <u>-</u> | <u>-</u> | <u>49</u> | <u>52</u> |

6. Governance costs

| | Unrestricted funds 2015 £000 | Restricted funds 2015 £000 | Total funds 2015 £000 | Total funds 2014 £000 |
|--|---------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Auditor's remuneration - audit of financial statements | - | 68 | 68 | 65 |
| Auditor's remuneration - non-audit fees | - | 37 | 37 | 22 |
| Legal and professional fees | - | 131 | 131 | 185 |
| | <u>-</u> | <u>236</u> | <u>236</u> | <u>272</u> |

Notes to the Financial Statements

For the year ended 31 August 2015

7. Charitable Activities

| | 2015 £000 | 2014 £000 |
|--|---------------|---------------|
| Direct costs - educational operations | | |
| Books, apparatus and stationery | 1,633 | 1,309 |
| Examination fees | 827 | 851 |
| Staff development | 352 | 461 |
| Student uniform/kits | 285 | 401 |
| Finance and marketing | 266 | 297 |
| Rent of rooms/sports facilities | 110 | 102 |
| Other direct costs | 1,474 | 1,567 |
| Teaching and educational support staff costs | 56,246 | 50,692 |
| Depreciation | 2,456 | 2,070 |
| | <hr/> | <hr/> |
| Direct costs | 63,649 | 57,750 |
| | <hr/> | <hr/> |
| Support costs - educational operations | | |
| Staff clothing | 44 | 43 |
| Maintenance of premises and equipment | 1,945 | 1,362 |
| Office expenses (e.g. printing, photocopying and telephones) | 451 | 665 |
| Cleaning | 913 | 857 |
| Rent and rates | 1,370 | 1,278 |
| Heat and light | 1,460 | 1,450 |
| Water | 278 | 243 |
| Insurance | 856 | 687 |
| Security and transport | 496 | 815 |
| Catering | 1,955 | 1,716 |
| Technology costs | 1,208 | 1,040 |
| Bank charges | 25 | 24 |
| Other support costs | 2,349 | 2,224 |
| Support staff costs | 15,340 | 13,896 |
| Depreciation | 1,725 | 1,942 |
| | <hr/> | <hr/> |
| Support costs | 30,415 | 28,242 |
| | <hr/> | <hr/> |
| Total direct and support costs | <u>94,064</u> | <u>85,992</u> |

Greenwood Academies Trust

(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

8. Resources expended

| | Staff costs | Non Pay Expenditure | | Total | Total |
|-----------------------|---------------|---------------------|---------------|---------------|---------------|
| | | Depreciation | Other costs | | |
| | 2015 | 2015 | 2015 | 2015 | 2014 |
| | £000 | £000 | £000 | £000 | £000 |
| Direct costs | 56,246 | 2,456 | 4,947 | 63,649 | 57,750 |
| Support costs | 15,340 | 1,725 | 13,350 | 30,415 | 28,242 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Charitable activities | 71,586 | 4,181 | 18,297 | 94,064 | 85,992 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Governance | - | - | 236 | 236 | 272 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | <u>71,586</u> | <u>4,181</u> | <u>18,533</u> | <u>94,300</u> | <u>86,264</u> |

Included within resources expended are the following transactions. Individual transactions exceeding £5k are identified separately:

| | Amount £000 |
|--|----------------|
| Total unrecoverable debts | 39 |
| Individual amounts above £5k - Subsidiary company support | 26 |

The Trust was previously gifted an existing sporting facility located next to one of its academies, a condition of which was to establish a subsidiary company through which commercial sports lettings could be offered. The sports facility made an operating loss in the last academic year, and in order to secure the facilities for its pupils the Trust Board has made a decision to finance this annual operating loss. In evaluating the options to provide sporting provision for its pupils, the Trust Board satisfied itself that this represented the best value for money.

Notes to the Financial Statements

For the year ended 31 August 2015

9. Net incoming / (outgoing) resources

This is stated after charging:

| | 2015 £000 | 2014 £000 |
|--|--------------|--------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the Trust | 2,938 | 2,687 |
| - held under long term leases | 1,243 | 1,325 |
| Operating leases | 825 | 821 |
| Loss on disposal of fixed assets | <u>2</u> | <u>12</u> |

10. Auditor's remuneration

| | 2015 £000 | 2014 £000 |
|---|--------------|--------------|
| Fees payable to the auditor for the audit of the financial statements | 68 | 65 |
| Fees payable to the auditor in respect of: | | |
| Non-statutory audit | 26 | 3 |
| EFA accounts return | 2 | 2 |
| Other services | <u>9</u> | <u>17</u> |

11. Staff**a. Staff costs**

Staff costs were as follows:

| | 2015 £000 | 2014 £000 |
|-------------------------------|---------------|---------------|
| Wages and salaries | 58,305 | 52,770 |
| Social security costs | 4,022 | 3,742 |
| Other pension costs (Note 29) | 9,259 | 8,077 |
| | <u>71,586</u> | <u>64,589</u> |

The wages and salaries figures above include staff restructuring costs of £300k (2014: £38k).

b. Staff severance payments

Included in wages and salaries are non-statutory/non-contractual severance payments totalling £45k (2014: £38k). Four of the non-statutory/non-contractual payments exceeded £5k individually, and these were for £7k, £9k, £9k and £20k.

Notes to the Financial Statements

For the year ended 31 August 2015

11. Staff (continued)**c. Staff numbers**

The average number of persons (including the senior management team) employed by the Trust during the year expressed as full time equivalents was as follows:

| | 2015 No. | 2014 No. |
|----------------------------|--------------|--------------|
| Teachers | 1,003 | 937 |
| Administration and support | 1,001 | 880 |
| Management | 13 | 13 |
| | <u>2,017</u> | <u>1,830</u> |

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

| | 2015 No. | 2014 No. |
|---------------------------|-------------|-------------|
| In the band £60k - £70k | 19 | 17 |
| In the band £70k - £80k | 13 | 9 |
| In the band £80k - £90k | 5 | 6 |
| In the band £90k - £100k | 6 | 3 |
| In the band £100k - £110k | - | 1 |
| In the band £110k - £120k | 1 | 1 |
| In the band £120k - £130k | 2 | 2 |
| In the band £140k - £150k | - | 2 |
| In the band £150k - £160k | 2 | - |
| In the band £190k - £200k | 1 | 1 |
| | <u>49</u> | <u>42</u> |

Total contributions of £533k were made during the year ended 31 August 2015 to defined benefit pension schemes on behalf of these employees earning more than £60k (2014: £470k).

Notes to the Financial Statements

For the year ended 31 August 2015

12. Trustees' and officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5 million on any one claim and the cost for the year ended 31 August 2015 was £25k (2014 - £24k). The cost of this insurance is included in the total insurance cost.

13. Trustees' remuneration and expenses

Staff Trustees only receive remuneration in respect of services they provide undertaking their roles as staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than reimbursement of expenses, from the Trust in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

| | 2015 £000 | 2014 £000 |
|--------------------------------------|--------------|--------------|
| Sir Barry Day (Chief Executive) | 195-200 | 195-200 |
| Graham Feek (Deputy Chief Executive) | 150-155 | 140-145 |

During the year ended 31 August 2015, travel and subsistence expenses totalling £9k were reimbursed to four Trustees.

Related party transactions involving the Trustees are set out in note 31.

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Notes to the Financial Statements

For the year ended 31 August 2015

14. Central services

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

- Educational support
- Human resources
- Financial services
- Procurement
- Operational services, such as health & safety and property services
- IT support services

The Trust has financed these services by a per pupil charge for IT support services and a 5.5% charge on Academies' core funding streams for other services.

The actual amounts charged during the year were as follows:

| | 2015 £000 |
|---|--------------|
| Nottingham Academy | 1,239 |
| Skegness Academy | 600 |
| Nottingham Girls' Academy | 288 |
| Stanground Academy | 570 |
| Weston Favell Academy | 759 |
| City of Peterborough Academy Special School | 79 |
| Houghton Regis Academy | 111 |
| Mablethorpe Primary Academy | 66 |
| Mansfield Primary Academy | 105 |
| Ingoldmells Academy | 44 |
| Skegness Infant Academy | 84 |
| Skegness Junior Academy | 116 |
| Queensmead Primary Academy | 155 |
| Sunnyside Primary Academy | 76 |
| Woodvale Primary Academy | 134 |
| Kingswood Primary Academy | 74 |
| City of Derby Academy | 326 |
| Kingswood Secondary Academy | 530 |
| City of Peterborough Academy | 121 |
| Corby Primary Academy | 30 |
| Skegby Junior Academy | 49 |
| Welland Academy | 94 |
| Green Oaks Primary Academy | 56 |
| Newark Hill Academy | 139 |
| Beacon Primary Academy | 23 |
| Dogsthorpe Academy | 115 |
| Bishop Creighton Academy | 33 |
| Total | <u>6,016</u> |

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Notes to the Financial Statements

For the year ended 31 August 2015

15. Tangible fixed assets

| | Freehold land and buildings £000 | Leasehold land and buildings £000 | Fixtures, fittings, plant and machinery £000 | Computer equipment £000 | Total £000 |
|--------------------------|---|--|--|-------------------------------|---------------|
| Cost | | | | | |
| At 1 September 2014 | 24,685 | 56,635 | 1,503 | 7,677 | 90,500 |
| Additions | - | 6,288 | 826 | 1,235 | 8,349 |
| Disposals | - | - | - | (634) | (634) |
| Transfer between classes | - | 12 | (44) | 32 | - |
| At 31 August 2015 | <u>24,685</u> | <u>62,935</u> | <u>2,285</u> | <u>8,310</u> | <u>98,215</u> |
| Depreciation | | | | | |
| At 1 September 2014 | 724 | 2,014 | 525 | 5,318 | 8,581 |
| Charge for the year | 491 | 1,243 | 423 | 2,024 | 4,181 |
| On disposals | - | - | - | (632) | (632) |
| Transfer between classes | - | 5 | (12) | 7 | - |
| At 31 August 2015 | <u>1,215</u> | <u>3,262</u> | <u>936</u> | <u>6,717</u> | <u>12,130</u> |
| Net book value | | | | | |
| At 31 August 2015 | <u>23,470</u> | <u>59,673</u> | <u>1,349</u> | <u>1,593</u> | <u>86,085</u> |
| At 31 August 2014 | <u>23,961</u> | <u>54,621</u> | <u>978</u> | <u>2,359</u> | <u>81,919</u> |

During the year the Trust inherited £1,781k of fixed assets from a predecessor school, £1,546k of fixed assets from an existing Academy joining the Trust and in addition was gifted £1,774k of fixed assets from Local Authorities. The gift from the Local Authority related to Skegness Infant Academy which joined the Trust in an earlier year. The Trust signed a 125 year lease in respect of this property during the year.

16. Investments

| | Investments in subsidiaries £000 |
|--|--|
| At 1 September 2014 and 31 August 2015 | <u>25</u> |

Investments in subsidiaries comprise shares in Greenwood Academies Education Services Limited, a company incorporated in the United Kingdom. The company was dormant during the year to 31 August 2015. The Trust has another subsidiary, Greenwood Academies Trust Community Sports, which is incorporated in the United Kingdom. That company is limited by guarantee and has no share capital.

Greenwood Academies Trust

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Notes to the Financial Statements

For the year ended 31 August 2015

17. Debtors

| | 2015 £000 | 2014 £000 |
|----------------------------------|--------------|--------------|
| Trade debtors | 132 | 95 |
| Other debtors and accrued income | 3,446 | 3,420 |
| Prepayments | 1,315 | 1,903 |
| | <u>4,893</u> | <u>5,418</u> |

18. Creditors: Amounts falling due within one year

| | 2015 £000 | 2014 £000 |
|------------------------------------|--------------|--------------|
| Trade creditors | 1,633 | 1,266 |
| Other taxation and social security | 1,196 | 1,129 |
| Other creditors | 1,256 | 1,957 |
| Accruals and deferred income | 1,988 | 1,516 |
| | <u>6,073</u> | <u>5,868</u> |

Deferred income

| | £000 |
|--------------------------------------|--------------|
| Deferred income at 1 September 2014 | 768 |
| Resources deferred during the year | 987 |
| Amounts released from previous years | <u>(768)</u> |
| Deferred income at 31 August 2015 | <u>987</u> |

The deferred income held at 31 August 2015 related to grant funding for the Academic year 2015/16.

Greenwood Academies Trust

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Notes to the Financial Statements

For the year ended 31 August 2015

19. Statement of funds

| | Brought Forward £000 | Incoming resources £000 | Resources Expended £000 | Transfers in/(out) £000 | Gains/(Losses) £000 | Carried Forward £000 |
|---|-------------------------|----------------------------|----------------------------|----------------------------|------------------------|-------------------------|
| Unrestricted funds | | | | | | |
| Unrestricted funds | 4,562 | 1,286 | (1,431) | (145) | - | 4,272 |
| Endowment funds | | | | | | |
| The Experian Nottingham Academy fund | 450 | - | - | - | - | 450 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | 3,601 | 75,893 | (75,085) | - | - | 4,409 |
| Other Government grants | 4,779 | 13,459 | (11,797) | (1,150) | - | 5,291 |
| Pension deficit | (24,563) | (1,403) | (1,804) | - | (133) | (27,903) |
| | <u>(16,183)</u> | <u>87,949</u> | <u>(88,686)</u> | <u>(1,150)</u> | <u>(133)</u> | <u>(18,203)</u> |
| Restricted fixed asset funds | | | | | | |
| DfE/EFA and other capital grants | 11,622 | 1,791 | (2,461) | 1,295 | - | 12,247 |
| Assets inherited from predecessor schools | 76,753 | 5,101 | (1,722) | - | - | 80,132 |
| | <u>88,375</u> | <u>6,892</u> | <u>(4,183)</u> | <u>1,295</u> | <u>-</u> | <u>92,379</u> |
| Total restricted funds | <u>72,192</u> | <u>94,841</u> | <u>(92,869)</u> | <u>145</u> | <u>(133)</u> | <u>74,176</u> |
| Total of funds | <u>77,204</u> | <u>96,127</u> | <u>(94,300)</u> | <u>-</u> | <u>(133)</u> | <u>78,898</u> |

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

The restricted general fund includes grants receivable from the EFA and local education authorities towards the operating activities of the Trust administered by the charitable company.

The fixed asset fund includes amounts receivable from the EFA in respect of tangible fixed assets held for Trust use.

Endowment funds represents amounts received from Experian Limited which are to be invested by the Trust to generate income for use in advancing education for the benefit of the local community.

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Notes to the Financial Statements

For the year ended 31 August 2015

19. Statement of funds (continued)

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 2015.

Analysis of Academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

| | Total £000 |
|---|----------------------|
| Nottingham Academy | 3,264 |
| Skegness Academy | 3,905 |
| Nottingham Girls' Academy | 829 |
| Stanground Academy | 1,116 |
| Weston Favell Academy | (489) |
| City of Peterborough Academy Special School | 365 |
| Houghton Regis Academy | (368) |
| Mablethorpe Primary Academy | 332 |
| Mansfield Primary Academy | 296 |
| Ingoldmells Academy | 266 |
| Skegness Infant Academy | 496 |
| Skegness Junior Academy | 589 |
| Queensmead Primary Academy | 316 |
| Sunnyside Primary Academy | 90 |
| Woodvale Primary Academy | 281 |
| Kingswood Primary Academy | 163 |
| City of Derby Academy | (98) |
| Kingswood Secondary Academy | 472 |
| City of Peterborough Academy | 158 |
| Corby Primary Academy | 158 |
| Skegby Junior Academy | 62 |
| Welland Academy | 7 |
| Green Oaks Primary Academy | - |
| Newark Hill Academy | 356 |
| Beacon Primary Academy | 55 |
| Dogsthorpe Academy | 37 |
| Bishop Creighton Academy | 120 |
| Central Services | <u>1,644</u> |
| Total before fixed asset fund and pension reserve | 14,422 |
| Restricted fixed asset fund | 92,379 |
| Pension reserve | (27,903) |
| Total | <u><u>78,898</u></u> |

Notes to the Financial Statements

For the year ended 31 August 2015

19. Statement of funds (continued)

The following Academies are carrying net deficits on their portion of the funds as follows:

| Name of academy | Amount of deficit £000 |
|------------------------|---------------------------|
| Weston Favell Academy | 489 |
| Houghton Regis Academy | 368 |
| City of Derby Academy | 98 |

Weston Favell Academy

The Academy experienced lower than anticipated pupil numbers during 2014/15, leading to the current deficit position. A review and reorganisation of the delivery of the curriculum is enabling the Academy to recover this position.

Houghton Regis Academy

The Academy has experienced falling pupil numbers, and during the 2014/15 academic year reviewed their structures and areas of spend to identify cost savings. These savings will be realised during 2015/16, resulting in a much improved financial outlook for the Academy.

City of Derby Academy

The Academy has experienced falling pupil numbers over recent years, although this is being partly mitigated by increasing pupil numbers in year 7 as the smaller older year groups work through the Academy. The Academy is also in the process of a review to realign the internal structures to the needs of the existing pupils, which is expected to deliver the required financial savings.

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For the year ended 31 August 2015

19. Statement of funds (continued)

Analysis of Academies by cost

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

| | Teaching and educational support staff £000 | Other support staff £000 | Educational supplies £000 | Other costs excluding depreciation £000 | Total £000 |
|--|---|--------------------------------|---------------------------------|--|---------------|
| Nottingham Academy | 11,868 | 2,379 | 936 | 2,742 | 17,925 |
| Skegness Academy | 4,888 | 1,156 | 383 | 875 | 7,302 |
| Nottingham Girls' Academy | 2,496 | 545 | 157 | 552 | 3,750 |
| Stanground Academy | 5,308 | 1,542 | 460 | 926 | 8,236 |
| Weston Favell Academy | 5,153 | 639 | 470 | 1,269 | 7,531 |
| City of Peterborough Academy Special School | 847 | 221 | 30 | 302 | 1,400 |
| Houghton Regis Academy | 1,121 | 514 | 47 | 277 | 1,958 |
| Mablethorpe Primary Academy | 1,221 | 253 | 30 | 280 | 1,784 |
| Mansfield Primary Academy | 759 | 149 | 41 | 184 | 1,133 |
| Ingoldmells Academy | 436 | 102 | 22 | 155 | 716 |
| Skegness Infant Academy | 965 | 172 | 27 | 200 | 1,364 |
| Skegness Junior Academy | 899 | 145 | 62 | 232 | 1,338 |
| Queensmead Primary Academy | 1,602 | 420 | 139 | 346 | 2,507 |
| Sunnyside Primary Academy | 737 | 78 | 47 | 256 | 1,118 |
| Woodvale Primary Academy | 1,346 | 209 | 73 | 555 | 2,183 |
| Kingswood Primary Academy | 757 | 139 | 57 | 221 | 1,174 |
| City of Derby Academy | 3,234 | 695 | 196 | 863 | 4,988 |
| Kingswood Secondary Academy | 4,308 | 906 | 367 | 972 | 6,553 |
| Corby Primary Academy | 497 | 135 | 61 | 145 | 838 |
| City of Peterborough Academy | 924 | 142 | 105 | 417 | 1,588 |
| Skegby Junior Academy | 557 | 124 | 31 | 139 | 851 |
| Welland Academy | 1,239 | 273 | 79 | 293 | 1,884 |
| Green Oaks Primary Academy | 1,102 | 148 | 60 | 272 | 1,582 |
| Newark Hill Academy | 1,299 | 331 | 64 | 351 | 2,045 |
| Beacon Primary Academy | 205 | 55 | 32 | 112 | 404 |
| Dogsthorpe Academy | 1,053 | 472 | 103 | 283 | 1,911 |
| Bishop Creighton Academy | 273 | 53 | 6 | 81 | 413 |
| Central Services | 1,153 | 3,342 | (79) | 1,227 | 5,643 |
| | <u>56,246</u> | <u>15,340</u> | <u>4,006</u> | <u>14,527</u> | <u>90,119</u> |

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Notes to the Financial Statements

For the year ended 31 August 2015

20. Analysis of net assets between funds

| | Unrestricted funds 2015 £000 | Restricted funds 2015 £000 | Restricted fixed asset funds 2015 £000 | Endowment funds 2015 £000 | Total funds 2015 £000 | Total funds 2014 £000 |
|-------------------------------|---------------------------------------|-------------------------------------|--|------------------------------------|--------------------------------|--------------------------------|
| Tangible fixed assets | - | - | 86,085 | - | 86,085 | 81,919 |
| Fixed asset investments | - | - | 25 | - | 25 | 25 |
| Current assets | 4,272 | 15,773 | 6,269 | 450 | 26,764 | 25,691 |
| Creditors due within one year | - | (6,073) | - | - | (6,073) | (5,868) |
| Pension scheme liability | - | (27,903) | - | - | (27,903) | (24,563) |
| | <u>4,272</u> | <u>(18,203)</u> | <u>92,379</u> | <u>450</u> | <u>78,898</u> | <u>77,204</u> |

21. Net cash flow from operating activities

| | 2015 £000 | 2014 £000 |
|---|---------------------|---------------------|
| Net incoming resources | 1,827 | 45,931 |
| Interest receivable | (49) | (52) |
| Depreciation | 4,181 | 4,012 |
| Loss on disposal of tangible fixed assets | 2 | 12 |
| Capital grants from EFA/DfE and inherited assets | (7,729) | (50,428) |
| Decrease/(increase) in debtors | 525 | (426) |
| Increase in creditors | 205 | 954 |
| Pension deficit assumed | 1,403 | 3,465 |
| FRS 17 pension cost less employer contributions payable | 1,200 | 807 |
| FRS 17 pension finance cost | 604 | 602 |
| Net cash inflow from operations | <u>2,169</u> | <u>4,877</u> |

22. Analysis of cash flows for headings netted in cash flow statement

| | 2015 £000 | 2014 £000 |
|--|--------------|--------------|
| Returns on investments and servicing of finance | | |
| Interest received | <u>49</u> | <u>52</u> |

Notes to the Financial Statements

For the year ended 31 August 2015

22. Analysis of cash flows for headings netted in cash flow statement (continued)

| | 2015 £000 | 2014 £000 |
|--|--------------|--------------|
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (3,248) | (2,299) |
| Inherited and donated assets | (5,101) | (48,892) |
| Capital grants from DfE/EFA | 2,628 | 1,537 |
| Capital funding received from sponsors and others | 5,101 | 48,892 |
| | <hr/> | <hr/> |
| Net cash inflow from capital expenditure and financial investment | (620) | (762) |

23. Analysis of changes in net funds

| | 1 September 2014 £000 | Cash flow £000 | Other non-cash changes £000 | 31 August 2015 £000 |
|--------------------------|-----------------------------|---------------------|--------------------------------------|---------------------------|
| Cash at bank and in hand | <u>20,273</u> | <u>1,598</u> | <u>-</u> | <u>21,871</u> |
| Net funds | <u>20,273</u> | <u>1,598</u> | <u>-</u> | <u>21,871</u> |

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Notes to the Financial Statements

For the year ended 31 August 2015

24. Conversion to an Academy trust

The Trust acquired two further Academies during the year ended 31 August 2015, and all the operations and assets and liabilities were transferred to Greenwood Academies Trust for £NIL consideration. In addition the Trust established one other new Academy (Beacon Primary Academy).

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources 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 £000 | Restricted funds £000 | Restricted fixed asset funds £000 | Endowment funds £000 | Total funds £000 |
|--------------------------------|-------------------------------|-----------------------------|--|----------------------------|------------------------|
| Tangible fixed assets | | | | | |
| - Leasehold land and buildings | - | - | 3,255 | - | 3,255 |
| - Other tangible fixed assets | - | - | 72 | - | 72 |
| Other assets | 174 | - | - | - | 174 |
| LGPS pension deficit | - | (1,403) | - | - | (1,403) |
| Net assets/(liabilities) | <u>174</u> | <u>(1,403)</u> | <u>3,327</u> | <u>-</u> | <u>2,098</u> |

The above net assets include £174k that was transferred as cash.

| | Cash £000 | Fixed assets £000 | Land & buildings £000 | LGPS £000 | 2015 £000 |
|--------------------------|--------------|----------------------|-----------------------------|----------------|--------------|
| Dogsthorpe Academy | 115 | 17 | 1,764 | (1,065) | 831 |
| Bishop Creighton Academy | 59 | 55 | 1,491 | (338) | 1,267 |
| Total | <u>174</u> | <u>72</u> | <u>3,255</u> | <u>(1,403)</u> | <u>2,098</u> |

The total fair value of Dogsthorpe Academy is shown in voluntary income - transfer from local authority on conversion in the Statement of Financial Activities, whereas since Bishop Creighton Academy was previously an Academy the fair value of incoming assets and liabilities is shown in the main voluntary income line.

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For the year ended 31 August 2015

25. Contingent liabilities

During the operation of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to re-invest the proceeds or to repay the Secretary of State the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to:

- The value at the time of the Trust's site and premises and other assets held for the purpose of the Trust; and
- The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

Upon termination of the Funding Agreement, the Trust shall also repay the capital amount on The Experian Nottingham Academy Fund.

26. Guarantees, letters of comfort and indemnities

As set out in note 8 to these financial statements it is anticipated that the subsidiary sports company will continue to deliver annual operating losses, and therefore the Trust has provided a letter of comfort to cover these potential future losses subject to an annual limit of £35k.

27. 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 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 cease to be a member.

28. Capital commitments

At 31 August 2015 the Trust had capital commitments as follows:

| | 2015 | 2014 |
|---|------------|------------|
| | £000 | £000 |
| Contracted for but not provided in these financial statements | <u>177</u> | <u>210</u> |

Notes to the Financial Statements

For the year ended 31 August 2015

29. 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 relevant local authority. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £1,034k were payable to the schemes at 31 August 2015 (2014 - £975k) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

Notes to the Financial Statements

For the year ended 31 August 2015

29. Pension commitments (continued)

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

The pension costs paid to TPS in the period amounted to £4,701k (2014: £4,464k).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £4,387k, of which employer's contributions totalled £3,349k and employees' contributions totalled £1,038k. The agreed contribution rates for future years are 17.6% to 22.6% for employers and 5.5% to 12.5% 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.

The amounts recognised in the Balance Sheet are as follows:

| | 2015 £000 | 2014 £000 |
|------------------------------------|------------------------|------------------------|
| Present value of funded obligation | (51,587) | (42,892) |
| Fair value of scheme assets | <u>23,684</u> | <u>18,329</u> |
| Net liability | <u><u>(27,903)</u></u> | <u><u>(24,563)</u></u> |

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

| | 2015 £000 | 2014 £000 |
|--|-----------------------|-----------------------|
| Current service cost (net of employee contributions) | (4,549) | (3,599) |
| Interest on pension liabilities | (1,783) | (1,550) |
| Expected return on scheme assets | <u>1,179</u> | <u>948</u> |
| Total | <u><u>(5,153)</u></u> | <u><u>(4,201)</u></u> |

Notes to the Financial Statements

For the year ended 31 August 2015

29. Pension commitments (continued)

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

| | 2015 £000 | 2014 £000 |
|---|----------------------|----------------------|
| At 1 September | 42,892 | 27,511 |
| Current service cost | 4,549 | 3,599 |
| Interest cost | 1,783 | 1,550 |
| Employee contributions | 1,038 | 879 |
| Actuarial (gains)/losses | (584) | 4,814 |
| Transferred from local authorities after 1 September 2014 | 2,120 | 4,700 |
| Estimated benefits paid net of transfers in | <u>(211)</u> | <u>(161)</u> |
| At 31 August | <u><u>51,587</u></u> | <u><u>42,892</u></u> |

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

| | 2015 £000 | 2014 £000 |
|---|----------------------|----------------------|
| At 1 September | 18,329 | 13,637 |
| Expected return on assets | 1,179 | 948 |
| Actuarial losses | (717) | (1,001) |
| Employer contributions | 3,349 | 2,792 |
| Employee contributions | 1,038 | 879 |
| Transferred from local authorities after 1 September 2014 | 717 | 1,235 |
| Benefits paid net of transfers in | <u>(211)</u> | <u>(161)</u> |
| At 31 August | <u><u>23,684</u></u> | <u><u>18,329</u></u> |

The cumulative amount of actuarial losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £7,490k loss (2014 - £7,357k loss).

The Trust expects to contribute £3,400k to its Defined benefit pension scheme in 2015/16.

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

| | 2015 | 2014 |
|----------------------|-------------|-------------|
| Retiring today | | |
| Males | 22.0 - 22.5 | 22.0 - 22.5 |
| Females | 24.2 - 25.2 | 24.2 - 25.1 |
| Retiring in 20 years | | |
| Males | 24.0 - 24.5 | 24.0 - 24.5 |
| Females | 26.6 - 26.9 | 26.6 - 27.4 |

Notes to the Financial Statements

For the year ended 31 August 2015

29. Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

| | 2015 £000 | 2014 £000 | 2013 £000 | 2012 £000 | 2011 £000 |
|--|-----------------|-----------------|-----------------|----------------|----------------|
| Present value of defined benefit obligations | (51,587) | (42,892) | (27,511) | (14,435) | (7,323) |
| Fair value of share of scheme assets | <u>23,684</u> | <u>18,329</u> | <u>13,637</u> | <u>6,989</u> | <u>4,743</u> |
| Deficit in the scheme | <u>(27,903)</u> | <u>(24,563)</u> | <u>(13,874)</u> | <u>(7,446)</u> | <u>(2,580)</u> |
| Experience adjustments on scheme liabilities | - | (48) | - | - | (493) |
| Experience adjustments on scheme assets | <u>(717)</u> | <u>(1,001)</u> | <u>881</u> | <u>85</u> | <u>136</u> |

As these assumptions relate to seven (2014: seven) separate LGPS the figures below show the range of assumptions covered by these schemes unless the assumptions are the same:

| | At 31 August 2015 | At 31 August 2014 |
|--|----------------------|----------------------|
| Rate of increase in salaries | 3.4% - 4.5% | 3.4% - 4.5% |
| Rate of increase for pensions in payment/inflation | 2.6% - 2.7% | 2.6% - 2.7% |
| Discount rates for scheme liabilities | 3.7% - 4.6% | 3.7% - 4.6% |
| Inflation assumption (CPI) | 2.7% | 2.7% |
| Commutation of pensions to lump sums | 75% | 75% |

Greenwood Academies Trust

(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

29. Pension commitments (continued)

The Trust's share of the assets and liabilities in the schemes and the expected rates of return were:

| | Expected return at 31 August 2015 | Fair value at 31 August 2015 £000 | Expected return at 31 August 2014 | Fair value at 31 August 2014 £000 |
|---|---|--|---|--|
| Equities | 6.3% - 6.5% | 16,900 | 6.2% - 6.7% | 13,238 |
| Bonds | 2.9% - 3.6% | 3,201 | 2.9% - 3.6% | 2,687 |
| Property | 4.5% - 5.5% | 2,591 | 4.5% - 5.5% | 1,801 |
| Cash | 2.9% - 3.3% | 648 | 2.9% - 3.3% | 603 |
| Other | N/A | 344 | N/A | - |
| Total market value of assets | | <u>23,684</u> | | <u>18,329</u> |
| Present value of scheme liabilities - Funded | | <u>(51,587)</u> | | <u>(42,892)</u> |
| Deficit in the scheme | | <u><u>(27,903)</u></u> | | <u><u>(24,563)</u></u> |

The actual return on scheme assets was £467k (2014: £1,811k).

30. Operating lease commitments

At 31 August 2015 the Trust had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|-------------------------|--------------------|--------------|--------------|--------------|
| | 2015 £000 | 2014 £000 | 2015 £000 | 2014 £000 |
| Expiry date: | | | | |
| Within 1 year | - | - | 6 | 34 |
| Between 2 and 5 years | - | - | 79 | 108 |
| After more than 5 years | <u>783</u> | <u>644</u> | <u>-</u> | <u>-</u> |

Notes to the Financial Statements

For the year ended 31 August 2015

31. Related party transactions

Owing to the nature of the Trust's operations and the composition of the Trust Board 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 Trust Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

In respect of any individuals who were Trustees during the year, two (Sir Barry Day and Graham Feek) each have a close family member or similar who is employed by Greenwood Academies Trust. Neither of these Trustees was involved in the recruitment of the related party and they are not involved in the processes for appraising performance or setting of their salary. The grades and salaries of these staff members appropriately reflect their role and experience. The full Trust Board is aware of and has approved the existence of these arrangements.

Sir Barry Day, Executive Trustee and Chief Executive Officer of Greenwood Academies Trust, is also a Non-Executive Trustee and Chair of Al Madinah School. Both of these posts were held for the entire 2014/15 academic year. For the year ended 31 August 2015 Greenwood Academies Trust incurred costs of £78k (2014: £nil) for staff provided by Al Madinah School, and received income of £27k (2014: £nil) for staff provided to Al Madinah School. All transactions were made at cost, and the amounts outstanding at 31 August 2015 were £27k in debtors (2014: £nil) and £78k in creditors (2014: £nil).

32. Controlling party

The Trustees consider the Trust's sponsor, The Greenwood Dale Foundation, to be the controlling entity of the charitable company.

33. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the Trust received £217k and disbursed £183k from the fund. An amount of £109k is included in other creditors relating to undistributed funds that is repayable to EFA.