

GREEN SPRING EDUCATION TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 8
Governance Statement	9 - 11
Statement on Regularity, Propriety and Compliance	12
Statement of Trustees' Responsibilities	13
Independent Auditors' Report on the Financial Statements	14 - 16
Independent Reporting Accountant's Assurance Report on Regularity	17 - 18
Statement of Financial Activities Incorporating Income and Expenditure Account	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	22 - 40

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2018

Members	J Earl D Barker G Taylor
MAT Board	Ms J Earl, Chair of Trustees Mr D Gracie Mr A Laure Ms C Rawes Ms R Sacks Ms J Tyrrell Mr J Walker
Company registered number	07856680
Company name	Green Spring Education Trust
Registered and principal office	Green Spring Academy Shoreditch Gosset Street London E2 6NW
Company Secretary	Mr D Germon
Interim Chief executive officer	Dr V Ogden (Under a School-to-School Support Agreement)
Senior Leadership Team	Dr V Ogden, Interim Chief Executive T Blair, Deputy Principal W Moss, Assistant Vice Principal J Montgomerie, Deputy Principal (acting Head of School) T Scales, Assistant Vice Principal A Wallace, Assistant Vice Principal K Frankum, Director of Sixth Form / Assistant Vice Principal P Doel, Chief Financial Officer (Interim Accounting Officer) J Cordice, Director of Marketing, Communications & External Affairs
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford CM23 3BT
Bankers	Co-Operative Bank 4th Floor, 9 Prescott Street London, E1 BAZ Lloyds Bank London EC2V 7HN

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

INTRODUCTION

The Trustees, who are also the Company's Directors (referred to collectively in this documentation as "Trustees") present their Annual Report together with the financial statements and Auditors' Reports of the Charitable Company (referred to in this documentation as the "Trust") for the period 1st September 2017 to 31st August 2018. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

All activities and assets of the Trust were transferred to Mulberry Schools Trust on 1 September 2018.

The Trust operates one academy, Green Spring Academy Shoreditch (the School) for pupils aged 11-18 serving the catchment area of East London. It has a pupil capacity of 1,100 (900 pre-16 years and 200 post-16 years old) and had a roll of 997 (868 pre-16, 129 post-16 years old) at the May 2018 school census date.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Member's liability

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

Trustee Indemnities

The Trust has opted into the Department for Education's 'Risk Protection Arrangements' (RPA). The RPA is not an insurance scheme, but is a mechanism through which the cost of risks that materialise from the date of joining are covered by Government funds. The level of Trustees' liability is £10,000,000 for any one loss and any one membership year. Details of the insurance and RPA cost is disclosed in Note 12 to the accounts.

Method of recruitment and appointment or election of Trustees

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

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

Policies and Procedures adopted for the induction and training of Trustees

Upon appointment, Trustees receive an induction pack and training on their roles and responsibilities. This was enhanced this year with a comprehensive review and roll out of a new Governance Handbook and some joint training with the Local Advisory Body (LAB) for the School. Training needs are identified through the review of Board of Trustees and Committees governance effectiveness.

Organisational Structure

The governance of the Trust is defined in the Articles of Association together with the funding agreement with the Department for Education (DfE) and the Scheme of Delegation for the School within the Trust. The LAB for the School was established to ensure there is local accountability and dialogue with parents and the wider community. It also provides the Trustees with an additional forum for the management and oversight of risk. The Board of Trustees are grateful to the LAB for their support and commitment during the year.

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

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

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

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

Performance & General Purpose committee:

1. Individual Academy Performance: Pupil and Staff data.
2. HR, Pay and Rewards.
3. Safeguarding.

Audit, Finance and Risk committee:

1. Compliance.
2. Risk Management.
3. Health & safety.

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

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

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

The Interim CEO manages the School on a daily basis supported by a senior leadership team. The SLT meets frequently to discuss emerging matters and to help to develop strategies for future developments to be put to the Interim CEO and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Interim CEO to manage the Trust.

Arrangements for setting pay and remuneration of key management personnel

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

Trade union facilities time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

1

Full-time equivalent employee number

1

Percentage of time spent on facility time

Percentage of time

0% - 0.99%

1%-50%

51%-99%

100%

Number of employees

1

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

Percentage of pay bill spent on facility time	
Total cost of facility time	£178
Total pay bill	£6,166,644
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0%

Related Parties and other Connected Charities and Organisations

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

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

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

The Trust will constantly aspire to:

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

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

Strategies and Activities

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

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

Public Benefit

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

STRATEGIC REPORT

Achievements and performance

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

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

Key Stage 4 - 2018 performance indicators

- Provisional Progress 8: **+0.23**
- Attainment 8: **48.2**
- 9-4 English and Maths: **67%**
- EBacc average points score **4.52** (England average 3.83)

Whilst acknowledging that the achievements of the most able is very important, what gave the Academy the greatest sense of accomplishment is that many students made great progress irrespective of their ability or starting point. We also believe passionately in the arts and creativity at the Academy. We provide our students with a diverse range of creative and cultural experiences of the highest quality, to equip students for learning and life.

Key Stage 5 – 2018 performance indicators

The un-validated results for Key Stage 5 show;

- 94.2% pass rate
- 29.7% A*-B grade or equivalent
- 55.1% A*-C grades or equivalent
- 26% of applicants gained places at Russell Group universities

Our student attendance for 2017/2018 was an impressive 96.55% representing a very high performance. We firmly believe that high attendance and academic success are linked. We have well-established relationships with our parents/carers and others in the community that ensures our students are in the classroom, focused on their learning.

In 2012, the Academy was judged 'Outstanding' in all categories (Ofsted - December 2012). In the continual drive for excellence, the Academy has in place a robust and challenging school improvement plan that is closely monitored by the senior leaders at the Academy and reviewed by the Board.

Significant ongoing challenges

An investigation in February 2017 into alleged misconduct in relation to some examinations found certain irregularities. A number of senior staff were dismissed. Interim management arrangements were put in place, including the appointment of an external Interim Chief Executive Officer and the Chief Financial Officer being appointed as the Interim Accounting Officer. These arrangements continued in place until the end of the current year. The external support provided by many stakeholders, the swift and decisive action taken by the Trustees, the capacity of Trust leadership, plus interim staffing arrangements has resulted in the Trust being able to continue to deliver its vision securely. The School was safely and smoothly transferred on 1st September 2018 to Mulberry Schools Trust. The Trustees undertook detailed due diligence on Mulberry Schools Trust and are confident that this trust will build on the successes of the School and secure a high quality education for its pupils.

Following the investigation, a claim has been lodged with the Employment Tribunal by the Trust's previous Chief Executive

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

Officer, Mark Keary, alleging wrongful dismissal and disability discrimination. The Trust has followed the ACAS Code of Disciplinary and Grievance Procedures and has been defending this action robustly. The RPA provides cover for legal expenses incurred in connection with defending any legal proceedings brought by ex-employees. A claim has been accepted by the RPA and costs are being met up to a maximum amount of £100,000, less a £500 retention. The action is ongoing and any liability flowing from it remains the responsibility of the Trust. The ex CEO's employment ceased prior to the transfer to Mulberry Schools Trust and as a consequence his employment, or any matter in connection with it, did not and could not transfer to Mulberry Schools Trust.

Throughout this matter and prior to the transfer of the academy to Mulberry Schools Trust, the Trustees have sought professional advice and have been represented in the proceedings by the Trust's lawyers, Winckworth Sherwood. Counsel has also been appointed to represent the Trust at any hearing. The legal advice remains that the Trust has a better than average chance of successfully defending the claim.

However, defending proceedings of this kind can be time consuming and costly. There is a risk that ultimately the cost cover provided by the RPA will be exhausted before resolution leaving the Trustees to defend this action without the benefit of legal support and advice. As the Trust's Funding Agreements have been novated to Mulberry Schools Trust (this was a condition of the transfer made by the DfE) the Trustees have no means to generate further funds, potentially leaving the Trust unable to meet any claim should the proceedings go against them.

The Tribunal and the Claimant's solicitors have been informed of these circumstances and the risk to funds.

But for these proceedings, the Trustees would (in the normal course of events) be seeking to wind up the Trust.

Going Concern

The educational activity of the Trust ceased on 1st September 2018 with the transfer to Mulberry Schools Trust, but since the Company will continue to exist in order to facilitate the orderly winding up of its affairs, and have therefore prepared financial statements on the basis that the Trust is no longer a going concern. Further details regarding the adoption of this basis can be found in the statement of Accounting Policies.

Since Mulberry Schools Trust was taking over the undertakings and operations of the Trust from 1st September 2018 with assets and liabilities as reflected in the financial statements to 31st August 2018, the Trustees do not consider that any assets were impaired as at 31st August 2018, and hence no restatement of assets and liabilities are required as at this date.

FINANCIAL REVIEW

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education Funding Agency (EFA). For the year ended 31 August 2018, the Trust received £9,092,993 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Academy Trust spent £9,351,508 of restricted funds and had a deficit of £27,884 from its unrestricted funds carrying a surplus of £40,666 forward.

Reserves policy

The Trustees are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure. In July 2018, the Trust adopted Reserves and Investment Policies to strengthen its governance. These set an aspiration for the Trust to work towards keeping 2% of the GAG funding in reserves.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Trust is recognising a significant pension fund deficit of £2,226,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Investment Policy

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

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

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

Now that the Trust's activities have been transferred the principal risks and uncertainties remain the legal actions already noted above.

PLANS FOR FUTURE PERIODS

Mulberry Schools Trust has been responsible for the future educational plans of the School from 1st September 2018, but in regard to the actual future plans of the Trust the intention is to wind up the company as soon as the litigation involving Mark Keary is concluded. This claim will continue to be robustly defended.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None.

FUNDRAISING

The Trust only held small fundraising events during the year including non-uniform days and cake bake sales. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

PROVISION OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees, on 4 December 2018 and signed on its behalf by:

Ms J Earl
Chair of Trustees

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Financial Officer, as Interim Accounting Officer (from 09/02/17), for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Green Spring Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Ms J Earl	5	5
Mr D Gracie	5	5
Mr A Laure	5	5
Ms C Rawes	3	5
Ms R Sacks	5	5
Ms J Tyrrell	1	5
Mr J Walker	4	5

*Dr V Ogden is Chief Executive Officer of Mulberry Schools Trust. On 9/02/2017 she was appointed Interim Chief Executive Officer of Green Spring Education Trust, but is not a Trustee. As Dr. Ogden is also not an employee of the Trust, she cannot be the Trust's Accounting Officer. Mr P Doel, the Chief Financial Officer has fulfilled the role of Interim Accounting Officer throughout the year.

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

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

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

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Gracie	3	3
Ms C Rawes	3	3
Ms R Sacks, Chair	3	3

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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

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

Attendance at meetings in the year was as follows:

Trustee / Committee Member	Meetings attended	Out of a possible
Ms J Earl	3	3
Mr A Laure, Chair	3	3
Mr R Mohamed	1	3

REVIEW OF VALUE FOR MONEY

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

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

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

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

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

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 in Green Spring Education Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

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

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

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

The Internal Auditor delivered their scheduled work as planned and no material control issues were identified.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by the Trustees and Interim Accounting Officer

and signed on 4 December 2018 by

Ms J Earl
Chair of Trustees

Mr P Doel
Interim Accounting Officer

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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

Mr P Doel
Interim Accounting Officer

4 December 2018

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UKGAAP Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 4 December 2018 and signed on its behalf by:

Ms J Earl
Chair of Trustees

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

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

OPINION

We have audited the financial statements of Green Spring Education Trust (the 'Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to Note 1.2 of the financial statements, which describes the basis of preparation of the financial statements. The Trust transferred its operations, assets and liabilities to Mulberry Schools Trust on 1 September 2018 and has ceased operating. As required by UK accounting standards, the trustees have prepared the financial statements on the basis that the Academy Trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to Mulberry Schools Trust at their carrying amounts with the exception of any current and future liabilities in relation to the ongoing Employment Tribunal claim explained in note 25. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

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

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

We have nothing to report in this regard.

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

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

USE OF OUR REPORT

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

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants, Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire, CM23 3BT
13 December 2018

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 17 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Green Spring Education Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Interim Accounting Officer is responsible, under the requirements of Green Spring Education Trust's funding agreement with the Secretary of State for Education dated 1 January 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

13 December 2018

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	633	5,210	(54,966)	(49,123)	715,865
Charitable activities	3	-	8,996,595	-	8,996,595	9,138,491
Other trading activities	4	139,801	-	-	139,801	117,945
Investments	5	5,720	-	-	5,720	4,044
TOTAL INCOME		<u>146,154</u>	<u>9,001,805</u>	<u>(54,966)</u>	<u>9,092,993</u>	<u>9,976,345</u>
EXPENDITURE ON:						
Charitable activities		12,593	8,971,899	379,609	9,364,101	9,620,105
TOTAL EXPENDITURE	6	<u>12,593</u>	<u>8,971,899</u>	<u>379,609</u>	<u>9,364,101</u>	<u>9,620,105</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between funds	17	133,561 (161,445)	29,906 -	(434,575) 161,445	(271,108) -	356,240 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(27,884)	29,906	(273,130)	(271,108)	356,240
Actuarial gains on defined benefit pension schemes	22	-	515,000	-	515,000	810,000
NET MOVEMENT IN FUNDS		<u>(27,884)</u>	<u>544,906</u>	<u>(273,130)</u>	<u>243,892</u>	<u>1,166,240</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		68,550	(2,252,076)	11,020,696	8,837,170	7,670,930
TOTAL FUNDS CARRIED FORWARD		<u><u>40,666</u></u>	<u><u>(1,707,170)</u></u>	<u><u>10,747,566</u></u>	<u><u>9,081,062</u></u>	<u><u>8,837,170</u></u>

GREEN SPRING EDUCATION TRUST

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

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		10,747,566		10,366,788
CURRENT ASSETS					
Debtors	14	367,995		466,200	
Cash at bank and in hand		2,186,844		2,698,272	
		<u>2,554,839</u>		<u>3,164,472</u>	
CREDITORS: amounts falling due within one year	15	(1,837,343)		(2,053,090)	
NET CURRENT ASSETS			<u>717,496</u>		<u>1,111,382</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,465,062</u>		<u>11,478,170</u>
CREDITORS: amounts falling due after more than one year	16		(158,000)		(158,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>11,307,062</u>		<u>11,320,170</u>
Defined benefit pension scheme liability	22		(2,226,000)		(2,483,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>9,081,062</u></u>		<u><u>8,837,170</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	518,830		230,924	
Restricted fixed asset funds	17	10,747,566		11,020,696	
		<u>11,266,396</u>		<u>11,251,620</u>	
Restricted income funds excluding pension liability					
Pension reserve		(2,226,000)		(2,483,000)	
		<u>9,040,396</u>		<u>8,768,620</u>	
Total restricted income funds			9,040,396		8,768,620
Unrestricted income funds	17		40,666		68,550
			<u>9,081,062</u>		<u>8,837,170</u>
TOTAL FUNDS			<u><u>9,081,062</u></u>		<u><u>8,837,170</u></u>

The financial statements on pages 19 to 40 were approved by the Trustees, and authorised for issue, on December 2018 and are signed on their behalf, by:

4

Ms J Earl
Trustee

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Net cash Inflow/(outflow) from operating activities			
Net cash provided by operating activities	19	102,259	1,025,821
		<hr/>	<hr/>
Cash flows from investing activities:			
Interest received		5,720	4,044
Purchase of tangible fixed assets		(619,407)	(50,936)
		<hr/>	<hr/>
Net cash used in investing activities		(613,687)	(46,892)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(511,428)	978,929
Cash and cash equivalents brought forward		2,698,272	1,719,343
		<hr/>	<hr/>
Cash and cash equivalents carried forward		2,186,844	2,698,272
		<hr/> <hr/>	<hr/> <hr/>

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The Trusts' functional and presentational currency is Pounds Sterling.

1.2 Going concern

As explained in note 25, the Trust transferred its operating activities, assets and liabilities to The Mulberry Schools Trust on 1 September 2018 and has ceased its operating activities. As required by the UK accounting standards, the Trustees have prepared the accounts on the basis that the Academy Trust is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis because all assets, liabilities and obligations were transferred to The Mulberry Schools Trust at their carrying amounts with the exception of any current and future liabilities in relation to the ongoing Employment Tribunal claim explained in note 25.

1.3 Company status

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

1.4 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 with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Income

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

1.6 Expenditure

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

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

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

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

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

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

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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

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

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

1.8 Operating leases

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

1.9 Taxation

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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

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

1.13 Financial instruments

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured as amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Agency arrangements

The Trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities incorporating Income and Expenditure Account as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account. Where the funds have not been fully applied in the accounting period then an amount will be included as amounts due to the ESFA. Details of these arrangements can be found in note 26.

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Trip income	-	710	-	710	430
Grants	633	4,500	-	5,133	2,000
Capital grants	-	-	(54,966)	(54,966)	713,435
	<u>633</u>	<u>5,210</u>	<u>(54,966)</u>	<u>(49,123)</u>	<u>715,865</u>
Total 2017	<u>-</u>	<u>2,430</u>	<u>713,435</u>	<u>715,865</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,968,491	7,968,491	8,186,715
Other DfE / ESFA grants	-	136,849	136,849	122,742
Local Authority grants	-	289,740	289,740	243,256
Pupil Premium	-	601,515	601,515	585,778
	<u>-</u>	<u>8,996,595</u>	<u>8,996,595</u>	<u>9,138,491</u>
Total 2017	<u>-</u>	<u>9,138,491</u>	<u>9,138,491</u>	

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	122,206	-	122,206	112,544
Other income	17,595	-	17,595	5,401
	<u>139,801</u>	<u>-</u>	<u>139,801</u>	<u>117,945</u>
Total 2017	<u>117,945</u>	<u>-</u>	<u>117,945</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	5,720	-	5,720	4,044
Total 2017	<u>4,044</u>	<u>-</u>	<u>4,044</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of Education:					
Direct costs	4,533,641	-	457,090	4,990,731	5,099,230
Support costs	1,795,801	689,335	1,888,234	4,373,370	4,520,875
	<u>6,329,442</u>	<u>689,335</u>	<u>2,345,324</u>	<u>9,364,101</u>	<u>9,620,105</u>
Total 2017	<u>6,418,104</u>	<u>605,537</u>	<u>2,596,464</u>	<u>9,620,105</u>	

In 2018, of the total expenditure, £12,593 (2017 - £10,917) was to unrestricted funds and £9,351,508 (2017 - £9,609,188) was to restricted funds.

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. CHARITABLE ACTIVITIES

	2018 £	2017 £
Direct costs	4,990,731	5,099,230
Support costs	4,373,370	4,520,875
Total	<u>9,364,101</u>	<u>9,620,105</u>

Analysis of support costs	2018 £	2017 £
Staff costs	1,795,801	1,504,067
Depreciation	198,633	192,046
Technology costs	94,591	74,708
Premises costs	490,702	413,491
Other support costs	1,777,972	2,319,540
Governance costs	15,671	17,023
Total	<u>4,373,370</u>	<u>4,520,875</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned or leased by the Trust	238,629	283,008
Auditors' remuneration - audit	8,350	7,950
Auditors' remuneration - other assurance services	3,000	2,850
Auditors' remuneration - other services	1,785	1,700
Operating lease rentals	19,975	19,988

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,705,188	4,705,267
Social security costs	514,326	527,182
Operating costs of defined benefit pension schemes	947,130	906,851
	<u>6,166,644</u>	<u>6,139,300</u>
Agency staff costs	162,798	257,304
Staff restructuring costs	-	21,500
	<u>6,329,442</u>	<u>6,418,104</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teaching staff	62	66
Management staff	5	6
Support staff	18	22
Administrative staff	28	16
	<u>113</u>	<u>110</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	9	7
In the band £ 70,001 - £ 80,000	2	4
In the band £ 80,001 - £ 90,000	4	2
In the band £100,000 - £110,000	0	1
In the band £110,001 - £120,000	1	0
In the band £160,001 - £170,000	0	1

d. Key management personnel

The key management personnel of the Trust comprise the Acting Head of School, Chief Financial Officer and the Director of Marketing, Communications & External Affairs. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £231,032 (2017: £423,391).

Included in the above are employer pension contributions of £41,349 (2017: £61,951).

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

10. TRUSTEES' REMUNERATION AND EXPENSES

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

M Keary (Chief Executive)
 Remuneration £NIL (2017: £160,000-£165,000)
 Employer's Pension contributions paid £NIL (2017: £25,000-£30,000).

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

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Computer equipment £	Other fixed assets £	Total £
Cost				
At 1 September 2017	11,457,937	193,033	246,643	11,897,613
Additions	577,591	9,493	32,323	619,407
At 31 August 2018	<u>12,035,528</u>	<u>202,526</u>	<u>278,966</u>	<u>12,517,020</u>
Depreciation				
At 1 September 2017	1,148,856	170,742	211,227	1,530,825
Charge for the year	198,633	14,644	25,352	238,629
At 31 August 2018	<u>1,347,489</u>	<u>185,386</u>	<u>236,579</u>	<u>1,769,454</u>
Net book value				
At 31 August 2018	<u><u>10,688,039</u></u>	<u><u>17,140</u></u>	<u><u>42,387</u></u>	<u><u>10,747,566</u></u>
At 31 August 2017	<u><u>10,309,081</u></u>	<u><u>22,291</u></u>	<u><u>35,416</u></u>	<u><u>10,366,788</u></u>

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14. DEBTORS

	2018	2017
	£	£
Trade debtors	9,228	2,791
VAT recoverable	52,706	69,720
Other debtors	8,169	6,994
Prepayments and accrued income	297,892	386,695
	367,995	466,200
	367,995	466,200

15. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	1,362,123	1,491,860
Other creditors	1,267	1,154
Accruals and deferred income	473,953	560,076
	1,837,343	2,053,090
	1,837,343	2,053,090

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	126,749	30,412
Resources deferred during the year	66,713	126,749
Amounts released from previous years	(126,749)	(30,412)
	66,713	126,749
	66,713	126,749

Deferred income relates to summer school, rates and other sundry income for the academic year 2018/19.

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

	2018	2017
	£	£
Other creditors	158,000	158,000
	158,000	158,000
	158,000	158,000

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	68,550	146,154	(12,593)	(161,445)	-	40,666
Restricted funds						
	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	-	7,968,491	(7,680,585)	-	-	287,906
Pupil Premium	-	601,515	(601,515)	-	-	-
Other DfE/ESFA grants	-	136,849	(136,849)	-	-	-
Other Government grants	-	289,740	(289,740)	-	-	-
Restricted donations	-	4,500	(4,500)	-	-	-
Restricted trip donations	-	710	(710)	-	-	-
Free School pre-opening grant	230,924	-	-	-	-	230,924
Pension reserve	(2,483,000)	-	(258,000)	-	515,000	(2,226,000)
	<u>(2,252,076)</u>	<u>9,001,805</u>	<u>(8,971,899)</u>	<u>-</u>	<u>515,000</u>	<u>(1,707,170)</u>
Restricted fixed asset funds						
	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Restricted fixed asset funds	10,366,788	-	(358,200)	738,978	-	10,747,566
DFC	-	21,409	(21,409)	-	-	-
Roof refurbishment	653,908	(76,375)	-	(577,533)	-	-
	<u>11,020,696</u>	<u>(54,966)</u>	<u>(379,609)</u>	<u>161,445</u>	<u>-</u>	<u>10,747,566</u>
Total restricted funds	<u>8,768,620</u>	<u>8,946,839</u>	<u>(9,351,508)</u>	<u>161,445</u>	<u>515,000</u>	<u>9,040,396</u>
Total of funds	<u><u>8,837,170</u></u>	<u><u>9,092,993</u></u>	<u><u>(9,364,101)</u></u>	<u><u>-</u></u>	<u><u>515,000</u></u>	<u><u>9,081,062</u></u>

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

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

Unrestricted funds

This represents income received that does not have restrictions.

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

General Annual Grant (GAG)

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

Pupil Premium funding

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

Other DfE/ESFA grants

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

Other Government grants

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

Restricted donations

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

Restricted trip donations

This represents income received to be used for pupil trips.

Pension Reserve

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

Restricted fixed asset funds

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Roof refurbishment

This fund represents income received to be used to repair the School roof. There is negative income recognised in the current year due to the School underspending on budgeted costs and therefore income recognised in previous years being clawed back.

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds	56,146	121,989	(109,585)	-	-	68,550
Restricted funds						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	8,186,715	(8,186,715)	-	-	-
Pupil Premium	-	585,778	(585,778)	-	-	-
Othe DfE/ESFA grants	-	62,742	(62,742)	-	-	-
Other Government grants	-	243,256	(243,256)	-	-	-
Restricted donations	-	2,000	(2,000)	-	-	-
Restricted trip donations	-	430	(430)	-	-	-
Free School pre-opening grant	170,924	60,000	-	-	-	230,924
Pension reserve	(3,155,000)	-	(138,000)	-	810,000	(2,483,000)
	<u>(2,984,076)</u>	<u>9,140,921</u>	<u>(9,218,921)</u>	<u>-</u>	<u>810,000</u>	<u>(2,252,076)</u>
Restricted fixed asset funds						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Restricted fixed asset funds	10,598,860	-	(283,009)	50,937	-	10,366,788
DFC	-	21,732	(8,590)	(13,142)	-	-
Roof refurbishment	-	691,703	-	(37,795)	-	653,908
	<u>10,598,860</u>	<u>713,435</u>	<u>(291,599)</u>	<u>-</u>	<u>-</u>	<u>11,020,696</u>
Total restricted funds	<u>7,614,784</u>	<u>9,854,356</u>	<u>(9,510,520)</u>	<u>-</u>	<u>810,000</u>	<u>8,768,620</u>
Total of funds	<u><u>7,670,930</u></u>	<u><u>9,976,345</u></u>	<u><u>(9,620,105)</u></u>	<u><u>-</u></u>	<u><u>810,000</u></u>	<u><u>8,837,170</u></u>

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	10,747,566	10,747,566
Current assets	40,666	2,514,173	-	2,554,839
Creditors due within one year	-	(1,837,343)	-	(1,837,343)
Creditors due in more than one year	-	(158,000)	-	(158,000)
Provisions for liabilities and charges	-	(2,226,000)	-	(2,226,000)
	<u>40,666</u>	<u>(1,707,170)</u>	<u>10,747,566</u>	<u>9,081,062</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(271,108)	356,240
Adjustment for:		
Depreciation charges	238,629	283,008
Interest received	(5,720)	(4,044)
(Increase)/decrease in debtors	98,205	(53,201)
Increase/(decrease) in creditors	(215,747)	305,818
Defined benefit pension adjustments	258,000	138,000
Net cash provided by operating activities	<u>102,259</u>	<u>1,025,821</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and hand	2,186,844	2,698,272
Total	<u>2,186,844</u>	<u>2,698,272</u>

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

21. MEMBERS' LIABILITY

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

22. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £449,992 (2017 - £515,171).

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

Under the definitions set out in FRS 102, the TPS is an unfunded 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.

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £391,000 (2017 - £282,956), of which employer's contributions totalled £304,000 (2017 - £210,921) and employees' contributions totalled £87,000 (2017 - £72,035). The agreed contribution rates for future years are 24.5% for employers and 5.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.20 %	2.20 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.1	24.1
Retiring in 20 years		
Males	23.9	23.9
Females	25.8	25.8

As at the 31 August 2018 the Trust had a pension liability of £2,226,000 (2017 - £2,483,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way;

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(136,266)	(119,712)
Discount rate -0.1%	136,266	119,712
Mortality assumption - 1 year increase	41,928	29,928
Mortality assumption - 1 year decrease	(41,928)	(29,928)
CPI rate +0.1%	115,302	99,760
CPI rate -0.1%	(115,302)	(99,760)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,170,000	1,728,450
Bonds	513,000	400,800
Property	302,000	250,500
Cash and other liquid assets	30,000	125,250
Total market value of assets	3,015,000	2,505,000

The actual return on scheme assets was £188,000 (2017 - £114,000).

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Current service cost	(498,000)	(389,000)
Interest income	67,000	44,000
Interest cost	(131,000)	(108,000)
	(562,000)	(453,000)
 Total	 (562,000)	 (453,000)
 Actual return on scheme assets	 188,000	 114,000

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

	2018 £	2017 £
Opening defined benefit obligation	4,988,000	5,218,000
Current service cost	498,000	389,000
Interest cost	131,000	108,000
Employee contributions	87,000	72,000
Actuarial gains	(394,000)	(740,000)
Benefits paid	(69,000)	(59,000)
Exchange differences on foreign schemes	-	-
	(5,241,000)	(4,988,000)
 Closing defined benefit obligation	 5,241,000	 4,988,000

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

	2018 £	2017 £
Opening fair value of scheme assets	2,505,000	2,063,000
Interest income	67,000	44,000
Actuarial losses	121,000	70,000
Employer contributions	304,000	315,000
Employee contributions	87,000	72,000
Benefits paid	(69,000)	(59,000)
	(3,015,000)	(2,505,000)
 Closing fair value of scheme assets	 3,015,000	 2,505,000

GREEN SPRING EDUCATION TRUST

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

23. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in notes 10 and 11.

During the period the Academy incurred expenditure of £1,195 (2017: £1,584) with Toucan Computing, of which Stephen Bonnick, a Local Advisory Body Member, is a Director. He had no decision making authority in awarding the contract.

The amount due to Toucan Computing at the year end was £ NIL (2017: £NIL).

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	37,665	52,646
Between 1 and 5 years	37,665	75,330
Total	<u>75,330</u>	<u>127,976</u>

25. POST BALANCE SHEET EVENTS

On 1 September 2018 Green Spring Education Trust agreed to transfer to Mulberry Schools Trust the whole of the property, business and assets relating to the Trust and Mulberry Schools Trust agreed to assume all of the future liabilities and obligations of Green Spring Education Trust which relate to the Green Spring Academy, Shoreditch. All assets and liabilities were transferred to The Mulberry Schools Trust at their carrying amounts. Excluded from the transfer were any current or future liabilities in relation to the ongoing Employment Tribunal claim lodged by Mark Keary given these liabilities relate to a past employee of the Trust, whose employment did not transfer to Mulberry Schools Trust.

26. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the Trust received £14,059 and disbursed £14,059 from the fund. No amounts (2017: Nil) included in other creditors relating to undistributed funds that is repayable to ESFA.