

Registered number: 09221388 (England and Wales)

Gipsy Hill Federation
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2017



Gipsy Hill Federation
(A Company Limited by Guarantee)

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Reference and Administrative Details
For the Year Ended 31 August 2017

Members

Pervin Sivanathan
Fiona Rachel Callister-Davies
Rachel Mary Walker-D'Cruze
Miranda Gibb

Trustees

Linda Roseby Austin
Richard Brooks
Sarah Harris (appointed 14 September 2016)
Casandra Little Howe (appointed 3 November 2016, resigned 25 September 2017)
Sir Craig Tunstall
Sarah Jane Williams, Chair
Sarah Elizabeth Wintle (appointed 14 September 2016, resigned 1 February 2018)
Laura Anne Wright

Company registered number

09221388

Company name

Gipsy Hill Federation

Principal and registered office

c/o Kingswood Primary School
188 Gipsy Road
London
England
SE27 9RD

Independent auditor

Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Bankers

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

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Reference and Administrative Details
For the Year Ended 31 August 2017

Advisers (continued)

Solicitors

Browne Jacobson LLP
15th Floor
6 Bevis Marks
London
EC3A 7BA

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Trustees' Report
For the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Gipsy Hill Federation was created to establish and run an academy (provisionally called Gipsy Hill School) for pupils aged 11 to 18. This Gipsy Hill School is intended to serve the pupils from schools in the Gipsy Hill Federation and Mayflower Federation of primary schools and also pupils within a catchment area around Glenbrook Primary School in Clarence Avenue, SW4. During the period covered by this report the Gipsy Hill School was in the pre-opening phase. In December 2017, the Department for Education announced its intention to terminate the Gipsy Hill School project. Consequently, the Board of Trustees expects to wind up the Academy Trust in late 2018.

Structure, governance and management

a. Constitution

The Academy Trust is a company limited by guarantee a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association* are the primary governing documents of the Academy Trust. The Trustees of Gipsy Hill Federation are also the directors of the charitable company for the purpose of company law. The charitable company has a registration number 09221388.

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

*The current articles of association were adopted by special resolution of the Members on 16 May 2016.

b. Members' liability

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

c. Trustees' indemnities

According to Article 236 of the Trust's Articles of Association, subject to the provisions of the Companies Act 2006 and Article 6.3, every Trustee or other officer or auditor of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by that Trustee in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he or she is acquitted or in connection with any application in which relief is granted to him or her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

According to Article 6.3 of the Trust's Articles of Association, a Trustee may benefit from any indemnity arrangement purchased at the Trust's expense or any arrangement so agreed with the Secretary of State to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust: provided that any such arrangement shall not extend to: (i) any claim arising from any act or omission which the Trustees (or any of them) knew to be a breach of trust or breach of duty or which was committed by the Trustees (or any of them) in reckless disregard to whether it was a breach of trust or breach of duty or not; and (ii) the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees (or any of them) in their capacity as directors of the Trust. Article 6.3 does not authorise a Trustee to benefit from any indemnity arrangement that would be rendered void by any provision of the Companies Act 2006, the Charities Act 2011 or any other provision of law.

Since the Trust was in the pre-opening phase of the Gipsy Hill School during the period and the Trustees have no responsibility for any other school, it has not yet purchased indemnity insurance to cover Trustees.

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**Trustees' Report (continued)
For the Year Ended 31 August 2017**

d. Method of recruitment and appointment or election of Trustees

Under Article 45 of the Trust's Articles of Association, the number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not subject to any maximum. Up to six Trustees shall be appointed in accordance with Article 50 (ie. ordinary resolution of the Members). The Trustees may also themselves, with the consent of a simple majority of Members, appoint "Co-Opted Trustees. Article 46 also has a requirement for a minimum of two Parent Trustees to be elected or appointed in the event that no Local Governing Bodies are established or if no provision is made for at least two Parent Local Governors on each established Local Governing Body.

The first Trustee was Sarah Williams, named in the statement delivered to Companies House on 16 September 2014, pursuant to Sections 9 and 12 of the Companies Act 2006. Craig Tunstall, Linda Austin, Richard Brooks and Laura Wright were appointed as Trustees on 16 May 2016 by a Members resolution.

Since the Trust was not yet operating an academy, it was not reasonably practical to appoint two or more Trustees who were "a parent, or an individual exercising parental responsibility, of a registered pupil" at an academy operated by the Trust. However, as both Sarah Williams and Laura Wright were parents of children who would be eligible to apply to attend the Gipsy Hill School and/or were in the age range of the projected pupils of the first or second cohort of the Gipsy Hill School and therefore satisfied the requirements of Article 56, the Board decided to wait until the Gipsy Hill School was open before formally appointing Parent Trustees to the Board.

Trustees were selected on the basis of their commitment to the project of opening the Gipsy Hill School, their connections to the feeder schools and the local community and/or because of the specific skills and experience that they brought to the Trust.

On 14 September 2016, Sarah Wintle and Sarah Harris were co-opted onto the Board by a unanimous vote of the Board of Trustees. As Chair of the Governing Body Gipsy Hill Federation of Primary Schools and Chair of the Governing Body Mayflower Federation of Primary Schools, respectively, they brought to the Board valuable experience of the primary schools that were intended to join the Trust in a multi-academy structure.

On 3 November 2016, Cassandra Howe was co-opted onto the Board by a unanimous vote of the Board of Trustees. As an advisor for the New Schools Network and with a background of community engagement and children's services, Ms Howe added valuable expertise to the Board.

The Board identified that there was a need for a trustee with financial expertise and, throughout the year, continued to work on the process for identifying and recruiting such a trustee.

e. Policies and procedures adopted for the induction and training of Trustees

Due to the fact that the Trust was focused on the pre-opening period for the secondary school, no formal training and induction policies were adopted. However, during this period the Trust was being prepared for expansion through the proposed admission into the Trust of the primary schools of the Mayflower and Gipsy Hill Federations. So governance remained a strong focus. The Board and Members received advice and instruction on governance structure, roles and procedures by Nick McKenzie, a partner in Browne Jacobson, a leading law firm in the field of education. In addition, two trustees, Richard Brookes and Laura Wright, wrote and presented a discussion paper entitled "Governance: Board Roles and Trustees" which was discussed by the Board. On Saturday 5 November, the Trustees had a Working Together Day where they received presentations and discussed the operational blueprint of the Gipsy Hill Federation. The Trust planned to put in place more structured policies and procedures for induction and training in the near future.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

f. Organisational structure

The Trustees have strategic oversight and ultimate responsibility for all management decisions by any academy that the Trust may operate. As the Trust did not operate any schools within the period covered by the report, the Trustees' responsibilities were confined to (i) establishing an effective governance structure for the Trust; (ii) ensuring that proper and effective use was made of the public funds allocated to the pre-opening phase of the Gipsy Hill School; (iii) taking decisions relating to the planning and pre-opening phase of the proposed Gipsy Hill School; and (iv) developing an effective strategy for both the school(s) and the Trust as a whole.

The Members do not have responsibility for management decisions and can be seen as the guardians of the Trust, fulfilling a 'check and balance' role. Members responsibilities are enshrined in Company Law and cover (i) winding up the Trust; (ii) amending the Articles of Association; (iii) appointing and removing trustees; and (iv) by special resolution, giving direction to the Board of Trustees.

During the period covered by this report, the Trustees considered the structure of the Trust at length, taking into account that there had been an 'in principle' decision to accept into the Trust the primary schools comprising the Gipsy Hill Federation and the Mayflower Federation, which had resolved to convert to academy status with effect from September 2016. Rather than considering a single academy structure, the Trustees were focused on creating an effective governance structure for a multi-academy trust comprised of one secondary school and eight primary schools. During the period, however, for reasons internal to the Gipsy Hill Federation and the Mayflower Federation there were delays to the conversion of the primary schools and by the end of the period, conversion had not taken place.

The proposal remained that there should be Local Governing Bodies (referred to as Curriculum, Inclusion and Standards Committees), each being responsible for a cluster of up to five schools (with primary and secondary schools being allocated to separate clusters). It was intended that the Curriculum, Inclusion and Standards Committees would have day-to-day oversight of and play a support and challenge role for each academy within the cluster.

The CEO will (i) have responsibility for leading the delivery of the long-term and short-term strategy of the Board of Trustees; (ii) have ultimate day-to-day responsibility for the management of all academies within the Trust; (iii) act as a direct liaison between the Board of Trustees and the Senior Management Team; (iv) have a key communication role with stakeholders, regulatory bodies and government; (v) have ultimate responsibility for delivering excellent educational provision; (vi) have ultimate responsibility for ensuring proper use of public funds and to act as the Accounting Officer; and (vii) have responsibility for assessing and reporting to the Board of Trustees about risks affecting both the Trust and its academies.

The Trustees resolved to establish a Resources Committee (also having responsibility for staffing and estates) and an Audit and Risk Committee as soon as possible.

Although no decision was taken, the Trustees also discussed the creation of (i) a Pay and Performance Committee as a sub-committee of Resources and (ii) a Strategic Standards and Impact Committee strategic that is tasked with protecting the standards of the education provided by the Trust. The committee would be responsible for receiving reports from the Curriculum, Inclusion and Standards Committees, evaluating issues at a more strategic level, proposing solutions and reporting to the Board of Trustees.

During the period of this report, the Trustees adopted a scheme of delegation, a code of governance, terms of reference for committees and letters of appointment for Trustees, Members and members of the Curriculum, Inclusion and Standards Committees.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

g. Pay policy for key management personnel

During the period covered by this report, there were two key personnel appointed; James Hadley, appointed as Head Teacher of Gipsy Hill School and Luke Rogers, appointed as Deputy Head Teacher of Gipsy Hill School. Luke Rogers started working for the Trust from May 2016 and James Hadley from September 2016. In both cases, the pay and remuneration was benchmarked and established by the Human Resources team within the Gipsy Hill Federation of primary schools (although sharing the same name, this is a separate entity from the Trust which has been at the core of the project team managing the planning of the Gipsy Hill Secondary School). No other appointments were made by the Trust during the period but the Trustees were minded to set up a Pay and Performance Committee as a sub-committee of Resources which would look at benchmarking and appropriate pay scales for key management personnel.

h. Connected organisations, including related party relationships

As mentioned above, the Gipsy Hill Federation (of primary schools) is a related party. It is a hard federation of six primary schools whose governing body identified the need for additional excellent secondary school provision for its primary pupils and together with a group of parents and other experts, applied to the Department for Education to set up a free school. On 2 September 2015, the Department for Education approved the application and gave its permission for the project to move to the pre-opening stage. The Gipsy Hill Federation continued to play a key role in the project under the strategic direction of the Board of Trustees of the Gipsy Hill Trust. The Gipsy Hill Trust changed its name to the Gipsy Hill Federation on the 15 August 2016 in anticipation of the conversion to academy status and incorporation into the Trust of the primary schools of the Gipsy Hill and Mayflower Federations. In December 2017, the Department for Education announced its intention to terminate the Gipsy Hill School project. Therefore no such conversion or incorporation will take place. Consequently, the Board of Trustees expects to wind up the Academy Trust in late 2018.

Objectives and Activities

a. Objects and aims

The objects and aims of the Gipsy Hill Federation are to advance, for the public benefit, education in the UK by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum, in furtherance of which it will exercise the powers set out in its Articles of Association.

b. Objectives, strategies and activities

During the period of this report, no schools were operated but considerable attention was given to developing the strategy for the Trust and for the schools that it proposes to operate. The vision for the Trust was of a strong and successful organisation that supports and empowers unique individuals to achieve their goals, live fulfilling lives and to play a full part in their local, national and global community.

More specifically, the Trust's vision could be broken down as follows:-

For pupils:

- To provide a world class education for children in all our communities
- To develop independent, lifelong and creative learners who are an asset to their communities
- To encourage individuality, self-confidence, happiness and curiosity
- To seek the highest possible attainment and achievement of all pupils;
- To empower pupils with a strong sense of their own values and capabilities;
- To encourage pupils to take informed risks, innovate and develop resilience;
- To help pupils to shape their own future and to succeed.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

For academies:

- Every school to be judged to be 'outstanding' overall in as many aspects of the inspection framework as possible;
- To develop positive, mutually-reinforcing relationships with parents, carers and the wider community to support pupils learning, educational experience and pastoral care.
- To ensure equity of provision across all sites in terms of curriculum quality, breadth and opportunity;
- To celebrate the difference and diversity of the communities in which we work, adapting our approach as necessary whilst never compromising ambition for our pupils;
- To ensure equity of provision across all sites in terms of inclusion in order to achieve comparably high outcomes (this may be slightly different according to the prioritisation of learning needs on different sites);
- To provide the most vibrant, stimulating environment possible;
- To ensure maximum positive impact on our wider community through providing the highest possible quality of education for children and families in our area
- To be a positive force within the local community

For staff:

- To attract teaching and non-teaching staff of the highest calibre;
- To enable staff to fulfil their potential both for the benefit of the children and young people and for themselves;
- To encourage and reward innovation;
- To provide a happy and supportive work environment;
- To create a strong team in which members feel valued for doing great work and giving of their best;
- To offer excellent continuing professional development opportunities;
- To be an employer with a good reputation for whom people want to work;
- To offer good opportunities for promotion and advancement.

For the Trust:

- To be a beacon of best practice in governance;
- To provide stability and continuity for all our schools;
- To have a highly-skilled, effective and highly motivated governance team;
- To support our schools and staff to be the best they can possibly be
- To make valuable contributions to wider movements for educational advancement;
- To make a difference to the lives of as many children and young people as is consistent with the maintenance of the rest of our vision.

Strategic priorities are:

- Depth of pupil learning;
- Depth of staff learning
- Depth of parent/carers partnerships;
- Building strong and effective governance;
- A focus on mental health and well being for staff and pupils;
- Strong moral purpose;
- Maximising collegial intelligence through rigorous joint practice development.
- Teamwork;
- Outstanding professional and career development opportunities.

c. Public benefit

Although no schools were operated during the period of this report, in setting its objectives and planning its activities and in managing the pre-opening period of the Gipsy Hill School, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Strategic report

Achievements and performance

a. Key performance indicators

The Board of Trustees, bearing in mind the stage of the project, identified that the key performance indicators were:

- (i) the budget and management of the pre-opening grant received from the Education and Skills Funding Agency;
- (ii) the recruitment of budgeted pupils for a September 2019 opening;
- (iii) the recruitment of suitably trained and experienced teaching staff;
- (iv) the monitoring and management of the new building and other associated capital projects;
- (v) the approval by the Department for Education of the Gipsy Hill School Education brief;
- (vi) the securing of final planning permission from the local authority;
- (vii) the signing of a funding agreement.

b. Going concern

In December 2017, the Department for Education announced its intention to terminate the Gipsy Hill School Project. Consequently, the Board of Trustees expects to wind up the Academy Trust in late 2018. Therefore these accounts have been prepared on a basis other than that of going concern. Further details regarding the basis of preparation of these accounts can be found in note 1.1 to the financial statements.

c. Review of activities

During the period of this report, the Trust did not operate an academy. Its principal concerns were the planning and pre-opening phase of the Gipsy Hill School. Key goals remained finding both permanent and temporary sites for the school, marketing the Gipsy Hill School and receiving applications for admissions.

Key achievements for the Trust during this period were:-

- (i) Three new trustees recruited;
- (ii) Permanent and interim sites for Gipsy Hill School identified at site of Glenbrook Primary School;
- (iii) Continuing stakeholder consultation process;
- (iv) Heads of terms agreed with Lambeth Borough Council;
- (v) Education Brief created and submitted to Department for Education;
- (vi) Completion of Department for Education requirements prior to Funding Agreement, including draft policies
In key areas;
- (vii) Admissions policy agreed;
- (viii) Pupil marketing, parent sessions and open implemented resulting in 279 applications received for 180 places;
- (ix) Governance structure decided and code of governance, scheme of delegation, terms of reference and letters of appointment adopted;
- (x) Adjustment of plans in light of the Department for Education's decision not to approve a September 2017 opening.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Financial review

During the year to 31 August 2017 total income was £120,141 of which £141 was unrestricted income. Total expenditure for the year was £223,984. The operating deficit for the year ended 31 August 2017 was £103,843.

a. Reserves policy

Any reserves will be held in accordance with the requirements laid down by the Department for Education. As at 31 August 2017, the Trust held negative reserves of £6,688. All of the negative reserves related to restricted funds received from the Department for Education for sole use in connection with the development of the detailed plans for the Gipsy Hill Secondary School project.

b. Investments policy

Under the Articles of Association, the Trust has the power to deposit or invest any funds of the Trust not immediately required for the furtherance of its objects (but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification). The management of investments may be delegated to a financial expert, but only on terms that:-

- (i) the investment policy is set down in writing for the financial expert by the Trustees;
- (ii) every transaction is reported promptly to the Trustees;
- (iii) the performance of the investments is reviewed regularly with the Trustees;
- (iv) the Trustees are entitled to cancel the delegation arrangement at any time;
- (v) the investment policy and the delegation arrangement are reviewed at least once a year;
- (vi) all payments due to the financial expert are on a scale or at a level which is agreed in advance and notified promptly to the Trustees on receipt; and
- (vii) the financial expert must not do anything outside the powers of the Trustees

The Trustees may also arrange for investments or other property of the Trust to be held in the name of a nominee company acting under the control of the Trustees or of a financial expert acting under their instructions, and to pay any reasonable fee required.

As at 31 August 2017, no investments have been made.

c. Principal risks and uncertainties

The Trustees have reviewed the key risks to which the Trust was exposed during 2016/17. These were 1) that either a permanent and/or a temporary site for the school would not be found and 2) that the Gipsy Hill School would not be able to attract sufficient pupils to make the school financially viable. The Trustees were of the view that, as a result of the mechanism in place for working in tandem with the Department for Education and the Education and Skills Funding Agency and as a result of the approaches and solutions put in place by the Trust, there were sufficient early warnings, potential solutions and available mitigation to offset these risks. The Trust was also establishing its risk register and was looking to constitute an Audit and Risk Committee to maintain the Risk Register, to identify, monitor, evaluate and managing relevant risks and to alert and inform Trustees of all relevant developments.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

d. Financial risk management objectives and policies

The Trustees monitor the financial position of the Trust in terms of the project development grant received from the Department for Education and actual and budgeted expenditure. The Trustees review the financial position on an ongoing basis to ensure the Trust can continue to operate on an efficient basis to ensure that pre-opening activities will ensure the opening of the Gipsy Hill School in due course.

The main financial instrument of the Trust is cash held within the current bank account. Cash resources are managed to ensure that activities are taking place to ensure the timeous opening of Gipsy Hill School in due course.

e. Deficit

The restricted fund at 31 August 2017 is in deficit by £6,688. This arises from the in-year trading deficit which coincided with the Department for Education's decision to terminate the Gipsy Hill School project. The Department for Education agreed to assist the Trust in ensuring all future liabilities were met by providing funding to cover such liabilities. Any surplus funds are to be repaid back to the Department for Education before the winding up of the Trust.

f. Principal funding

The majority of the Trust's income will be in the form of recurrent grants from the Education and Skills Funding Agency and the use of this income is restricted to the particular use of the grant. The grants received from the Education and Skills Funding Agency and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The remainder of income raised from bank interest is unrestricted.

Plans for future periods

a. Future developments

In December 2017, the Department for Education announced its intention to terminate the Gipsy Hill School Project. Consequently, the Board of Trustees expects to wind up the Academy Trust in late 2018.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

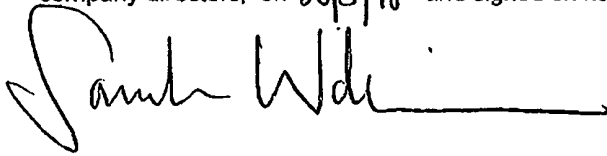
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Trustees' Report (continued)
For the Year Ended 31 August 2017

Auditor

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 30/5/18 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'Sarah Williams', followed by a long horizontal line extending to the right.

Sarah Jane Williams
Chair of Trustees

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Governance Statement

Scope of Responsibility

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

During the period of this report, the financial activities of the Trust have been limited to the proper administration of the pre-opening grant paid to the Trust by the Education and Skills Funding Agency to be applied to project management, curriculum development, the appointment of key staff, marketing, consultation and legal advice. The Board of Trustees has approved the pre-opening budget and has delegated the day to day responsibility for applying the pre-opening grant to the purposes of the Trust to the project team, with all expenditure having to be approved before payment by both a senior member of the project team and the Chair of Trustees to ensure that financial controls conform with the requirements of both propriety and good financial management. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Linda Roseby Austin	7	8
Richard Brooks	2	8
Sarah Harris (appointed 14 September 2016)	5	8
Cassandra Little Howe (appointed 3 November 2016)	4	6
Sir Craig Tunstall	8	8
Sarah Jane Williams, Chair	8	8
Sarah Elizabeth Wintle (appointed 14 September 2016)	6	8
Laura Anne Wright	6	8

Richard Brooks requested to temporarily step back from full trustee responsibilities until the end of April 2017 because of work commitments. The Board agreed that this would be acceptable.

From an internal governance perspective, the period covered by this report was a time for the Trustees and Members to learn and embed their role and to discuss and finalise the detail of the governance structure. This latter task evolved towards the end of the period once it became clear that the governing bodies of the Gipsy Hill and Mayflower Federations of primary schools wished to convert to academy status and to join the Trust.

The Trustees concluded that the best structure for the Trust was for the Board to have the following committees:

- (i) Resources Committee (also responsibility for staffing and estates, possibly a separate Pay and Performance Sub-Committee);
- (ii) Audit and Risk Committee;
- (iii) Curriculum Inclusion and Standards Committees each responsible for up to 5 schools, with primary and secondary schools being in separate clusters;
- (iv) Executive Group (comprised of the CEO, the Executive Headteachers, the HR and Finance leads of the Trust and Headteachers as appropriate);
- (v) Chairs Group (comprised of the chair and vice chair of Trustees, together with the other chairs of committees)

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Governance Statement (continued)

During the year, the Trustees undertook a skills audit and concluded that the gaps in expertise were in the following areas:

- (i) Finance
- (ii) IT and media;
- (iii) Operations (including HR)
- (iv) Audit / risk / compliance
- (v) Entrepreneurship

The Trustees decided that the priority was to recruit a trustee with financial expertise.

In terms of the Trustee's external responsibilities relating to the Gipsy Hill School, the areas of focus for the Trustees were site search, the appointment of a head teacher, communications, marketing and admissions.

Governance review:

A review of governance was carried out by the Trust's solicitors, Browne Jacobson, who were asked to undertake a governance report, in consultation with the Board, that both looked at the existing structure and future development. The Board went through a number of iterations of this governance report before adopting the resulting set of proposals.

The Trust proposes to review governance on a yearly basis.

Review of Value for Money

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

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

During the period the subject of this report, the responsibilities of the Accounting Officer have been limited to the proper expenditure of the pre-opening budget, the arrangements for which are set out elsewhere in this report.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gipsy Hill Federation for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

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Governance Statement (continued)

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. The Trustees will now not be required to meet the requirements of the Academies Financial Handbook as no funding agreement will be issued by the Education and Skills Funding Agency following the decision to terminate the Gipsy Hill School project.

Review of Effectiveness

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

- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 30/5/18 and signed on their behalf, by:



Sarah Jane Williams
Chair of Trustees

Gipsy Hill Federation
(A Company Limited by Guarantee)

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2017

The Trustees (who act as governors of Gipsy Hill Federation and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 30/5/18 and signed on its behalf by:



Sarah Jane Williams
Chair of Trustees

Gipsy Hill Federation
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Gipsy Hill Federation

Opinion

We have audited the financial statements of Gipsy Hill Federation (the 'Academy Trust') for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Use of our report

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

Gipsy Hill Federation
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Gipsy Hill Federation

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the Academy Trust's ability to continue as a going concern.

As disclosed in notes 1.1 and 1.2, the Trustees have concluded that the Academy Trust is not a going concern following the decision to cease its operations and wind the company up in due course. The financial statements have been prepared on a basis other than that of going concern.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and 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 our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Gipsy Hill Federation
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Gipsy Hill Federation

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Kreston Reeves LLP

Peter Manser FCA DChA (Senior Statutory Auditor)
for and on behalf of
Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
London
Date: 31 May 2018

Gipsy Hill Federation
(A Company Limited by Guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:					
Charitable activities	2	-	120,000	120,000	150,000
Investments	3	141	-	141	110
Total income		141	120,000	120,141	150,110
Expenditure on:					
Charitable activities	4	-	223,984	223,984	52,955
Total expenditure		-	223,984	223,984	52,955
Net income / (expenditure) before transfers		141	(103,984)	(103,843)	97,155
Transfers between Funds	9	(251)	251	-	-
Net income / (expenditure) before other recognised gains and losses		(110)	(103,733)	(103,843)	97,155
Net movement in funds		(110)	(103,733)	(103,843)	97,155
Reconciliation of funds:					
Total funds brought forward		110	97,045	97,155	-
Total funds carried forward		-	(6,688)	(6,688)	97,155

All of the Academy Trust's activities derive from discontinuing operations. Further details can be found at note 1.2 to the financial statements.

The Statement of financial activities includes all gains and losses recognised in the year.

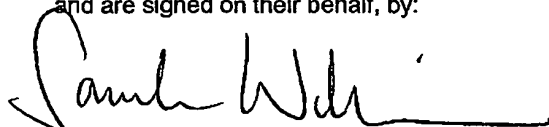
The notes on pages 22 to 30 form part of these financial statements.

Gipsy Hill Federation
(A Company Limited by Guarantee)
Registered number: 09221388

Balance Sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Current assets					
Debtors	7	-		2,881	
Cash at bank and in hand		85,218		419,049	
		<u>85,218</u>		<u>421,930</u>	
Creditors: amounts falling due within one year	8	<u>(91,906)</u>		<u>(324,775)</u>	
Net current (liabilities)/assets			<u>(6,688)</u>		97,155
Net (liabilities)/assets			<u>(6,688)</u>		<u>97,155</u>
Funds of the academy					
Restricted income funds	9		(6,688)		97,045
Unrestricted income funds	9		-		110
Total (deficit)/funds			<u>(6,688)</u>		<u>97,155</u>

The financial statements on pages 19 to 30 were approved by the Trustees, and authorised for issue, on 30/5/18 and are signed on their behalf, by:



Sarah Jane Williams
Chair of Trustees

The notes on pages 22 to 30 form part of these financial statements.

Gipsy Hill Federation
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2017

	Note	Year ended 31 August 2017 £	Period ended 31 August 2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	11	<u>(333,972)</u>	<u>418,939</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		<u>141</u>	<u>110</u>
Net cash provided by investing activities		<u>141</u>	<u>110</u>
Change in cash and cash equivalents in the year		(333,831)	419,049
Cash and cash equivalents brought forward		<u>419,049</u>	<u>-</u>
Cash and cash equivalents carried forward	12	<u>85,218</u>	<u>419,049</u>

The notes on pages 22 to 30 form part of these financial statements.

Gipsy Hill Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies

Gipsy Hill Federation is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Kingswood Primary School, 188 Gipsy Road, London, SE27 9RD. The principal activity of the Academy Trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

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

1.1 Basis of preparation of financial statements

As indicated in note 1.2, the Academy Trust is not considered to be a going concern. The 2017 financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under a basis other than that of going concern in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Under the basis other than that of a going concern, which includes where appropriate, writing down the Academy Trust's assets to net realisable value. The financial statements do not include any provision for future costs of terminating the activity of the Academy Trust, except to the extent that such costs were committed at the balance sheet date.

Gipsy Hill Federation constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

In December 2017, the Department for Education announced its intention to terminate the Gipsy Hill School Project. Consequently, the Board of Trustees expects to wind up the Academy Trust in late 2018.

Based on the above, the Board of Trustees does not consider the Academy Trust to be a going concern. As indicated in note 1.1, these financial statements have been prepared on a basis other than that of going concern. Gipsy Hill Federation will cease to operate in due course and the Trust will be wound up.

1.3 Income

All income is recognised once the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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.

Gipsy Hill Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.4 Expenditure

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

Charitable activities

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Fund accounting

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

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

1.6 Interest receivable

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

1.7 Debtors

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

1.8 Cash at Bank and in hand

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

Gipsy Hill Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

1.10 Financial instruments

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

Financial assets - other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 7.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 8.

1.11 Taxation

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

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

1.12 Critical accounting estimates and areas of judgement

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

Critical areas of judgement:

Going concern

In the judgement of the Trustees it is appropriate to prepare the financial statements on a basis other than that of going concern. See note 1.2 for further details.

Gipsy Hill Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

2. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
Other DfE/ESFA grants	-	120,000	120,000	150,000
	-	120,000	120,000	150,000
Total 2016	-	150,000	150,000	

3. Investment Income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest received	141	-	141	110
Total 2016	110	-	110	

4. Analysis of expenditure by activities

	Direct costs 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational operations	197,970	26,014	223,984	52,955
Total 2016	25,890	27,065	52,955	
Analysis of direct costs				
			Total 2017 £	Total 2016 £
Staff secondment costs			196,273	25,890
Student induction			1,697	-
			197,970	25,890
At 31 August 2016			25,890	

Gipsy Hill Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

4. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total 2017 £	Total 2016 £
Legal and professional	3,806	740
Marketing and hospitality	7,844	10,596
Governor training	267	1,369
Computer costs	2,700	7,500
Auditor's remuneration	5,250	5,250
Staff training and development	174	385
Consultation	2,033	-
Recruitment costs	3,865	1,225
Clerking	75	-
	<u>26,014</u>	<u>27,065</u>
At 31 August 2016	<u>27,065</u>	

5. Net income/(expenditure)

This is stated after charging:

	Year ended 31 August 2017 £	Period ended 31 August 2016 £
Auditor's remuneration - audit	<u>5,250</u>	<u>5,250</u>

6. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £323 to 1 Trustees).

7. Debtors

	2017 £	2016 £
VAT recoverable	-	2,881
	<u>-</u>	<u>2,881</u>

Gipsy Hill Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	6,580
Other creditors	-	300,000
Accruals and deferred income	91,906	18,195
	<u>91,906</u>	<u>324,775</u>

9. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2017 £
Unrestricted funds					
General funds	110	141	-	(251)	-
	<u>110</u>	<u>141</u>	<u>-</u>	<u>(251)</u>	<u>-</u>
Restricted funds					
Other DfE/ESFA grants	97,045	120,000	(223,984)	251	(6,688)
	<u>97,045</u>	<u>120,000</u>	<u>(223,984)</u>	<u>251</u>	<u>(6,688)</u>
Total of funds	97,155	120,141	(223,984)	-	(6,688)
	<u>97,155</u>	<u>120,141</u>	<u>(223,984)</u>	<u>-</u>	<u>(6,688)</u>

Statement of funds - prior year

	Balance at 1 October 2015 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2016 £
Unrestricted funds					
General funds	-	110	-	-	110
	<u>-</u>	<u>110</u>	<u>-</u>	<u>-</u>	<u>110</u>
Restricted funds					
Other DfE/ESFA grants	-	150,000	(52,955)	-	97,045
	<u>-</u>	<u>150,000</u>	<u>(52,955)</u>	<u>-</u>	<u>97,045</u>
Total of funds	-	150,110	(52,955)	-	97,155
	<u>-</u>	<u>150,110</u>	<u>(52,955)</u>	<u>-</u>	<u>97,155</u>

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

Other DfE/ESFA grants represent grants provided for specific purposes, such as project development.

Gipsy Hill Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

9. Statement of funds (continued)

The Academy Trust is carrying a net deficit of £6,688 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reason:

The deficit has arisen from the reduction in funding levels due to the decision by the Department for Education to terminate the Gipsy Hill School Project.

The Academy Trust is taking the following action to return these funds to surplus:

The Department for Education has agreed to support the Academy Trust meet its liabilities up to the date of closure. Any surplus funds will be repaid back to the Department for Education.

10. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Current assets	-	85,218	85,218
Creditors due within one year	-	(91,906)	(91,906)
	<u>-</u>	<u>(6,688)</u>	<u>(6,688)</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Current assets	110	421,820	421,930
Creditors due within one year	-	(324,775)	(324,775)
	<u>110</u>	<u>97,045</u>	<u>97,155</u>

Gipsy Hill Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

11. Reconciliation of net movement in funds to net cash flow from operating activities

	Year ended 31 August 2017 £	Period ended 31 August 2016 £
Net Income for the period (as per Statement of Financial Activities)	(103,843)	97,155
Adjustment for:		
Interest	(141)	(110)
Decrease/(increase) in debtors	2,881	(2,881)
(Decrease)/increase in creditors	(232,869)	324,775
Net cash (used in)/provided by operating activities	(333,972)	418,939

12. Analysis of cash and cash equivalents

	Year ended 31 August 2017 £	Period ended 31 August 2016 £
Cash in hand	85,218	419,049
Total	85,218	419,049

13. Members' liability

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

14. Related party transactions

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

During the period, the Academy Trust entered into transactions with Gipsy Hill Federation (a hard federation of local authority primary schools). A number of the Board of Trustees have an interest in this Federation of primary schools by sitting on various governing bodies and committees.

The Academy Trust covered the costs of employment of staff members seconded to the Trust to form the project team on the managing and planning of the proposed Gipsy Hill Secondary School. The costs totalled £196,273 (2016: £25,890) during the year. An amount of £76,996 (2016: £12,945) was outstanding at 31 August 2017. The transactions were at cost and therefore in entering into these transactions the Trust has complied with the requirements of the Academies Financial Handbook.

Gipsy Hill Federation
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

15. Post balance sheet events

In December 2017, the Department for Education announced its intention to terminate the Gipsy Hill School project. Consequently, the Board of Trustees expects to wind up the Academy Trust in late 2018.

16. Controlling party

The Academy Trust is run by the Board of Trustees on a day to day basis and strategic decisions are made by the Board. There is no ultimate controlling party.