

Company number: 07638748

**The Greenwich Free School Group**

**Report and Financial Statements**

**For the year ended 31 August 2018**

**The Greenwich Free School Group**

**Contents**

**For the year ended 31 August 2018**

---

<b>Contents</b>	<b>Pages</b>
Reference and administrative details	2
Governors' report	4
Independent auditor's report	23
Independent reporting accountants' assurance report on regularity	26
Statement of Financial Activities (incorporating an income and expenditure account)	28
Balance sheet	29
Statement of cash flows	30
Notes to the financial statements	31

## The Greenwich Free School Group

### Reference and administrative details

For the year ended 31 August 2018

---

<b>Company number</b>	07638748	
<b>Registered office and operational address</b>	403 Shooters Hill Road LONDON SE18 4LH	
<b>Members</b>	J Anderson B Jasper B Rhymaun T Shinner J Simons S Sinden	Governor  Governor – resigned 06/09/2018 Chair
<b>Governors</b>	J Caine B Blyth N Dennis  K Hassler S Hurst J Israel  J Parkes R Spiers D Thomas S Welch  O Williams	Staff Governor - resigned 31/08/2018 Staff Governor – appointed 01/09/2017 Resigned 01/01/2018  Parent Governor Vice-Chair  Staff Governor – resigned 01/09/2017 Ex-Officio
<b>Company Secretary</b>	A Beckett	Resigned 30/09/2017
<b>Senior Management Team</b>	R Spiers D Sehra J Parkes D Macpherson  J Scafe D Anthony  L Yandell	Headteacher Assistant Head – appointed 01/09/2017 Assistant Head – appointed 01/09/2017 Assistant Head – appointed 16/04/2018  Deputy Head – appointed 01/09/2017 Assistant Head – appointed 01/09/2017, resigned 08/04/2018  Deputy Head – appointed 01/01/2018

**The Greenwich Free School Group**

**Reference and administrative details**

**For the year ended 31 August 2018**

---

**Bankers**

Cooperative Bank  
1 Balloon Street  
MANCHESTER M60 4EP

Lloyds Bank  
39, Threadneedle Street  
London EC2R 8AU

**Solicitors**

Bates Wells and Braithwaite London LLP  
10 Queen Street Place  
LONDON EC4R 1BE

**Auditor**

Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
108-114 Golden Lane  
LONDON EC1Y 0TL

The governors (who are also directors of the academy for the purpose of the Companies Act) present their report together with the audited financial statements of The Greenwich Free School Group (the academy) for the year ended 31 August 2018. Reference and administration details set out on pages 1 and 2 forms part of this report. The governors confirm that the report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## **Objectives and Activities**

### **a. Purpose and aims**

The governors review the aims, objectives and activities of the academy each year. This report looks at what the academy has achieved and the outcomes of its work in the reporting period. The governors report the success of each key activity and the benefits the academy has brought to those groups of people that it is set up to help. The review also helps the governors ensure the academy's aims, objectives and activities remained focused on its stated purposes.

The governors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy's aims and objectives and in planning its future activities. In particular, the governors consider how planned activities will contribute to the aims and objectives that have been set.

The specific purpose of the charitable company is to establish, maintain and develop for the public benefit a school offering a broad and balanced curriculum. The Greenwich Free School Group is a tax payer funded secondary school set up by a group of dedicated teachers and individuals involved in education. Its' founding vision is to ensure every pupil succeeds, regardless of background or previous attainment, by providing outstanding teaching and pastoral care.

The Greenwich Free School Group's founding values are Growth — the conviction that improvement is always possible and the determination to develop; Fellowship — the knowledge that the interests of others are important and the commitment to act as a positive member of the community and Scholarship — the recognition that the acquisition of knowledge and skills is intrinsically valuable and the diligence to pursue mastery of them.

### **b. Objectives, strategies and activities**

The key objectives for the charitable company for the year ended 31 August 2018 are summarised below:

- To ensure the premises in which the School abodes are well maintained and resourced appropriately,
- To appoint the required staff for the running and planned growth of the school,
- To embed appropriate procedures for the operation of the school,
- To comply with all statutory requirements and provide value for money for funds expended,
- To improve the quality of teaching and learning and pupil progress.

The school has set its strategic objectives for five years in each of five areas: pupil achievement; quality of teaching and learning; behaviour safety and community; site development and financial sustainability; and leadership, management and governance. These have been translated into an annual Strategic Development Plan which is a working document, owned by the school, and which sets out progress towards the strategic objectives. The strategic objectives support the founding mission of the school:

1. Aspiration: GFS will support and challenge pupils to aim high and fulfil those ambitions because we believe every pupil can succeed;
2. Excitement: GFS will create an exciting school environment that will engage pupils with learning;
3. Challenge: GFS will provide a stretching and challenging curriculum that will interest pupils and provide them with the skills and knowledge needed to make a valuable contribution to society;
4. Expertise: GFS will provide excellent teaching that will help pupils learn in a way that helps each one of them progress;
5. Enrichment: GFS will provide a rich and varied enrichment programme to help each pupil develop as a rounded skilled individual and give him or her opportunities to develop passions;
6. Community: GFS will create a community, of which its pupils feel a part, that they care about and that cares about them;
7. Discipline: GFS will provide a calm, secure and stimulating environment of which pupils can be proud;
8. Leadership: GFS will provide opportunities for pupils to lead and work as part of a team.

## **Strategic Report**

### **Achievements and performance**

In setting the objectives and planning the activities of the charitable company, the governors confirm that they have complied with the duty in Section 4 (2) of the Charities Act 2011 to have due regard for the public benefit guidance published by the Charity Commission. The objectives and activities, achievements and performance below set out the ways in which the charitable company fulfils its obligations.

Quality of teaching			
Gaps identified	Specific actions needed	How monitored?	What will success look like?
<p><b>1. Teachers are not always ensuring that pupils in the MPA are stretched as much as those in the HPA and LPA bands</b></p>	<ul style="list-style-type: none"> <li>Significantly reduce talk of 'target grades' and focus instead on 'sky high expectations for all'</li> <li>Coin the phrase 'the lost middle' keeping the issue at the forefront</li> <li>Central weekly CPD focus – stretching the middle</li> <li>Timetable co-planning and department curriculum review time</li> <li>Audit specification knowledge and facilitate training/expert reviews where appropriate</li> <li>DIP action plan (department specific)</li> <li>Benchmark portfolio</li> <li>T&amp;L team/purple group strategic priority</li> </ul>	<ul style="list-style-type: none"> <li>PM processes</li> <li>Learning walks</li> <li>BMPF reviews</li> <li>Feedback reviews</li> <li>Pupil panel</li> <li>DIP meetings</li> <li>LM processes</li> <li>Data drops</li> </ul>	<ul style="list-style-type: none"> <li>Pupils with MPA have a P8 score of &gt;+0.25</li> </ul>
<p><b>2. Teachers ensure that pupils from disadvantaged backgrounds make better progress than national but there is an in school gap of 0.5</b></p>	<ul style="list-style-type: none"> <li>See PPG review (2017-18) and plan (2018-19)</li> <li>PPG champion/advocate JCR (SLT secondment) to keep group at forefront of staff minds</li> <li>T&amp;L team/purple group strategic priority</li> <li>Standing item on SLT, MLT, HoD, HoY agenda</li> <li>Timetable co-planning and department curriculum review time</li> <li>Central weekly CPD focus – stretching the middle</li> <li>DIP action plan (department specific)</li> </ul>	<ul style="list-style-type: none"> <li>PM processes</li> <li>Learning walks</li> <li>BMPF reviews</li> <li>Feedback reviews</li> <li>Pupil panel</li> <li>DIP meetings</li> <li>LM processes</li> <li>Data drops</li> </ul>	<ul style="list-style-type: none"> <li>Disadvantaged pupils have a P8 score of 0.0</li> </ul>
<p><b>3. Whilst the quality of teaching is strong across the school, there is some variability often associated with</b></p>	<ul style="list-style-type: none"> <li>Monitor all departments very closely via learning walks, pupil panels, feedback review, LM, PM and DIP processes – act immediately if progress is less than good</li> <li>Ensure all staff have an up to date and expert knowledge of their</li> </ul>	<ul style="list-style-type: none"> <li>PM processes</li> <li>Learning walks</li> <li>BMPF reviews</li> <li>Feedback reviews</li> </ul>	<ul style="list-style-type: none"> <li>Variability between departments is substantially reduced and the Open category has a positive P8 score</li> </ul>

<p><b>specification understanding (MFL, ICT, PE, Music &amp; Art)</b></p>	<p>specification – presentations and spec CPD</p> <ul style="list-style-type: none"> <li>• MFL – external review, new LM is subject expert also leading GCSE, spec CPD for HoD, high quality PM and monitoring processes (see DIP)</li> <li>• Music - external review, Ark Music program support and mentoring, technician and extra adult support for GCSE classes, investment in ICT resources (see DIP)</li> <li>• ICT – new experienced HoD with track record of success appointed, high quality PM and monitoring processes (see DIP)</li> <li>• PE – external review, extra staffing to increase capacity, TT adjustment, high quality PM and monitoring processes</li> <li>• Art - ongoing external expert support/review, technician and extra adult support for GCSE classes, high quality PM and monitoring processes, examiner/moderator CPD, investment in resources</li> </ul>	<ul style="list-style-type: none"> <li>• Pupil panel</li> <li>• DIP meetings</li> <li>• LM processes</li> <li>• Data drops</li> </ul>	
<p><b>4. At the beginning of 2017-18 feedback was inconsistent across the school</b></p>	<ul style="list-style-type: none"> <li>• Embed refined feedback policy which ensures feedback moves beyond the one size fits all approach of ‘marking in books’, to become more aligned to current research such that feedback is subject specific and impactful</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback reviews x6</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback across the curriculum is in line with school policy</li> </ul>
<p><b>5. Pupils do not always develop the skills to become independent learners and rely a little too much on teacher input</b></p>	<ul style="list-style-type: none"> <li>• Develop ‘the GFS approach to revision’, train staff and pupils empowering pupils to become independent learners</li> <li>• Monitor through pupil panel</li> </ul>	<ul style="list-style-type: none"> <li>• Pupil panel</li> <li>• Learning walks</li> <li>• PM processes</li> <li>• Feedback reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Pupils feel prepared for internal exams because independent revision skills have been embedded</li> </ul>
<p><b>6. Whilst pupils make very strong progress in literacy there is a need to further refine the ‘read now’</b></p>	<ul style="list-style-type: none"> <li>• Provide further CPD for staff to develop the ‘read now’ phase ensuring that the read now provides a ‘hook’ linking to topic/subject specific academic reading, careers and the world around us</li> </ul>	<ul style="list-style-type: none"> <li>• PM processes</li> <li>• Learning walks</li> <li>• Feedback reviews</li> <li>• Pupil panel</li> </ul>	<ul style="list-style-type: none"> <li>• ‘Read now is consistently applied across the school in line with expectations</li> </ul>

<b>phase of lessons to ensure all objectives are consistently achieved</b>	<ul style="list-style-type: none"> <li>• Ensure comprehension questioning is impactful</li> <li>• Ensure the 'read now' phase does not extend beyond 10 minutes at the start of each lesson</li> <li>• Monitor through learning walks, PM processes and pupil panel</li> </ul>	<ul style="list-style-type: none"> <li>• LM processes</li> </ul>	
--	--	--	--

<b>Personal development, behaviour and welfare</b>			
<b>Gaps identified</b>	<b>Specific actions needed</b>	<b>How monitored?</b>	<b>What will success look like?</b>
<b>7. Attendance is slightly below national average</b>	<ul style="list-style-type: none"> <li>• Attendance officer CPD via Ark consultant</li> <li>• Cancel RBG AAS and engage Bexley</li> <li>• Consistently apply 5 phase attendance and punctuality processes</li> <li>• Reward pupils with excellent attendance via inter form competitions and GT reward scheme</li> </ul>	<ul style="list-style-type: none"> <li>• Half termly data drop</li> <li>• Weekly via SLT meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Attendance is in line with RBG and national average</li> </ul>
<b>8. Pupils are often held back by a lack of ambition in the local community</b>	<ul style="list-style-type: none"> <li>• Embed new 'Ambition' school value through GT reward scheme</li> <li>• CEAIG strategy – see separate careers document</li> <li>• SLT to lead on embedding new value</li> </ul>	<ul style="list-style-type: none"> <li>• PM processes</li> <li>• Pupil panel</li> <li>• Half termly review</li> </ul>	<ul style="list-style-type: none"> <li>• Pupils are ambitious, demonstrate self-belief and feel in control of their own destiny</li> </ul>

<p><b>9. Parental communication – staff training</b></p>	<ul style="list-style-type: none"> <li>• Set 24 hour response expectations with staff</li> <li>• Staff CPD on effective communication with parents</li> <li>• QA processes for coms</li> <li>• Introduce 'close the loop' process for reception</li> </ul>	<ul style="list-style-type: none"> <li>• Anecdotal feedback</li> <li>• Mystery shopper</li> <li>• Annual parent survey</li> </ul>	<ul style="list-style-type: none"> <li>• Parents report back favourably in the annual survey of 'effective school communication'</li> </ul>
<p><b>10. Enrichment – 'excellence &amp; inclusion'</b></p>	<ul style="list-style-type: none"> <li>• Raise the quality of enrichment opportunities including school events, trips, weekly enrichment activities and DDDs – see SRE strategy document</li> <li>• Extra-curricular opportunities are 'inclusive' and 'elite level' performance is achieved in some cases</li> <li>• Ensure extra-curricular activities are well coordinated and that safeguarding processes are rigorous</li> <li>• Introduce the 'hall of fame'</li> </ul>	<ul style="list-style-type: none"> <li>• Half termly review</li> <li>• Pupil panel</li> <li>• Annual survey</li> </ul>	<ul style="list-style-type: none"> <li>• Pupils and parents agree that there are a wide range of life enriching activities on offer and there are several examples of elite level performance</li> </ul>

<b>Outcomes</b>			
<b>Gaps identified</b>	<b>Specific actions needed</b>	<b>How monitored?</b>	<b>What will success look like?</b>
<b>11. The progress of MPA is not as strong as HPA and LPA</b>	<ul style="list-style-type: none"> <li>• See T&amp;L strategies above</li> </ul>	<ul style="list-style-type: none"> <li>• PM processes</li> <li>• Learning walks</li> <li>• BMPF reviews</li> <li>• Feedback reviews</li> <li>• Pupil panel</li> <li>• DIP meetings</li> <li>• LM processes</li> <li>• Data drops</li> </ul>	<ul style="list-style-type: none"> <li>• Pupils with MPA have a P8 score of &gt;+0.25</li> </ul>
<b>12. Whilst the progress of disadvantaged pupils is above national, there is an in school gap of 0.5</b>	<ul style="list-style-type: none"> <li>• See PPG plan 2018-19 and T&amp;L strategies above</li> </ul>	<ul style="list-style-type: none"> <li>• PM processes</li> <li>• Learning walks</li> <li>• BMPF reviews</li> <li>• Feedback reviews</li> <li>• Pupil panel</li> <li>• DIP meetings</li> <li>• LM processes</li> <li>• Data drops</li> </ul>	<ul style="list-style-type: none"> <li>• Disadvantaged pupils have a P8 score of 0.0</li> </ul>
<b>13. Outcomes in MFL are below national</b>	<ul style="list-style-type: none"> <li>• See T&amp;L strategies above</li> </ul>	<ul style="list-style-type: none"> <li>• PM processes</li> <li>• Learning walks</li> <li>• BMPF reviews</li> <li>• Feedback reviews</li> <li>• Pupil panel</li> <li>• DIP meetings</li> <li>• LM processes</li> <li>• Data drops</li> </ul>	<ul style="list-style-type: none"> <li>• Outcomes in MFL are in line with national</li> </ul>
<b>14. Outcomes in the Open bucket are not as strong as English, maths and Ebacc (ICT, music, PE and Art)</b>	<ul style="list-style-type: none"> <li>• See T&amp;L strategies above</li> <li>• Introduce drama at GCSE level to broaden the Open bucket offer</li> <li>• See T&amp;L strategies above</li> <li>• Continue to offer rigorous GCSE qualifications and do not utilise equivalences such as VCerts or BTecs as these are not in the best interests of pupils at AGFS</li> </ul>	<ul style="list-style-type: none"> <li>• PM processes</li> <li>• Learning walks</li> <li>• BMPF reviews</li> <li>• Feedback reviews</li> <li>• Pupil panel</li> <li>• DIP meetings</li> <li>• LM processes</li> <li>• Data drops</li> </ul>	<ul style="list-style-type: none"> <li>• Outcomes in the Open category are in line with national</li> </ul>

<p><b>15. Whilst proportions of pupils achieving 5+ EM is significantly above national, too many pupils achieved one but not the other</b></p>	<ul style="list-style-type: none"> <li>• Closer and earlier targeting of borderline pupils using a broader 'catch net' to account for greater uncertainty around grade boundaries</li> <li>• Targeted booster sessions</li> <li>• See levelled intervention strategies document</li> </ul>	<ul style="list-style-type: none"> <li>• Data drops</li> <li>• DIP meetings</li> <li>• PM processes</li> </ul>	<ul style="list-style-type: none"> <li>• 58% of pupils achieve 5+ EM</li> </ul>
<p><b>16. Whilst the combined English outcomes were very strong, English language progress is not as good as literature</b></p>	<ul style="list-style-type: none"> <li>• See English department DIP</li> </ul>	<ul style="list-style-type: none"> <li>• PM processes</li> <li>• Learning walks</li> <li>• BMPF reviews</li> <li>• Feedback reviews</li> <li>• Pupil panel</li> <li>• DIP meetings</li> <li>• LM processes</li> <li>• Data drops</li> </ul>	<ul style="list-style-type: none"> <li>• Outcomes in English Language are &gt;+0.25</li> </ul>

<h2 style="text-align: left; margin: 0;">Leadership and management</h2>			
<p><b>Gaps identified</b></p>	<p><b>Specific actions needed</b></p>	<p><b>How monitored?</b></p>	<p><b>What will success look like?</b></p>
<p><b>17. Curriculum review – focus on Open bucket</b></p>	<ul style="list-style-type: none"> <li>• Work with JFL and other stakeholders to take a fresh look at the AGFS curriculum offer – particular focus on Open category</li> <li>• Introduce GCSE drama to supplement the Open bucket</li> <li>• Science department to determine suitability for double/triple award</li> </ul>	<ul style="list-style-type: none"> <li>• Data points</li> <li>• GCSE outcomes year on year</li> </ul>	<ul style="list-style-type: none"> <li>• Pupils undertake a broad and balanced curriculum that is challenging and suited to the context</li> </ul>
<p><b>18. Embed Ark policies and processes</b></p>	<ul style="list-style-type: none"> <li>• Ongoing CPD and transition work with various Ark staff</li> <li>• CPD plan facilitated by HCH</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings with JFL</li> <li>• Ongoing review &amp; smooth running</li> </ul>	<ul style="list-style-type: none"> <li>• Ark systems and policies are well understood and applied across AGFS</li> </ul>

<p><b>19. Cultural shift to ambition and independence (CEAIG strategy)</b></p>	<ul style="list-style-type: none"> <li>• SLT to lead from the front on careers and ambition</li> <li>• See CEAIG plan</li> </ul>	<ul style="list-style-type: none"> <li>• Pupil panel</li> <li>• Pupil feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Pupils are ambitious, demonstrate self-belief and feel in control of their own destiny</li> </ul>
<p><b>20. Continue to value and develop the important work around staff well-being</b></p>	<ul style="list-style-type: none"> <li>• See staff well-being pledge</li> </ul>	<ul style="list-style-type: none"> <li>• Staff society</li> <li>• Feedback from staff</li> <li>• Annual survey</li> </ul>	<ul style="list-style-type: none"> <li>• Staff feel respected and valued by the organisation and able to achieve an effective work-life balance</li> </ul>
<p><b>21. Networking links</b></p>	<ul style="list-style-type: none"> <li>• Use new opportunities to network with other Ark schools in order to raise standards further – networking around assessment, department leads, safeguarding and data protection will be key</li> </ul>	<ul style="list-style-type: none"> <li>• LM processes</li> </ul>	<ul style="list-style-type: none"> <li>• There are various appropriate examples of networking across the school that have been beneficial to the organisation</li> </ul>

## Key Performance Indicators

### a. Financial:

The governing body, alongside the relevant sub-committees, monitor the school's performance through a range of financial and non-financial performance indicators. These indicators include financial information contained in the quarterly management reporting produced for the Accounting Officer, the Finance, Pay and Personnel Committee and the full governing body. GFS operate a rigorous performance management process to ensure every member of staff contributes to improving the progress of pupils at GFS and are consistent with the school's strategy, priorities and plans.

**The underlying principles of the GFS Performance Management Policy, which feeds directly into the pay policy are to:**

- a. Be transparent, consistent and all-encompassing; assessing and crediting the full range of contributions employees will make
- b. Help employees focus their professional development to progress their careers and develop a pipeline of highly-qualified staff to add value to GFS or other schools
- c. Accurately measure staff performance to determine eligibility for pay progression and Excellence Awards
- d. Swiftly diagnose performance issues to enable early redress
- e. Achieve value-for-money for the school by aligning resources to impact
- f. Ensure objectives are linked to, and support, the school's strategic plan and underpin its ethos and values

Staff performance is measured against annual objectives, which are rigorous, challenging, achievable and time-bound. Objectives also take account of the reviewee's professional aspirations. At the end of each performance cycle, all staff receive a single overall judgement on their performance and this informs progression through the pay scales.

### b. Operational:

- I. As a result of good leadership and management the school is improving. The Headteacher and members of the governing body have taken effective action to address the priorities for improvement identified at the time of the previous inspection.
- II. Leaders and members of the governing body have improved the quality of teaching, learning and assessment so that it is good.
- III. Pupils' outcomes are good. Disadvantaged pupils and those who have special educational needs or disability now make good progress from their starting points.
- IV. Assessment information showing pupils' progress is detailed and is a more reliable measure of pupils' learning than in the past
- V. Pupils' personal development, behaviour and welfare are good. Pupils conduct themselves well and respond quickly to any instructions from the staff. They have positive attitudes to learning and have a good knowledge of how to keep themselves safe.

The various committees monitor numerous other factors including a range of operational key performance indicators including pupil and staff numbers, pupil attainment, teacher quality and performance and

disciplinary issues, where applicable. This includes both externally validated performance assessments (e.g. from Ofsted inspection reports), assessments from external organisations contracted to the school to provide a moderated assessment of performance and internally generated data on pupil progress and various proxy indicators surrounding that. Such data is presented as achievements against objectives for the current accounting period and as trends over time.

**c. Review of activities**

The Greenwich Free School Group has completed its sixth year in operation since opening in September 2012. The governors have put in place a system to review progress against the school's strategic objectives. This has included a comprehensive and detailed termly report from the Headteacher to the governing body which includes data against the objectives set in the strategic plan, more detailed scrutiny by the respective committees of progress against the objectives, and external review through engagement of specialist organisations.

**Financial review**

**a. Financial and Risk Management Objectives and Policies**

The school is exposed to a range of financial risks. The governors and Accounting Officer seek to minimise these risks, where possible. For example, the Accounting Officer and governors receive quarterly management reporting which contains analysis of actual and forecast cash flow and liquidity positions.

The school relies on the ESFA to provide funding for all operating expenses (with the exception of certain one-off donations). In keeping with similar academies, the school is reliant on continued funding by the ESFA which is provided in accordance with nationally agreed formulae.

**b. Principal Risks and Uncertainties**

The success of the school, in both the short and long term, is dependent on its ability to attract pupils, including those from deprived backgrounds, and retain teachers capable of providing a high quality of teaching which, in turn, is likely to be a key factor in future admission levels. The school will also need to ensure it can meet its financial obligations as they fall due. Failure to achieve any of these key factors could threaten the viability of the school. Such risks have been identified by the governors and reviewed by means of regular discussion on the agenda of governor meetings and reporting statements from the Headteacher and school both to those meetings and by written correspondence during the termly report. Governor meetings also review whether there are new strategic risks on the horizon which should be considered- for example around the long term prospects for per pupil income and expenditure. Through decisions made at governor meetings and actions allocated to governors and the Headteacher, procedures are established to manage these. The school keeps and regularly reviews a detailed risk register which sets out the main risks and how these are being addressed.

## **The Greenwich Free School Group**

### **Governors' Report**

**For the year ended 31 August 2018**

---

#### **Reserves policy and Going Concern**

The governing body has considered the expectations and intentions for at least the 12 months from the date of approval of the accounts. The Greenwich Free School Group as an entity is not a going concern as it became dormant from 1 September 2018 and the Governors intend to apply to have the company struck off, with all of its activities and net assets transferred to Ark Schools with effect from 1 September 2018, so the academy itself will continue. The Governors have a reasonable expectation that the academy will receive adequate resources to continue operations within Ark Schools for the foreseeable future, and on that basis no adjustments are required to the financial statements.

During the year ended 31 August 2018, all of The Greenwich Free School Group's funds were received by means of grants from the DfE and ESFA for its operating costs. The Greenwich Free School Group managed its budgets within the limits agreed with the DfE and ESFA.

The governors have operated the academy after examining the charitable company's requirements for reserves in light of the main risks to the organisation. The Greenwich Free School Group's operating costs are covered by monthly funds receivable from the ESFA. The ESFA have also funded the cost of establishing and initially equipping the school's accommodation. Following agreement with Ark Schools, with effect from 1 September 2018 all the activities of the academy, and its net assets as at 31 August 2018, have transferred to Ark Schools, who will formulate the appropriate reserves policy for the academy for the year ended 31 August 2019 and beyond.

The Greenwich Free School Group has free reserves of £74,560 at 31 August 2018, excluding designated funds of £2,281 for the library and hardship funds.

As at 31 August 2018, The Greenwich Free School Group had total funds of £17,119,162 which comprised £17,042,321 of restricted funds, including a deficit on the pension reserve of £366,000, and unrestricted funds of £76,841. Restricted funds include £16,137,327 held in respect of fixed assets, and £1,270,994 of restricted income funds, arising from the operation of the academy financed by the ESFA General Annual Grant and other educational grants and funding.

#### **Plans for the Future**

The Governors of GFS undertook a comprehensive screening and selection and due diligence process to choose a MAT partner. The reasoning was to best future proof the school and the trust and the pupils and staff within it by providing additional financial, strategic, governance and operational capacity to the school than the Governors considered it could reasonably maintain in the medium to long term as a standalone school. Following this process, ARK were chosen as the school's partner and full transference was complete in time for 1<sup>st</sup> September 2018. The Governors believe that the ARK network offer a range of benefits to the school but that the school will also be able to contribute substantially to the teaching and learning practices across the ARK network and to the leadership of the ARK principals - something which we are already seeing and are very pleased by.

The school is absolutely clear on its ambition to become one of the highest performing schools in the country by 2020.

## **Structure, governance and management**

### **a. Constitution**

The academy is a company limited by guarantee and an exempt charity incorporated on 18 May 2011. The charitable company's memorandum and articles of association are the primary governing documents of The Greenwich Free School Group. The governors of The Greenwich Free School Group are also the directors of the charitable company for the purposes of company law, and are governors for the purpose of governing the academy. The charitable company is known as The Greenwich Free School Group. All governors give their time voluntarily and receive no benefits. Any expenses reclaimed from the academy are set out in note 7 to the accounts. The governing body is organised into four committees, the Finance, Pay and Personnel Committee, the Site and Premises Committee and the Learning and Teaching Committee, as well as a Strategy Committee which consists of the chairs of other committees. The full governing body meets once a term and each of the committees meet at least once a term to determine the general policy of the charitable company and review its overall management and control for which they are legally responsible.

### **b. Governors' Indemnities and Liability**

The school has Risk Protection Assurance policies in place with ESFA which provide fixed cover for certain risks such as public liability and governors' indemnity cover.

Each member of the academy undertakes to contribute to the assets of the academy. 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. As at 31 August 2018, there were 6 guarantors.

Some of the governors are also members of the academy but this entitles them only to voting rights. The governors have no beneficial interest in the academy.

### **c. Election of governors**

The management of the academy is the responsibility of the governors who are elected and co-opted under the terms of the articles of association. The charitable company must have at least three governors and, whilst there is no maximum, the articles of the charitable company set limits on the number of governors that may be appointed by specific routes: the members may appoint up to 6 governors; members may also appoint staff governors provided that staff governors do not exceed one third of the total number of governors; the governors may also appoint up to 3 co-opted governors; a local authority governor may be nominated by the local authority and approved by the governors; a minimum of 2 parent governors shall be elected by parents of registered pupils at the school. The term of office for any governor shall be 4 years after which time they may be re-appointed or re-elected. A chair and a vice chair are appointed from among the

governors at the first meeting of each year. Governors are appointed on the basis of their personal competence and specialist skills.

**d. Governor induction and training**

On appointment, all new governors follow an independently led induction programme, which includes: personal reading of the "GFS guide to governance", the Department for Education governors' handbook, The Greenwich Free School Group Funding Agreement and articles of association, the Ofsted School Inspection Framework, a school visit, a meeting with the Chair and Vice Chair to discuss the school priorities, and a skills audit to identify any gaps that should be addressed. All governors are expected to keep their skills up to date through awareness of major educational policy announcements, visiting the school, and attending the mandatory annual training day delivered by a mixture of internal and external speakers and staff. This will cover a range of skills and knowledge. It also serves as an annual opportunity for the governing body to self-appraise its effectiveness and seek 360° feedback from Senior Leadership Team (SLT).

**e. Governance attendance record**

During the year ended 31 August 2018 the governing body met regularly to discuss key policies and progress against milestones. Attendance during the year at meetings of the governing body was as follows:

<b>Governor</b>	<b>No of Meetings Attended</b>	<b>No of Meetings due to attend</b>
N Dennis	0	2
S Hurst	6	6
J Israel	5	5
B Jasper *	5	5
K Hassler	4	5
J Simons	3	3
T Shinner *	3	5
R Spiers (appointed 1/6/17)	6	6
S Welch	Maternity Leave	NA
D Thomas	3	4
O Williams *	5	5
J Caine	5	5

**\*members of the Finance, Pay and Personnel Committee**

The Full Governing Body meets at least once per term and each of the sub-committees of the governing body also meets termly. The role of the audit committee is undertaken by the Finance, Pay and Personnel Committee.

The Finance, Pay and Personnel Committee is a sub-committee of the main board. Its purpose is to oversee and scrutinise the expenditure undertaken by the school at a macro level, as well as authorise major single items of expenditure (as set out in the Scheme of Delegated Authority). The committee also oversees all personnel matters including the pay and performance management policies for all staff, the scrutiny of the incremental pay awards made by the Headteacher for all staff and the formal approval of all

recommendations by the Headteacher for SLT salaries and by the Headteacher's Review Committee or the Headteacher's salary. Pay for non-teaching staff is set by market comparison against similar roles. While the Trust does not follow the provision of the School Teachers Pay & Conditions Document, it does use it as a benchmark in order to set appropriate and competitive pay rates. Other factors taken in to account include market conditions and the needs of the Trust as it grows and develops. The Trust also ensure that all staff are offered enrolment in either the Teachers' Pension Scheme or the Local Government Pension Scheme as appropriate in their employment.

### **Review of Value for Money**

The Accounting Officer has responsibility for ensuring that the academy 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 academy's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved. The Accounting Officer for the academy has delivered improved value for money during the year by:

- Securing a 'Good' Judgement from Ofsted in May 2016. An improvement from the previous judgement of Requires Improvement.
- Maintaining the school's popularity and ensuring the school remains heavily oversubscribed.

### **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 designated 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 academy 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 current system of internal control has been in place in The Greenwich Free School Group for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and termly financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance, Pay and Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (as set purchase or capital investment) guidelines;
- delegation of authority and segregation of duties – increasing as the school grows to scale;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Owain Williams, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of mid- year checks on the academy's financial systems.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

The RO reports to the governing body up to twice each year on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

### **Review of Effectiveness**

During the year to 31 August 2018, the governors were responsible for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor; and
- the control processes at the DfE and ESFA for the allocation of Capital Funds based on invoices submitted against budgeted funding.

The Accounting Officer has been advised of the implications of the result of the governors' review of the system of internal control and a plan to ensure continuous improvement of the system is in place.

### **Provision of information to auditor**

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

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

### **Statement of responsibilities of the governors**

The governors are responsible for preparing the governors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 the period.

In preparing these financial statements the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material disclosure and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The governors are responsible for keeping adequate accounting records that 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 governors 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.

**The Greenwich Free School Group**

**Governors' Report**

**For the year ended 31 August 2018**

---

The governors' report, including the strategic report, was approved by the governing body on 4<sup>th</sup> December 2018 and signed on its behalf by:

**Jonathan Simons**

Chair of Governors

11 December 2018

**The Greenwich Free School Group**

**Statement on Regularity, Propriety and Compliance**

**For the year ended 31 August 2018**

---

As Accounting Officer of The Greenwich Free School Group I have considered my responsibility to notify the academy governing body and the Education & Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

**Rhys Spiers**

Accounting Officer

11 December 2018

## Independent auditor's report

### To the members of The Greenwich Free School Group

---

#### Opinion

We have audited the financial statements of The Greenwich Free School Group (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2017 to 2018 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 August 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

#### 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter – Going concern

Without qualifying our opinion, we draw attention to the disclosures in the Governors' annual report and note 1 of the financial statements. The Greenwich Free School ceased operations with effect from 1 September 2018 when all of its activities, assets and liabilities were transferred to Ark Schools. As a consequence, the financial statements have been prepared on a basis other than going concern although no adjustments were required as a result.

Our opinion is not modified in respect of this matter.

#### Other information

The other information comprises the information included in the governors' report, including the strategic report, other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. 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

## **Independent auditor's report**

### **To the members of The Greenwich Free School Group**

---

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.

#### **Opinions 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 governors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The governors' report including the strategic report has been prepared in accordance with applicable legal requirements

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' 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 governors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

#### **Responsibilities of governors**

As explained more fully in the statement of responsibilities of the governors set out in the governors' annual report, the governors (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 governors 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 governors are responsible for assessing the charitable company'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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

## Independent auditor's report

### To the members of The Greenwich Free School Group

---

other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governors.
- Conclude on the appropriateness of the governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helen Elliott (Senior statutory auditor)

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Date

## **Independent reporting accountants assurance report on regularity**

### **To The Greenwich Free School Group and the Education & Skills Funding Agency**

---

In accordance with the terms of our engagement letter dated 5 August 2014 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 The Greenwich Free School Group during the period 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 The Greenwich Free School Group and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Greenwich Free School Group and 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 The Greenwich Free School Group and ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of The Greenwich Free School Group's accounting officer and the reporting accountants**

The accounting officer is responsible, under the requirements of The Greenwich Free School Group's funding agreement with the Secretary of State for Education dated 30 September 2014 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 period 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 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 Greenwich Free School Group's income and expenditure.

**Independent reporting accountants assurance report on regularity**

**To The Greenwich Free School Group and the Education & Skills Funding Agency**

---

**Conclusion**

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

Helen Elliott  
for and on behalf of Sayer Vincent LLP  
Chartered Accountants  
Invicta House, 108-114 Golden Lane, London, EC1Y 0TL  
Date:

The Greenwich Free School Group

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2018

	Note	Unrestricted £	Restricted £	2018 Total £	Restated Unrestricted £	Restated Restricted £	2017 Total £
<b>Income from:</b>							
Donations and capital grants	2	880	17,223	18,103	2,698	10,615	13,313
Charitable activities							
Funding for the academy's educational operations	3	163,492	4,047,302	4,210,794	209,868	3,694,160	3,904,028
Investments		-	-	-	-	594	594
Other		20,967	-	20,967	20,279	-	20,279
<b>Total income</b>		<b>185,339</b>	<b>4,064,525</b>	<b>4,249,864</b>	<b>232,845</b>	<b>3,705,369</b>	<b>3,938,214</b>
<b>Expenditure on:</b>							
Charitable activities							
Academy educational operations	4	181,255	4,063,968	4,245,223	227,321	4,039,498	4,266,819
<b>Total expenditure</b>		<b>181,255</b>	<b>4,063,968</b>	<b>4,245,223</b>	<b>227,321</b>	<b>4,039,498</b>	<b>4,266,819</b>
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>4,084</b>	<b>557</b>	<b>4,641</b>	<b>5,524</b>	<b>(334,129)</b>	<b>(328,605)</b>
Actuarial gain on defined benefit pension schemes	20	-	154,000	154,000	-	100,000	100,000
<b>Net movement in funds</b>		<b>4,084</b>	<b>154,557</b>	<b>158,641</b>	<b>5,524</b>	<b>(234,129)</b>	<b>(228,605)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		72,757	16,887,764	16,960,521	67,233	17,121,893	17,189,126
<b>Total funds carried forward</b>		<b>76,841</b>	<b>17,042,321</b>	<b>17,119,162</b>	<b>72,757</b>	<b>16,887,764</b>	<b>16,960,521</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

The Greenwich Free School Group

Balance sheet

Company no. 07638748

As at 31 August 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets:</b>					
Tangible assets	11		<b>16,137,327</b>		16,415,806
<b>Current assets:</b>					
Debtors	12	130,492		140,354	
Cash at bank and in hand		1,469,681		927,037	
		<b>1,600,173</b>		<b>1,067,391</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	(252,338)		(155,676)	
<b>Net current assets</b>			<b>1,347,835</b>		911,715
<b>Net assets excluding pension liability</b>			<b>17,485,162</b>		17,327,521
Defined benefit pension scheme liability	20		<b>(366,000)</b>		(367,000)
<b>Total net assets</b>			<b>17,119,162</b>		16,960,521
<b>The funds of the charity:</b>	16				
Fixed asset fund		16,137,327		16,415,806	
Restricted income fund		1,270,994		838,958	
Pension reserve		(366,000)		(367,000)	
			<b>17,042,321</b>		16,887,764
Unrestricted income funds:					
Designated funds		2,281		4,975	
General funds		74,560		67,782	
			<b>76,841</b>		72,757
<b>Total unrestricted funds</b>			<b>76,841</b>		72,757
<b>Total charity funds</b>			<b>17,119,162</b>		16,960,521

Approved by the governors on 11 December 2018 and signed on their behalf by:

Jonathan Simons  
Chair of Governors

The Greenwich Free School Group

Statement of cash flows

For the year ended 31 August 2018

	Note	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
<b>Net cash provided by operating activities</b>	17		<b>549,958</b>		<b>181,471</b>
<b>Cash flows from investing activities:</b>					
Interest		-		594	
Purchase of fixed assets		(24,537)		(25,126)	
Capital grants from ESFA		17,223		10,615	
<b>Net cash provided by investing activities</b>			<b>(7,314)</b>		<b>(13,917)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>542,644</b>		<b>167,554</b>
Cash and cash equivalents at the beginning of the year			<b>927,037</b>		<b>759,483</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>1,469,681</b>		<b>927,037</b>

**1 Accounting policies**

**a) Statutory information**

The Greenwich Free School Group is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 403 Shooters Hill Road, London, SE18 4LH.

**b) Basis of preparation**

The financial statements of the academy, 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 the Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**c) Going concern**

The charitable company ceased trading and became dormant with effect from 1 September 2018 due to the transfer of its assets and liabilities, and all activities, to Ark Schools, an exempt charity and company limited by guarantee (company number 05112090).

Although the academy's activities will continue within Ark Schools, The Greenwich Free School Group as a legal entity will no longer operate the academy. Therefore, the charitable company is not a going concern. However, as all of the activities, assets and liabilities transferred to Ark Schools, no adjustments are required to the financial statements (note 21).

The governors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as at 31 August 2018.

**d) Income**

Income is recognised when the academy has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

**Grants**

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

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

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

**Donations**

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

**Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the bank.

**1 Accounting policies (continued)**

**d) Income (continued)**

**Other income**

Other income is recognised in the period it is receivable and to the extent the academy has provided the goods or services.

**e) Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes the costs of delivering educational activities undertaken to further the purposes of the academy and their associated support costs.

**f) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**g) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation is allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where tangible fixed assets have been acquired with the aid of specific grants from the government, 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 the financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted funds.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

● Freehold land	Not depreciated
● Freehold buildings	Over 50 years
● Fixtures and fittings	Over 5 years
● Computer equipment	Over 3 years

**h) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**i) Cash at bank and in hand**

Cash at bank and cash 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. Cash balances exclude any funds held on behalf of service users.

**j) Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event. It is probably that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

**1 Accounting policies (continued)**

**k) Taxation**

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

**l) Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed in 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.

**m) Fund accounting**

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education & Skills Funding Agency.

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.

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

The Greenwich Free School Group

Notes to the financial statements

For the year ended 31 August 2018

**2 Income from donations and capital grants**

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Capital grants	-	17,223	17,223	10,615
Other donations	880	-	880	2,698
	<u>880</u>	<u>17,223</u>	<u>18,103</u>	<u>13,313</u>

**3 Funding for the academy's educational operations**

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
<b>DfE/ESFA grants</b>				
- General Annual Grant (GAG)	-	3,638,557	3,638,557	3,219,413
- Start Up Grants	-	-	-	50,000
- Other DfE/ESFA grants	-	236,389	236,389	259,905
Sub-total for DfE/ESFA grants	-	3,874,946	3,874,946	3,529,318
<b>Other Government grants</b>				
- Local authority grants	-	172,356	172,356	164,842
Sub-total for other Government grants	-	172,356	172,356	164,842
<b>Other income from the academy's educational operations</b>				
- Catering income	136,387	-	136,387	117,668
- School trips income	24,238	-	24,238	89,444
- Uniform and stationery shop	2,867	-	2,867	2,756
Sub-total for other income	163,492	-	163,492	209,868
Total income from educational operations	<u>163,492</u>	<u>4,047,302</u>	<u>4,210,794</u>	<u>3,904,028</u>

4. Charitable activities– Academy educational operations

	2018 Total £	2017 Total £
<b>Direct costs– educational operations</b>		
Wages and salaries	1,944,325	1,883,731
Social security costs	193,553	155,464
Pension cost	392,236	421,495
Catering	188,641	172,296
Awards	12,467	850
School trips	26,849	95,793
Music lessons	2,285	1,745
Uniform and stationery shop	573	3,443
Teaching resources	111,824	77,079
Marketing	5,381	–
	<u>2,878,134</u>	<u>2,811,896</u>
<b>Support costs</b>		
Wages and salaries	278,614	301,329
Social security costs	23,645	31,683
Pension cost	41,245	47,673
Staff training and welfare	24,027	31,032
Recruitment	50,863	35,454
Fundraising	880	1,192
Printing, postage and stationery	49,203	33,425
Telephone	17,708	15,761
Legal and professional costs	117,607	79,470
Consultancy	6,543	14,637
Health and safety	5,253	4,183
IT support and equipment	51,949	69,164
Insurance	10,720	10,620
Repairs and maintenance	154,117	132,363
Utilities	84,678	97,812
Rents and rates	33,325	43,744
Depreciation	303,016	389,465
Other support costs	91,903	92,447
Bank charges	62	23
	<u>1,345,358</u>	<u>1,431,477</u>
<b>Governance costs</b>		
External auditor's remuneration – current	14,150	13,750
External auditor's remuneration – under provision in prior year	700	2,985
External auditor's remuneration – non–audit fees	6,650	6,200
Governors' meeting expenses	231	511
	<u>21,731</u>	<u>23,446</u>
<b>Total direct, support and governance costs</b>	<u><u>4,245,223</u></u>	<u><u>4,266,819</u></u>

5 Analysis of resources expended by expenditure type

	Staff costs £	Other costs £	Premises costs £	2018 Total £	2017 Total £
Direct costs	2,530,114	348,020	–	2,878,134	2,811,896
Governance costs	–	21,731	–	21,731	23,446
Support costs	343,504	426,718	575,136	1,345,358	1,431,477
	<u>2,873,618</u>	<u>796,469</u>	<u>575,136</u>	<u>4,245,223</u>	<u>4,266,819</u>

6 Net expenditure for the year

This is stated after charging:

	2018 £	2017 £
Depreciation	303,016	389,465
Operating lease rentals:		
Other	4,897	3,821
Auditor's remuneration (excluding VAT):		
Audit	14,150	13,750
Other services	2,650	2,200
Accountancy assistance	4,000	4,000
Under provision in prior year	700	2,985
	<u>333,363</u>	<u>416,426</u>

7 Staff costs

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	2,122,189	2,075,175
Redundancy and termination costs	–	15,000
Social security costs	217,198	187,147
Operating costs of defined benefit pension schemes	433,481	469,168
	<u>2,772,868</u>	<u>2,746,490</u>
Supply staff costs	100,750	94,885
	<u>2,873,618</u>	<u>2,841,375</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year over £60,000, between:

	2018 No.	2017 No.
£60,000 – £69,999	2	–
£70,000 – £79,999	–	2
£80,000 – £89,999	–	1
£90,000–£100,000	1	–
	<u>3</u>	<u>3</u>

The total employee benefits (including pension contributions and employer's National Insurance) of the key management personnel were £556,929 (2017: £538,825).

Governors' expenses represents the payment or reimbursement of travel, subsistence and other costs totalling £231 (2017: £89) incurred by 3 (2017: 2) members relating to attendance at meetings of the governors.

**8 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2018 No.	2017 No.
Teachers	28	27
Administration and support	26	24
Management	8	6
	62	57
	62	57

**9 Related party transactions**

The Head Teacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of the Head Teacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the academy in respect of their roles as governors. The value of governors' remuneration, excluding pension contributions, fell within the following bands:

	2018 £	2017 £
O Knight (left 31/05/2017)	-	75,000-80,000
J Parkes (left 31/09/2017)	55,000-60,000	50,000-55,000
R Spiers	95,000-100,000	75,000-80,000
J Caine	45,000-50,000	35,000-40,000
B Blyth (started 31/09/2017)	35,000-40,000	-

The remuneration bands are based on the actual gross salary in the year.

Thomas Shinner (a governor) was also a director for the Department for Education. Through the Education & Skills Funding Agency, Greenwich Free School received £3,892,169 restricted grants (including capital grants) from the Department for Education (2017: £3,539,933) (notes 2 and 3).

All related party transactions were in accordance with the academy's financial regulations and procurement policies.

There are no other donations from related parties which are outside the normal course of business and no restricted donations from related parties.

**10 Governors' and officers' insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10 million on any one claim and the cost for the year ended 31 August 2018 was £nil (2017: £nil), as included within overall insurance provision at no separately identifiable figure.

11 Tangible fixed assets

	Freehold land £	Freehold buildings £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At the start of the year	4,750,000	12,324,092	193,706	546,351	17,814,149
Additions in year	-	-	4,261	20,276	24,537
At the end of the year	4,750,000	12,324,092	197,967	566,627	17,838,686
<b>Depreciation</b>					
At the start of the year	-	738,845	131,245	528,253	1,398,343
Charge for the year	-	246,482	40,268	16,266	303,016
At the end of the year	-	985,327	171,513	544,519	1,701,359
<b>Net book value</b>					
At the end of the year	4,750,000	11,338,765	26,454	22,108	16,137,327
At the start of the year	4,750,000	11,585,247	62,461	18,098	16,415,806

All of the above assets are used for charitable purposes.

12 Debtors

	2018 £	2017 £
Trade debtors	35,534	52,221
Recoverable VAT	43,918	48,202
Prepayments	51,040	39,931
	<b>130,492</b>	<b>140,354</b>

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	21,300
Accruals	207,608	114,615
Deferred income	44,730	19,761
	<b>252,338</b>	<b>155,676</b>

14 Deferred income

At the balance sheet date the academy was holding funds received in advance for school trips.

	2018 £	2017 £
Balance at the beginning of the year	19,761	84,544
Amount released to income in the year	(19,761)	(84,544)
Amount deferred in the year	44,730	19,761
Balance at the end of the year	<b>44,730</b>	<b>19,761</b>

15a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	-	16,137,327	16,137,327
Net current assets	74,560	2,281	1,270,994	1,347,835
Defined benefit pension liability	-	-	(366,000)	(366,000)
<b>Net assets at the end of the year</b>	<b>74,560</b>	<b>2,281</b>	<b>17,042,321</b>	<b>17,119,162</b>

15b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	-	16,415,806	16,415,806
Net current assets	13,154	4,975	893,586	911,715
Defined benefit pension liability	-	-	(367,000)	(367,000)
<b>Net assets at the end of the year</b>	<b>13,154</b>	<b>4,975</b>	<b>16,942,392</b>	<b>16,960,521</b>

16a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
<b>Restricted fixed asset funds</b>					
Fixed asset funds – new build	16,374,615	12,370	(303,016)	-	16,083,969
Other fixed asset funds	41,191	4,853	-	7,314	53,358
	16,415,806	17,223	(303,016)	7,314	16,137,327
<b>Restricted income funds:</b>					
General Annual Grant (GAG)	838,958	3,638,557	(3,199,207)	(7,314)	1,270,994
Other ESFA grants	-	236,389	(236,389)	-	-
Local authority grants	-	172,356	(172,356)	-	-
Pension reserve	(367,000)	154,000	(153,000)	-	(366,000)
	471,958	4,201,302	(3,760,952)	(7,314)	904,994
<b>Total restricted funds</b>	<b>16,887,764</b>	<b>4,218,525</b>	<b>(4,063,968)</b>	<b>-</b>	<b>17,042,321</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Library fund	287	-	(1,863)	-	(1,576)
Hardship fund	4,688	-	(831)	-	3,857
Total designated funds	4,975	-	(2,694)	-	2,281
<b>General funds</b>	<b>67,782</b>	<b>185,339</b>	<b>(178,561)</b>	<b>-</b>	<b>74,560</b>
<b>Total unrestricted funds</b>	<b>72,757</b>	<b>185,339</b>	<b>(181,255)</b>	<b>-</b>	<b>76,841</b>
<b>Total funds</b>	<b>16,960,521</b>	<b>4,403,864</b>	<b>(4,245,223)</b>	<b>-</b>	<b>17,119,162</b>

16b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
<b>Restricted fixed asset funds</b>					
Fixed asset funds – new build	16,764,080	–	(389,465)	–	16,374,615
Other fixed asset funds	16,065	10,615	–	14,511	41,191
	<u>16,780,145</u>	<u>10,615</u>	<u>(389,465)</u>	<u>14,511</u>	<u>16,415,806</u>
<b>Restricted income funds:</b>					
General Annual Grant (GAG)	647,748	3,220,007	(3,014,286)	(14,511)	838,958
Start up grant	–	50,000	(50,000)	–	–
Other ESFA grants	–	259,905	(259,905)	–	–
Local authority grants	–	164,842	(164,842)	–	–
Pension reserve	(306,000)	100,000	(161,000)	–	(367,000)
	<u>341,748</u>	<u>3,794,754</u>	<u>(3,650,033)</u>	<u>(14,511)</u>	<u>471,958</u>
<b>Total restricted funds</b>	<u>17,121,893</u>	<u>3,805,369</u>	<u>(4,039,498)</u>	<u>–</u>	<u>16,887,764</u>
<b>Unrestricted funds:</b>					
Designated funds:					
Library fund	8,029	–	(7,742)	–	287
Hardship fund	4,768	–	(80)	–	4,688
Total designated funds	<u>12,797</u>	<u>–</u>	<u>(7,822)</u>	<u>–</u>	<u>4,975</u>
<b>General funds</b>	<u>54,436</u>	<u>232,845</u>	<u>(219,499)</u>	<u>–</u>	<u>67,782</u>
<b>Total unrestricted funds</b>	<u>67,233</u>	<u>232,845</u>	<u>(227,321)</u>	<u>–</u>	<u>72,757</u>
<b>Total funds</b>	<u>17,189,126</u>	<u>4,038,214</u>	<u>(4,266,819)</u>	<u>–</u>	<u>16,960,521</u>

**Purposes of restricted funds**

General Annual Grant is made up of school budget share and education service grants, which cover the general operations of the academy trust.

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

Start up grant covers the start up costs of the academy.

Other ESFA grants include funding from Pupil Premium and reimbursements of insurance and rates.

Local authority grants relate to grants received from the Borough of Greenwich.

Restricted fixed asset funds–new build relate to assets funded by capital grants of the ESFA. Depreciation is charged against these funds which results in the carried forward balance equal to their net book value.

Other restricted fixed asset funds relate to additional funding received from the ESFA for other capital projects.

The pension reserve represents the school's liability relating to the defined benefit pension scheme.

Transfers to restricted fixed asset funds represent smaller value items capitalised in accordance with the academy's capitalisation policy, funded from other income.

16 Movements in funds (continued)

**Purposes of designated funds**

Library fund recognises a donation made in 2013 from which the governors designated £18,000 to resource the school library to encourage students to read for pleasure, and to support their studies.

In addition, from the same donation, the governors created a hardship fund of £8,000 to provide financial support for disadvantaged students to ensure inclusion in all aspects of school life – eg school uniforms, and inclusion in voluntary activities such as the Duke of Edinburgh award scheme.

17 Reconciliation of net expenditure to net cash flow from operating activities

	2018	2017
	£	£
<b>Net expenditure for the reporting period (as per the statement of financial activities)</b>	<b>4,641</b>	<b>(328,605)</b>
Depreciation charges	303,016	389,465
Interest from investments	–	(594)
Interest charge on investments	8,000	–
Capital grants from ESFA	(17,223)	(10,615)
Defined benefit pension cost less contributions payable	145,000	161,000
Decrease/(increase) in debtors	9,862	(776)
Increase/(decrease) in creditors	96,662	(28,404)
<b>Net cash provided by operating activities</b>	<b>549,958</b>	<b>181,471</b>

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment	
	2018	2017
	£	£
Less than one year	–	2,866

19 Legal status of the charity

The Greenwich Free School Group is a company limited by guarantee. The members of the company include some of the governors, and are named on page 1. In the event of the organisation being wound up, the liability in respect of the guarantee is limited to £10 per member.

The organisation is incorporated in the United Kingdom.

## 20 Pension Commitments

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

A valuation has been obtained for the defined benefit obligations of the LGPS from the scheme actuary. This valuation was carried out in accordance with section 28 of FRS 102.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013. The next TPS actuarial valuation is due to be completed in 2018, and will be based on scheme data as at March 2016.

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

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

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

- employer contribution rates set from September 2015 at 16.4% of pensionable pay (excluding 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%.

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

The pension costs paid to TPS in the period amounted to £324,580 (2017: £217,143).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

20 Pension Commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2018 was £119,000 (2017: £138,000), of which employer's contributions totalled £86,000 (2017: £97,000) and employees' contributions totalled £33,000 (2017: £41,000). The agreed contribution rates for future years are 16 per cent for employers and 6.5 (average) per cent 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
Salary increases	3.8%	4.2%
Rate of increase in pensions in payment/inflation	2.3%	2.7%
Inflation assumption (CPI)	2.7%	2.7%

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

	2018 No.	2017 No.
Retiring today		
Males	22.7	22.6
Females	24.8	24.7
Retiring in 20 years		
Males	24.9	24.8
Females	27.1	27.0

The academy's share of the assets and liabilities in the scheme and the estimated asset allocations were:

	Estimated asset allocation at 31 August 2018 %	Fair value at 31 August 2018 £	Estimated asset allocation at 31 August 2017 %	Fair value at 31 August 2017 £
Equities	9	54,000	10	44,000
Other bonds	17	104,000	18	85,000
Property	10	61,000	10	46,000
Cash	1	6,000	1	5,000
Overseas equities	0	–	0	0
Unitised insurance policies	37	220,000	45	209,000
UK & overseas unit trusts	26	154,000	16	79,000
Total market value of assets		599,000		468,000
Present value of scheme liabilities		(965,000)		(835,000)
Deficit in the scheme		(366,000)		(367,000)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields. The return on the fund is estimated to be 3% (2017: 9%).

The actual gain / (loss) on scheme assets was £1,000 (2017: £(100,000)).

20 Pension Commitments (continued)

The amounts recognised in the balance sheet are as follows:

	2018 £	2017 £
Present value of funded obligations	(965,000)	(835,000)
Fair value of scheme assets	599,000	468,000
	<u>(366,000)</u>	<u>(367,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	2018 £	2017 £
Service cost (includes current service cost)	(231,000)	(252,000)
Interest on obligation	(8,000)	(6,000)
	<u>(239,000)</u>	<u>(258,000)</u>

Experience adjustments

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

	2018 £	2017 £
Opening defined benefit obligation	835,000	601,000
Current service cost	231,000	252,000
Interest cost	22,000	14,000
Change in financial assumptions	(154,000)	(4,000)
Change in demographic assumptions	-	(4,000)
Estimated benefits paid net of transfers	(2,000)	-
Contributions by Scheme participants	33,000	41,000
Experience gains	-	(65,000)
	<u>965,000</u>	<u>835,000</u>

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

	2018 £	2017 £
Opening fair value of fund assets	468,000	295,000
Return on assets less interest	-	26,000
Interest on assets	14,000	8,000
Estimated benefits paid plus unfunded net of transfers in	(2,000)	-
Other actuarial gains	-	1,000
Contributions by employer	86,000	97,000
Contributions by employees	33,000	41,000
	<u>599,000</u>	<u>468,000</u>

Amounts for the current period are as follows:

	2018 £	2017 £
Defined benefit obligation	(965,000)	(835,000)
Scheme assets	599,000	468,000
	<u>(366,000)</u>	<u>(367,000)</u>

## The Greenwich Free School Group

### Notes to the financial statements

For the year ended 31 August 2018

---

#### 21 Post Balance Sheet Event

On 1 September 2018, all of the activities of The Greenwich Free School Group, together with all assets and liabilities, were transferred to Ark Schools. All assets and liabilities transferred at the values included in these accounts as at 31 August 2018, resulting in a net transfer of £17,119,162.

As a result, with effect from 1 September 2018, The Greenwich Free School Group ceased to trade, and its pro-forma balance sheet at that date was:

	01-Sep-18
	£
<b>Fixed assets:</b>	
Tangible assets	-
<b>Current assets:</b>	
Debtors	-
Cash at bank and in hand	-
	-
<b>Liabilities:</b>	
Creditors: amounts falling due within one	-
	-
<b>Net current assets</b>	-
<b>Net assets excluding pension liability</b>	-
Defined benefit pension scheme liability	-
<b>Total net assets</b>	-

#### 22 Prior year restatement

The governors, having reviewed the allocation of expenditure in relation to school dinners, noted that only costs equal to unrestricted school dinner income should be allocated as unrestricted expenditure. To ensure comparability, it was agreed to restate the costs shown in the results for the year ended 2017. This has had the effect of reducing general fund costs in the prior year from £274,127 to £219,499. The remaining costs, £54,628, have been reallocated against restricted funding, representing costs associated with school dinners funded through restricted income. This change has not affected the result for the year ended 31 August 2017, nor the total funds carried forward at 1 September 2017. No adjustment has been made in respect of funds carried forward as at 1 September 2016 as the cost of identifying the adjustment was felt to outweigh any potential benefit.