

GLF Schools

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2019

Company Registration Number:
07551959 (England and Wales)

Period of account: 1 September 2018 – 31 August 2019

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GLF Schools

Reference and Administrative Details

Members

Jackie Adams
Mark Allen
David Moss
Matt Taylor
Denis Ward

Trustees

Jackie Adams (Chair until 31/8/19) ²
Adam Braithwaite ¹
Martin Burke ³
Colin Charles ¹
Jon Chaloner (CEO)
Paul Carpenter (until 8/10/19) ¹
Bruce Ely-Johnston ¹
Helen Mannion ²
Lynne O'Reilly (Chair from 1/9/19) ³
Teresa Mellor (from 18/10/19)

¹ members of the Audit & Risk committee

² members of the Standards committee

³ members of the Resources committee

Company Secretary

Sarah Lynagh

GLF Schools

Reference and Administrative Details (continued)

Senior Management Team

- | | |
|---|--------------------|
| • Chief Executive Officer | Jon Chaloner |
| • Director of Education (until 31/3/19) | Richard Evans |
| • Education Director (from 1/4/19) | Russell Bennett |
| • People Director | Maria-Cicero Scott |
| • Chief Information Officer (from 25/2/19) | James Munro |
| • Acting Director of Shared Services (until 28/2/19) and
Chief Operating Officer (from 1/3/19) | Sarah Lynagh |
| • Acting Head of Finance (until 28/2/19) and Finance
Director (from 1/3/19) | Wendy Lincoln |

Company Name	GLF Schools
Principal and Registered Office	The Beacon School Picquets Way Banstead SM7 1AG
Company Registration Number	07551959 (England and Wales)
Independent Auditor	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP
Bankers	Lloyds Banking Plc 402/404 Ewell Road Tolworth Surrey KT6 7HG HSBC Bank Plc Croydon Central Branch 9 Wellesley Road Croydon Surrey CR9 2AA
Solicitors	Winkworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB

GLF Schools

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

GLF Schools comprised 32 schools across 5 Local Authority areas at the end of the 2018-19 academic year. Hardwick Primary School in Oxfordshire converted to academy status on 1 February 2019 and Manor Primary School, also in Oxfordshire transferred as an existing academy on 1 May 2019. Merstham Park School in Surrey and Aureus Primary School in Oxfordshire both opened as brand new schools in September 2018. GLF Schools had a combined pupil capacity of 16,300 and had a roll of 15,010 in the school census on 4 October 2019.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of GLF Schools are also the directors of the charitable company for the purposes of company law. The charitable company operates as GLF Schools.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the academy trust purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business.

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association provide for three categories of trustee: non-executive trustees, the CEO and parent trustees.

Non-executive trustees are appointed based on their skills. When vacancies arise, new trustees are appointed by advertising to local community groups and businesses dependent on the skills needed, or by using the SGOSS and Academy Ambassadors programmes. An interview process is undertaken by a sub-committee of the board of trustees.

It is the policy of the board of trustees that one of the trustees will be a governor from a secondary school School Strategy Board, and one will be a governor from a primary school School Strategy Board. Governors can self-nominate and are subject to an interview process run by a sub-committee of the board of trustees to ensure that candidates bring required skills as well as representation of the School Strategy Boards (SSBs).

The Articles set out that parent trustees are not required if parent representation is in place within the SSBs, which it is. Parent governors, on SSBs, are nominated from within the parent community and subject to a ballot where required.

Policies and Procedures Adopted for the Induction and Training of Trustees

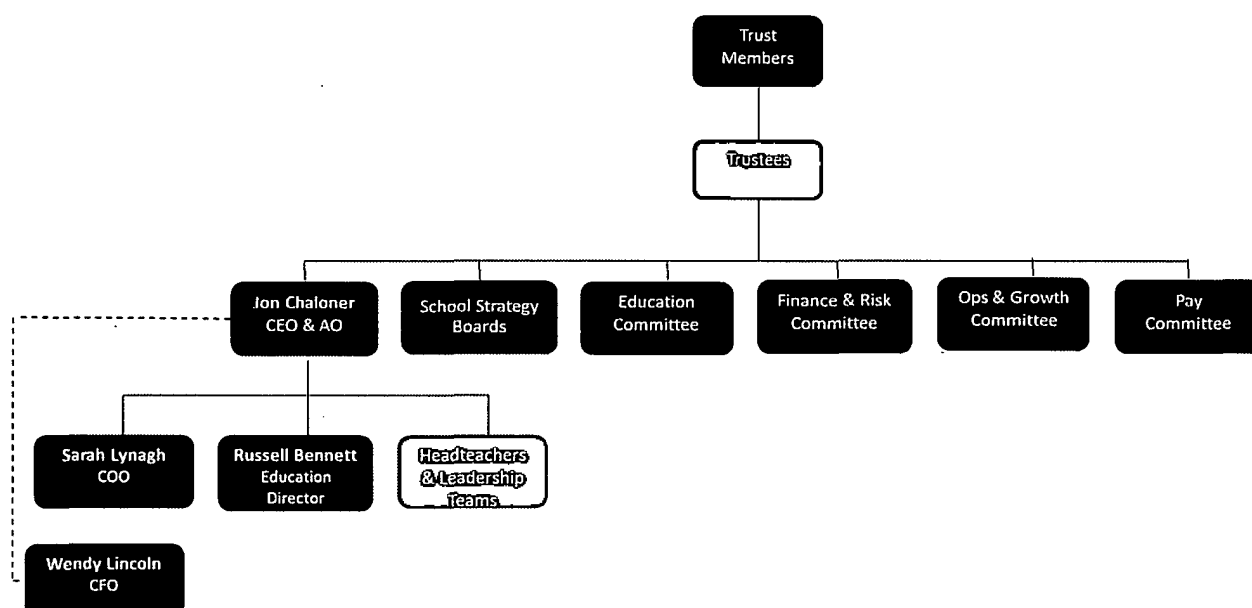
An induction programme is in place for new Trustees, which includes the provision of key documentation and the opportunity to engage with members of the Executive team. A key expectation covered as part of the induction process is the 'Seven Principles of Public Life'.

The induction process will then continue with visits to some of our schools.

Trustees are expected to attend training and networking events as appropriate to their area of expertise, and are welcome to all committee meetings as observers to gain a deeper understanding of the organisation

Organisational Structure

The governance structure of the Trust is shown below:



A Scheme of Delegated Authority is in place which sets out the responsibilities of all levels of governance within the Trust, and includes an appendix which clearly shows the accountability of each body.

The School Strategy Board fulfils a strategic role for their school and adopts a School Development Plan. They review the school's performance and make decisions about the direction of their individual school and appointment of staff.

The CEO has responsibility for the appointment of all Headteacher posts and for approval of the appointment of Chairs of School Strategy Boards. The Trustees are responsible for trust-wide policies and for any changes to Admissions arrangements for any schools within the trust.

The CEO is the Accounting Officer. The Scheme of Financial Delegated Authority and GLF finance policies set out authorisation levels for the schools and the central team. Within schools, some spending control is devolved to appointed budget holders, with limits above which a senior manager must countersign. During the year to 31 August 2019, senior managers were Headteacher or Head of School, Deputy Headteacher or Assistant Headteacher (depending on the size of the schools) and School Business Leaders.

Arrangements for setting pay and remuneration of key management personnel

There is no pay and remuneration in place for trustees (with the exception of the CEO), other than the opportunity to claim expenses (as set out in the Trust's 'Trustees and Governors Allowances Policy') and none were claimed during 2018-19.

Pay and remuneration of the CEO is set by the Board of Trustees, which delegates this to a separate pay committee. The CEO determines pay and remuneration for the Executive team. All pay and remuneration is set with reference to the Trust's Pay Policy, Teachers Pay and Conditions (where applicable) and subject to benchmarking with other Trusts, where data is available within annual accounts or recruitment material.

Pay and remuneration for headteachers is again set with reference to Teachers Pay and Conditions and the Trust's pay policy, and is proposed through the performance management process in which both the School Strategy Board and the Executive team participate. Pay decisions are ratified by the local pay committee, which is a subset of the School Strategy Board.

Trade Union Facility Time (for period 1 April 2018 to 31 March 2019)**Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	3.8

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	
1%-50%	4
51%-99%	
100%	

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£15,981.47
Provide the total pay bill	£51,012,853.01
Provide the percentage of the total pay bill spent on facility time	0.03%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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Related Parties and other Connected Charities and Organisations

GLF Schools provides services to other schools and academy trusts, primarily education support services and HR consultancy services.

Up to 31 August 2019 GLF Schools had an SLA agreement with the Oaks Academy Trust to provide educational and operational support, including the resourcing of the CEO role.

The Beacon, Glyn School and Rosebery School work closely with the Epsom, Ewell and Banstead 14-19 Learning Partnership which exists to promote collaboration in education at the 14-19 age range. This is not a separate legal entity but a collaborative partnership which operates by a formal partnership management agreement. In the past, the funds for the partnership belonged to the group as a whole and thus surpluses and deficits on activities belonged to all member schools in equal share. GLF Schools provided a financial service for the Epsom, Ewell and Banstead 14-19 Learning Partnership and held funds as custodian on the Network's behalf. During the year ended 31 August 2019 the funds were distributed to the partner schools. Going forward, the funds will be paid directly to the partner schools. The balance of funds held at 31 August 2019 was £Nil (2018: £85,009) (shown in creditors on the Balance Sheet).

The Beacon School Enterprises Limited is wholly owned by GLF Schools, and provided catering services during 2018-19. The activities of The Beacon School Enterprises Limited are consolidated into these accounts.

Objectives and Activities

Objects and Aims

The Academy Trust's objects, as set out in the Articles, are:

- a) Advancing for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- b) Promoting for the benefit of the inhabitants of the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

GLF Schools' aims are that:

- *every child* feels valued and enabled to achieve to their full potential no matter what their socio-economic background;
- *all children* will enjoy their learning, attain high outcomes and be supported to become confident individuals and responsible citizens whilst making excellent progress in all respects;
- *all children* will benefit from an inclusive non-selective ethos, excellent teaching and a broad and balanced curriculum underpinned by strong leadership, in a local school;
- *all children* will be supported and encouraged to lead healthy and active lives, making sensible choices whilst respecting the views and attitudes of others.

Our mission is "to be a supportive family of schools where together we grow, learn and flourish"; through combining the strength and talents of the whole Trust we aim to make every school stronger for being part of GLF and so that every child's education benefits.

Objectives, Strategies and Activities

The Trust's strategic objectives for the current three year period are:

- **GLF Schools is consistently improving outcomes for all children and staff**
Our core purpose is to offer the best possible outcomes to every child within one of our schools, no matter its context. The focus of our educational strategy this year has been on
 - Reviewing our curriculum for all year groups to ensure appropriate breadth and depth, consistency across our schools where it adds value to teachers and pupils, and the follow through to quality of teaching and learning
 - Continuing to drive progress and outcomes for our pupils, and further enhancing consistency of measurement and reporting allowing effective and valuable in-Trust comparison in addition to use of national benchmarks
 - Leveraging the skills and capabilities of our Teaching School to provide highly effective CPD including research and coaching.
- **GLF Schools is financially sustainable with sufficient reserves to enable the Trust to support research and professional development, as well as schools requiring additional investment**
All our schools continue to face the financial challenges which are affecting the education sector as a whole. The key objectives for this year were to improve efficiencies in financial processing and management, and work with our schools to ensure viable and sustainable budgets are set and matched by actual financial performance. The ultimate aim is to strengthen our reserves enabling investment in schools that need it, and funding of research and professional development activities to enable GLF to remain a centre of excellence.
- **GLF Schools is structured such that clusters are operating efficiently, staffed effectively, support strong communication and deliver successful outcomes for the children within each community**
We believe in the strength of our cluster model and the positive effect this has on children's outcomes and the professional development of colleagues. The key objectives for this year were to implement a regional model for our operations functions and to expand our clusters where the schools joining add value to our existing clusters. The regional operations model will improve financial efficiency, provide better career development for our people and improve the standard of our operations and compliance. Well chosen additional schools will enable our clusters to operate more effectively and efficiently for the benefit of children and staff.

GLF Schools' "Golden Thread" which runs through these three objectives, is our overarching priority to value and develop our colleagues and to promote stronger collaboration to benefit the outcomes and life opportunities of our children and students. We firmly believe that investing in and retaining high quality personnel drives the success of our Trust, and all of our objectives for the year include a focus on development and opportunity for our people.

Public Benefit

The trustees of GLF Schools confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

As stated in the Objects and Aims above, GLF Schools exists to advance education for the public benefit. The trustees ensure that the admissions arrangements for all schools within the Trusts adhere to the Schools' Admissions Code. All schools within the Trust adopt admissions arrangements which are in line with those of the Local Authority within which each school sits and the schools within the Trust serve diverse catchment areas.

The secondary object of the Trust is to promote the use of its facilities for the benefit of the inhabitants of the areas surrounding each school. Trustees ensure that appropriate policies and procedures are in place to support each school in maximising the community use of its facilities, with a focus on parental engagement and provision of extra- curricular activities for pupils from disadvantaged backgrounds.

GLF Schools has not made any charitable donations from monies received by way of funding from the Education Skills Funding Agency, Department for Education or any other Government Grant. However, during the year the pupils have carried out charitable fund raising activities (e.g. Christmas Fair, sponsored events, cake making, fun days, and raffles) and have donated the funds raised, in full, to a wide range of local, national and international charities.

Employees and disabled persons

GLF Schools is committed to providing equal opportunities for all staff and prospective employees and seeks to eliminate unlawful discrimination in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline and selection for redundancy.

This is evident throughout the Trust's Equal Opportunities and Dignity at Work policy, and the Trust's Recruitment and Selection policy.

GLF Schools seeks to maintain positive relationships with employees through provision of information and consultation where appropriate. The Trust has a Trade Union Recognition & Facilities Agreement with the major teaching and support staff unions: NEU (formerly NUT and ATL), ASCL, NAHT, NASUWT, VOICE, UNISON and GMB, and meets regularly with representatives. During 2018-19 the Trust has consulted with all staff in respect of the pay policy and with staff at individual schools in the case of specific staffing restructures. Unions were advised of all such consultations.

Strategic Report

Achievements and Performance

Consistently Improving Outcomes

GLF Schools comprised 32 schools across 5 Local Authority areas at the end of the 2018-19 academic year. Hardwick Primary School in Oxfordshire converted to academy status on 1 February 2019 and Manor Primary School, also in Oxfordshire transferred as an existing academy on 1 May 2019. Merstham Park School in Surrey and Aureus Primary School in Oxfordshire both opened as brand new schools in September 2018.

GLF Schools exists in order to provide its children and young people with an excellent education. During the academic year we achieved three outstanding ratings in the primary sector for Section 5 inspections - for William Morris Primary School in Oxfordshire, Danetree Primary School in Surrey and Forge Wood Primary School in West Sussex. William Morris is the second GLF academy to have moved from its predecessor school's "inadequate" to "outstanding" with us.

In terms of school performance, GLF Schools can evidence continued improvement across all key stages, most notably KS2, KS4 and KS5. Further detail is included under the Key Performance Indicators section below.

GLF Schools

Trustees' Report (continued)

Financial Sustainability

Changes have been made during the year to financial processing and control, to be further enhanced by the restructure to our Operations functions, and to the approach to budgeting. The changes have had a positive impact on the predictability of financial performance at the school level, and more controlled budgeting. Details of financial performance are provided below.

Efficient and Effective Regional/Cluster model

The Trust has undertaken a formal restructure resulting in a regional approach to operational functions; Finance, Estates, HR. The new structure came into effect on 1st November 2019 and is aimed at improving efficiency and effectiveness of those functions.

During the year to 31 August 2019 the Trust again added capacity to our clusters by growing to 32 schools with the addition of the following:

Oxfordshire cluster

Aureus Primary School in Didcot successfully opened on 1st September 2018, with pupils in nursery, reception and Years 1 and 2. Hardwick Primary School in Banbury joined on 1st February 2019 and Manor Primary School in Didcot joined on 1st May 2019.

Redhill cluster

Merstham Park Secondary School successfully opened on 1st September 2018.

On 1st September 2019 the Trust added a further seven schools, and an eighth on 1st October 2019, taking the total number of schools in the Trust to 40.

Kilnwood Vale Primary School, a free school, was successfully opened in Crawley.

Floreat Montague Park in Wokingham and Floreat Wandsworth transferred from the Floreat Education Trust.

Banstead Infant School, The Vale Primary School, Warren Mead Infant School and Warren Mead Primary School transferred from the Oaks Trust.

Frogmore Junior School in Camberley joined the Trust on 1st October 2019.

Key Performance Indicators

Primary Performance

Early Years outcomes in the majority of schools for the past three years have improved, with 74.0% of children achieving GLD (Good Level of Development) across the trust compared to 71.8% nationally. 18 out of the 23 EYFS schools achieved a GLD above national and five schools improved their outcomes compared to the previous year. In five of the seven schools below national, high rates of progress from starting points have been seen. Performance for SEND and disadvantaged students continues to improve.

Performance in the Year 1 Phonics Screening Check (PSC) has increased. The overall GLF average is 84% and is above the national average for 2018/2019 (82%). 12 of 21 GLF schools improved on their outcomes from 2017/2018 and 57% of GLF schools achieved above last year's national % compared with 50% the previous year. Three schools improved their outcomes by more than 10% (Chestnut Park, Lorraine, Springfield).

KS1 outcomes across all GLF KS1 settings were inline or above national averages in Reading, Writing and Maths. Reading 75% (National 75%), Writing 71% (National 69%) and Maths 76% (National 76%). Schools with significant improvements greater than 10% were: Reading - Chestnut Park, Lorraine and Pine Ridge; Writing - Chestnut Park, Marden Lodge and Southgate.

The GLF average for Reading was 74% (National 73%), Writing 79% (National 78%), Maths 80% (National 79%) combined 66% (National 65%). 56% (5) of the 'good' schools have combined outcomes above national. Three schools are below national averages in all areas - Marden Lodge, Salfords, Southgate. All schools who were below national for combined in 2017-2018 are still below national but improvements have been made. The lowest attaining school for combined outcomes was Marden Lodge (38%) compared to the highest attaining school, Cuddington Croft (89%). In reading there was the greatest variance between lowest attaining school - Marden Lodge (50%) and highest attaining school Cuddington Croft (92%).

The lowest attaining school in terms of Maths outcomes was Southgate (67%) and highest attaining school Cuddington Croft (96%).

Progress rates from KS1 to KS2 in 2018-2019 have improved in Reading and Maths across our schools. The GLF average for reading progress has increased from -1.21 to -0.34. In Maths the average progress scores across GLF schools has improved from -1.35 to -1.08. At Salfords progress in Maths has improved from -4.6 in 2017/18 to -0.6 in 2018/19.

High outcomes and excellent progress has been sustained, as in previous years, at Cuddington Croft Primary and Whyteleafe Primary schools. The Trust is particularly proud of the significant improvements in performance this year at Cordwalles Junior, Manor, Salfords and William Morris Primary. For future years we will focus particularly on schools which have underperformed, or where achievement in terms of progress is below either national expectations or the Trust's challenging targets.

Secondary performance

Overall progress has improved in four of the five secondary schools with GCSE cohorts this academic year. Attainment for secondary school students also improved at Glyn, Rosebery, de Stafford and Meridian against a number of key measures. Overall English, in particular, performed well across the Trust. As an average, the MAT Attainment 8 score is 47.8 and remains above the national average at 46.6.

Glyn School achieved its highest combined English and Maths attainment at grade with 79% at 5+ and Rosebery achieved national 'top 100' status in terms of Progress 8. The percentage of schools achieving a combined English and Maths Grade at 5+ is 46.6, above the national average of 43.0.

In terms of the provisional Progress 8 score, the combined score for the MAT is currently showing at +0.02, broadly in line therefore with the overall national average. Rosebery is well above the national average at +0.89, while Glyn is above average at +0.23. de Stafford is broadly in line with the national average at -0.18, which is an improvement on performance in 2018. Of the two schools with below average Progress 8 scores (Meridian -0.45 and The Beacon -0.37), Meridian made improvements on performance in 2017 and 2018.

Within GLF there was variation within and between schools and within the performance of 'open bucket' subjects. There is variation in subjects such as languages, Geography and Technology, as well as variation for Pupil Premium eligible students (boys, in particular).

Outcomes for A level results show a continuing picture from 2018, with some variation in the performance of subjects. DfE performance tables show that Glyn's progress at A level is above average, whilst Rosebery and The Beacon are in line with national averages for progress from starting points.

GLF Schools

Trustees' Report (continued)

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Most of the Academy Trust's income is obtained from the Department for Education in the form of recurring grants, the use of which is restricted to particular purposes. The grants received during the year ended 31st August 2019 and the associated expenditure are shown in the Statement of Financial Activities.

Revenue funds available increased from £1,967k in August 2018 to £2,574k in August 2019. Total funds held by the Academy Trust decreased from £166,900k to £166,600k; movement of funds by type is detailed below:

	At 1 September 2018 £'000	At 31 August 2019 £'000	Movement £'000
Revenue Reserves	1,967	2,574	607
Capital Reserves	4,528	6,400	1,872
Fixed Asset Fund	175,664	184,680	9,016
Pension Reserve	(15,265)	(27,033)	(11,768)

The improvement in the Revenue Reserves position of the Trust is a reflection of the significant focus during the year to improve operating efficiency.

Pressure on Government funding streams has continued to drive the agenda, as has the increase in costs relating to employees, resulting from both salary and pension increases and competition in the market for high quality teachers. The Trustees have ensured robust systems of challenge and support for the schools and the central team throughout the annual finance cycle to underpin the long term financial security of the Trust. The main ongoing challenge across the organisation and the sector as a whole is ensuring the provision of a high quality, inclusive education offering, using a finite and reducing set of resources, coupled with the impact of ever-changing curriculum and administrative demands.

The Trustees are clear that the constraints of school funding mean that a review of current strategies and working practices will be required to protect the Trust's longer term financial stability. Trustees are committed to not only continuing to deliver the current high quality of education on offer within our schools; but have ambitions for the Trust to become a centre of innovation within the sector and wish to invest in employees to fulfil this objective. Such investment is made all the more challenging in the current financial climate for education. Trustees are committed to ensuring that the Trust ensures that it is operating at its most efficient, and will hold the Executive team to account to deliver these efficiencies, but acknowledge that current funding levels are already beginning to impact the breadth of the education offer that can be provided.

The increase in the pension deficit of £11,768k is due to the current service cost of the Local Government Pension Schemes exceeding the employer contributions made in the year (£2,361k), the interest cost and past service costs exceeding the interest income (£778k), the inclusion of deficits transferred from schools which joined GLF Schools in the year (£1,166k) and the actuarial loss in the year (£7,463k). The movement in the pension deficit is not controllable by GLF Schools as it depends on the actuarial valuation of the schemes at 31 August 2019. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education.

GLF Schools

Trustees' Report (continued)

Reserves Policy

The Trust's policy for reserves is that a minimum un-committed revenue reserve of no less than 3% of ESFA General Annual Grant Statement is retained for each academy.

The Trust has set out the purpose of such reserves as follow:

- a) An unforeseen emergency or unexpected need for funds, e.g. an unexpected large repair bill.
- b) Covering unforeseen day to day operational costs, e.g. employing temporary staff to cover a long term absence.
- c) A grant not being renewed.
- d) Significant planned commitments or projects that cannot be met by future income alone.
- e) The need to fund short-term deficits in cash flow before a funding grant is received.

On 31 August 2019 the academy trust held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value of Fixed Assets and Pension Deficit):

	£'000
Unrestricted General Funds	2,448
Restricted Capital Funds	6,400
Restricted General Funds	<u>126</u>
Reserves at 31 August 2019	<u>8,974</u>

The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

Investment Policy

GLF Schools does not have any material investments. Its bank accounts are held with Lloyds Bank and HSBC. Interest from Bank Accounts is shown in the notes to the Financial Statements.

Principal Risks and Uncertainties

The major risks to which the MAT is exposed are:

- Lack of a long term funding commitment for schools exposing the Trust to the risk of unpredicted shortfalls;
- Teacher recruitment crisis, which impacts on pupil outcomes, quality of the education provision, staff costs and staff retention rates;
- Changes and uncertainty in government policy regarding Academies;
- Falling/low rolls at member schools;
- Low rolls at new schools due to inaccurate predictions by Local Authorities;
- Poor condition of parts of our school estates, particularly those buildings inherited for our sponsored schools;
- Adverse impact on the financial and educational capacity of the Trust from schools joining/opening;
- Poor performance of schools within the MAT;
- Failures in Safeguarding or Health & Safety procedures at schools within the MAT.

All risks are reflected in the Trust's Risk Register and reviewed regularly at the Audit & Risk committee. Each school maintains a school level Risk Register. The key risks above drive the Trust's strategic priorities for the next three years with proactive action being taken to mitigate these, for example: thorough due diligence processes; investment in a model of a strong education team combined with school to school support to secure excellence at every school; a central recruitment team which is exploring alternative opportunities to attract high quality staff; marketing campaigns for schools with historically low numbers on roll.

Fundraising

Most schools have a Parent Teacher Association, or similar, which fundraise for each individual school. These are separate legal entities, registered in their own right with the Charity Commission.

Some schools invite donations to 'school fund' from parents. These are clearly advertised as voluntary and schools will provide clarity as to the purpose of this funding, for example to support the operation of a school minibus.

Plans for Future Periods

The Trust will continue to pursue our strategic objectives for the current three year period by:

- **GLF Schools is consistently improving outcomes for all children and staff**
Our core purpose is to offer the best possible outcomes to every child within one of our schools, no matter its context. The focus of our educational strategy for next year will include
 - Developing a regional operating model for educational improvement and School to School support to continue to drive progress and outcomes for our pupils.
 - Develop MAT-wide curricular models for Early Years to Key Stage 5.
 - Continue to leverage the skills and capabilities of our Teaching School to provide highly effective CPD including research and coaching.
- **GLF Schools is financially sustainable with sufficient reserves to enable the Trust to support research and professional development, as well as schools requiring additional investment**
All our schools are likely to continue to face the financial challenges which are affecting the education sector as a whole. The key objectives for next year will be to further improve efficiencies in financial processing and management through the new regional structure, and centralise our budgeting and financial control processes. ICFP will be used as part of the budget setting process. The ultimate aim continues to be to strengthen our reserves enabling investment in schools that need it, and funding of research and professional development activities to enable GLF to remain a centre of excellence.
- **GLF Schools is structured such that clusters are operating efficiently, staffed effectively, support strong communication and deliver successful outcomes for the children within each community**
We believe in the strength of our cluster model and the positive effect this has on children's outcomes and the professional development of colleagues. The key objectives for next year are to successfully implement the regional operations structure introduced on 1st November 2019 and ensure it achieves the benefits identified for it. The regional operations model is intended to improve financial efficiency, provide better career development for our people and improve the standard of our operations and compliance. Well chosen additional schools will be added to our clusters where we believe they will enable a cluster to operate more effectively and efficiently for the benefit of children and staff. Cherry Fields Primary school, a free school, is due to open in Banbury on 1st September 2020.

Funds Held as Custodian Trustee on Behalf of Others

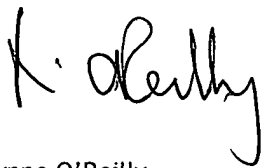
The trust holds no Assets and Funds as Custodian Trustee on behalf of others.

Auditor

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13 December 2019 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'L. O'Reilly', written in a cursive style.

Lynne O'Reilly
Chair of Trustees

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between GLF Schools and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
Jackie Adams	5	5
Adam Braithwaite	5	5
Martin Burke	5	5
Paul Carpenter	3	5
Jon Chaloner	4	5
Colin Charles	5	5
Bruce Ely-Johnston	5	5
Helen Mannion	5	5
Lynne O'Reilly	5	5

The Board operates a number of sub-committees which have supplemented the five Board meetings in 2018-19. Whilst these sub-committees will continue during 2019-20 (further detail below), the Board has also increased its meetings to 6 per year from 2019-20.

Governance Reviews

In summer term the Board initiated a review of governance in the Trust, commencing with a review of the Board's committees and remit to ensure appropriate and effective coverage of all of the Board's areas of accountability. As a result of that review, the remit, membership and key reporting metrics of the Board have been amended, and a new Budget committee formed for next financial year. In addition, an integrated workplan for the Board and committees has been produced to ensure clarity for all parties and reduce duplication.

The review will continue during financial year 2019/20 with the following activities:

- Self evaluation and skills audit of the Trustees. This took place in September and appropriate actions have been initiated based on the findings, to be delivered throughout the remainder of this year.
- SSB working party to review the SSBs' remit in relation to their role in and contribution to the overall governance of the Trust, to review communication between SSBs and the Board, and to make recommendations to the Board on any changes required as a result of those reviews.

The Chair of Trustees continues to work with the chairs of a group of large MATs to support the sharing of best practice and peer review, and attends events organised by the Regional Schools Commissioner's office and the Academy Ambassadors' programme.

Committees

The Audit & Risk committee is a sub-committee of the main Board of Trustees which meets at least once per term. The Board of Trustees has defined its terms of reference, prescribed the extent of its delegated authority and ensures that it receives minutes of the committee's meetings. Its purpose is to:

- Review the financial procedures policy and make recommendations to the Board of Trustees;
- Review systems of internal financial control and internal audit;
- Receive and respond to external audit report;
- Review internal control and report findings to the Board of Trustees;
- Meet and liaise with the Responsible Officer as needed. Consider and act on recommendations in the Internal Auditor's report;
- Review and consider the Trust and schools' Risk Registers and advise the Board as necessary.

The Board of Trustees reviews the Audit & Risk Committee's remit and membership annually.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Adam Braithwaite	2	3
Jon Chaloner	3	3
Colin Charles	3	3
Bruce Ely-Johnston	3	3

As part of the ongoing review of governance, the remit of Audit and Risk has been amended for next year to include financial monitoring and oversight, and extend the scope of risk and compliance management. The committee will meet every half term.

The Resources committee is a sub-committee of the main Board of Trustees which meets at least once per term. The Board of Trustees has defined its terms of reference, prescribed the extent of its delegated authority and ensures that it receives minutes of the committee's meetings. Its purpose is:

- Scrutiny of budget plans for recommendation to the Trust Board;
- Regular monitoring of income and expenditure against budget plans, with analysis of variances;
- Monitoring of progress of capital projects;
- Recommendation and review of H&S policies and effectiveness of operation in each school;
- Recommendation and review of HR policies;
- Recommendation and review of the effectiveness and value for money of business systems used by all schools.

GLF Schools

Governance Statement (continued)

The Board of Trustees reviews the Resources Committee's remit and membership annually.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Martin Burke	3	3
Paul Carpenter	3	3
Piers Clarke (SSB member)	3	3
Lynne O'Reilly	3	3

As part of the ongoing review of governance, the Resources committee has been changed to Operations and Growth for next year and its remit altered to remove financial monitoring and include detailed review of growth plans, admissions, and income generation.

The Standards committee is a sub-committee of the main Board of Trustees which meets at least once per term. The Board of Trustees has defined its terms of reference, prescribed the extent of its delegated authority and ensures that it receives minutes of the committee's meetings. Its purpose is to:

- Provide strategic overview of the context of each school including strengths and areas to develop. To include;
 - Leadership capacity including governance
 - Staffing expertise including recruitment and retention
 - Attendance and behaviours for learning
 - Teaching environment and resources
 - Community and parental involvement
 - SEF review with strengths and next steps
- Understand the 3 year historical data story for each school including trends, attainment, progress and outcomes for groups (PP, SEND, More able)
- Review data outcomes including Ofsted reports and RAISE. Understand barriers to learning within schools and across the MAT
- Review targets set for schools and the expected outcomes depending upon stage of development
- Review performance through the schools dashboard to monitor schools performance and how on track they are to meet / exceed targets
- Monitor the interventions within schools to improve outcomes. Review impact and effectiveness.
- Monitor the Education Strategic Plan and links to the individual schools Development Plans
- Agree future priorities and projects to work upon across the MAT

The Board of Trustees reviews the Standards Committee's remit and membership annually.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jackie Adams	3	3
Lynne O'Reilly	3	3
Helen Mannion	1	3

As part of the ongoing review of governance, the Standards committee has been renamed Education committee for next year and its remit extended to include quality of education, safeguarding, pupil voice/wellbeing, parent voice. The committee will meet 4 times per year.

GLF Schools

Governance Statement (continued)

The Pay committee is a sub-committee of the main Board of Trustees which meets at least twice per year to undertake the performance management of the CEO and agree the pay of the CEO.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jackie Adams	2	2
Adam Braithwaite	2	2

An additional Budget committee is also being introduced for 2019-20.

Review of Value for Money

As accounting officer the CEO 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Educational outcomes of the children at schools have continued to improve across our schools through a number of initiatives:
 - Dedicated support and challenge from our centrally provided Education team. By providing a central Education team, the Trust is able to provide support to academies more economically and efficiently.
 - Use of expertise in individual schools utilised across a number of schools; this is particularly evident via our Teaching and Learning Lead model.
 - Networking and professional development opportunities offered across the group.
- Teacher recruitment has been supported via our successful SCITT programme, with a 95% retention rate for trainees from our 2018-19 cohort.
- The Trust has reviewed its operational structures during 2018-19 to ensure that a cost efficient structure is in place to deliver effective support appropriate to the size and demands of our Trust.
- The Trust continues to benefit from group procurement opportunities. The Trust ensures that the goods and services procured are in accordance with the Trust's financial regulations.

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 on-going 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 GLF Schools for the period 1 September 2018 to 31 August 2019 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 Resource 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 (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees considered the need for a specific internal audit function and decided to continue the appointment of JD Education Financial Services (JDEFS) as internal auditor, supplemented as required by subject specific audits undertaken by relevant experts.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- correct financial procedures have been followed, for example bank reconciliations have been carried out, financial monitoring has taken place and income has been banked correctly;
- sample payroll entries;
- sample orders and payment;
- sample of expense claims;
- tendering procedures have been followed.

On a termly basis, the auditor reports to the Board of Trustees on the operation of systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The academy trust can confirm that the internal auditor has delivered their schedule of work as planned and that there have been no material control issues arising requiring remedial action.

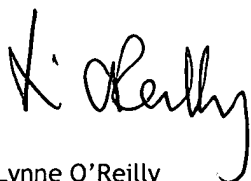
Review of Effectiveness

As accounting officer the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- 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 Audit & Risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 13 December 2019 and signed on its behalf by:



Lynne O'Reilly
Chair of Trustees



Jon Chaloner
Accounting Officer

GLF Schools

Statement on Regularity, Propriety and Compliance

As accounting officer of GLF Schools I have considered my responsibility to notify the academy trust's board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



Jon Chaloner
Accounting Officer

13 December 2019

The trustees (who 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 Academies Accounts Direction published by the Education & 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:

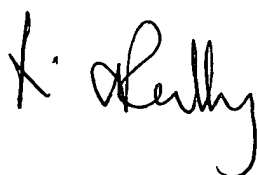
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 13 December 2019 and signed on its behalf by:



Lynne O'Reilly
Chair of Trustees

Opinion on financial statements

We have audited the financial statements of GLF Schools ('the academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2018 to 2019 issued by the ESFA.

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 2019 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; and
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

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 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report, and the Governance Statement. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 22), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

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 the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Rodzynski (Senior statutory auditor)
For and on behalf of Critchleys Audit LLP
Statutory Auditor
Oxford

Date: 16/12/19

Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

GLF Schools

Independent Reporting Accountant's Assurance Report on Regularity to GLF Schools and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by GLF Schools during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of GLF Schools' accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of GLF Schools' funding agreement with the Secretary of State for Education dated 26 January 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

1. Reviewing the minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information.
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

GLF Schools

Independent Reporting Accountant's Assurance Report on Regularity to GLF Schools and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Use of our report

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



Critchleys Audit LLP
Reporting Accountant
Oxford

Date: 16/12/19

GLF Schools
Consolidated Statement of Financial Activities
For the year ended 31 August 2019
(including Income and Expenditure Account)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	2	-	600	10,240	10,840	32,034
Transfer from existing academy trusts	36	180	(1,081)	2,295	1,394	20,159
Transfer from local authority on conversion	35	216	(71)	4,883	5,028	2,603
Charitable activities						
Funding for the academy trust's educational operations	3	-	64,747	-	64,747	58,845
Teaching school	4,37	-	278	-	278	191
Other income for educational operations	5	4,920	-	-	4,920	4,567
Other trading activities	6	853	-	-	853	588
Investments	7	6	-	-	6	5
Total		6,175	64,473	17,418	88,066	118,992
Expenditure on:						
Raising funds	8	268	-	-	268	300
Charitable activities						
Academy's educational operations	8,9	5,485	67,555	7,266	80,306	74,924
Teaching school	8,37	-	302	-	302	250
Total		5,753	67,857	7,266	80,876	75,474
Net income / (expenditure) before transfers		422	(3,384)	10,152	7,190	43,518
Transfers between funds	21	-	(736)	736	-	-
Net income / (expenditure) for the period		422	(4,120)	10,888	7,190	43,518
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	21,31	-	(7,463)	-	(7,463)	3,782
Net movement in funds		422	(11,583)	10,888	(273)	47,300
Reconciliation of Funds						
Funds brought forward at 1 September 2018		2,026	(15,324)	180,192	166,894	119,594
Funds carried forward at 31 August 2019		2,448	(26,907)	191,080	166,621	166,894

All of the academy trust's activities derive from continuing operations and acquisitions in the current accounting periods (see notes 35 and 36).

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

GLF Schools
Consolidated Statement of Financial Activities
For the year ended 31 August 2018
(including Income and Expenditure Account)

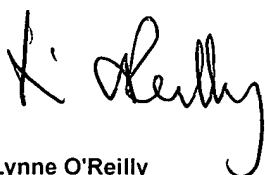
	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000
Income and endowments from:					
Donations and capital grants	2	-	725	31,309	32,034
Transfer from existing academy trusts		624	(1,400)	20,935	20,159
Transfer from local authority on conversion		119	(390)	2,874	2,603
Charitable activities					
Funding for the academy trust's educational operations	3	-	58,845	-	58,845
Teaching school	4,37	-	191	-	191
Other income for educational operations	5	4,567	-	-	4,567
Other trading activities	6	588	-	-	588
Investments	7	5	-	-	5
Total		5,903	57,971	55,118	118,992
Expenditure on:					
Raising funds	8	300	-	-	300
Charitable activities					
Academy's educational operations	8,9	4,799	64,033	6,092	74,924
Teaching school	8,37	-	250	-	250
Total		5,099	64,283	6,092	75,474
Net income / (expenditure) before transfers		804	(6,312)	49,026	43,518
Transfers between funds	21	(1,617)	733	884	-
Net income / (expenditure) for the period		(813)	(5,579)	49,910	43,518
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes	21,31	-	3,782	-	3,782
Net movement in funds		(813)	(1,797)	49,910	47,300
Reconciliation of Funds					
Funds brought forward at 1 September 2017		2,839	(13,527)	130,282	119,594
Funds carried forward at 31 August 2018		2,026	(15,324)	180,192	166,894

GLF Schools
Consolidated Balance Sheet
As at 31 August 2019

Company number:
07551959

	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	14		184,680		175,664
Current assets					
Stock	17	21		42	
Debtors	18	2,682		2,794	
Cash at bank and in hand		<u>12,942</u>		<u>9,608</u>	
		15,645		12,444	
Liabilities					
Creditors: Amounts falling due within one year	19	<u>(6,581)</u>		<u>(5,828)</u>	
Net current assets			<u>9,064</u>		<u>6,616</u>
Total assets less current liabilities			193,744		182,280
Creditors: Amounts falling due after more than one year	20		(90)		(121)
Net assets excluding pension liability			<u>193,654</u>		<u>182,159</u>
Defined benefit pension scheme liability	31		<u>(27,033)</u>		<u>(15,265)</u>
Total net assets			<u>166,621</u>		<u>166,894</u>
Funds of the academy trust:					
Restricted fixed asset funds	21		191,080		180,192
Restricted funds					
Restricted funds excluding pension liability	21	126		(59)	
Pension reserve	21	<u>(27,033)</u>		<u>(15,265)</u>	
			(26,907)		(15,324)
Total restricted funds			<u>164,173</u>		<u>164,868</u>
Unrestricted funds	21		2,448		2,026
Total funds			<u>166,621</u>		<u>166,894</u>

The financial statements on pages 28 to 65 were approved by the trustees and authorised for issue on 13 December 2019 and are signed on their behalf by



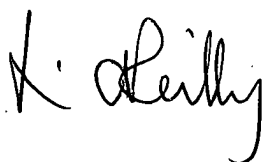
Lynne O'Reilly
Chair of Trustees

GLF Schools
Academy Trust Balance Sheet
As at 31 August 2019

Company number:
07551959

	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	14		184,680		175,664
Investments	15		-		-
Current assets					
Stock	17	21		21	
Debtors	18	2,682		2,794	
Cash at bank and in hand		<u>12,942</u>		<u>9,569</u>	
		15,645		12,384	
Liabilities					
Creditors: Amounts falling due within one year	19	<u>(6,581)</u>		<u>(5,768)</u>	
Net current assets			<u>9,064</u>		<u>6,616</u>
Total assets less current liabilities			<u>193,744</u>		<u>182,280</u>
Creditors: Amounts falling due after more than one year	20		(90)		(121)
Net assets excluding pension liability			<u>193,654</u>		<u>182,159</u>
Defined benefit pension scheme liability	31		<u>(27,033)</u>		<u>(15,265)</u>
Total net assets			<u>166,621</u>		<u>166,894</u>
Funds of the academy trust:					
Restricted fixed asset funds	21		191,080		180,192
Restricted funds					
Restricted funds excluding pension liability	21	126		(59)	
Pension reserve	21	<u>(27,033)</u>		<u>(15,265)</u>	
			(26,907)		(15,324)
Total restricted funds			<u>164,173</u>		<u>164,868</u>
Unrestricted funds	21		2,448		2,026
Total funds			<u>166,621</u>		<u>166,894</u>

The financial statements on pages 28 to 65 were approved by the trustees and authorised for issue on 13 December 2019 and are signed on their behalf by



Lynne O'Reilly
Chair of Trustees

GLF Schools
Consolidated Statement of Cash Flows
For the year ended 31 August 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	25	1,821	(1,516)
Cash flows from investing activities	27	1,084	246
Cash flows from financing activities	26	(29)	(29)
Change in cash and cash equivalents in the reporting period		<u>2,876</u>	<u>(1,299)</u>
Reconciliation of net cash flow to movement in net funds			
Cash transferred on conversion to an academy trust		246	146
Cash transferred from existing academy trusts		212	1,831
Cash and cash equivalents at 1 September 2018		9,608	8,930
Cash and cash equivalents at 31 August 2019	28	<u><u>12,942</u></u>	<u><u>9,608</u></u>

All of the cash flows are derived from continuing operations and acquisitions in the current accounting period (see notes 35 and 36).

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

GLF Schools meets the definition of a public benefit entity under FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the academy trust and its subsidiary undertaking. The results of the subsidiary undertaking are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy Trust alone as permitted by section 408 of the Companies Act 2006. During the year ended 31 August 2019, GLF Schools had a deficit of £273k (2018: surplus of £47,300k).

Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Property has been valued on a depreciated replacement cost basis (see note 14). Further details of the transaction are set out in note 35.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Statement of Accounting Policies (continued)

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Transfer on conversion

Where assets and liabilities are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income to the net assets received.

Transfer of existing academies into the academy trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the Transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

Donated fixed assets (excluding Transfers on conversion/into trust)

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1 Statement of Accounting Policies (continued)

Expenditure

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

Expenditure on Raising Funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 14 for further details).

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

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

Freehold buildings	Between 5 and 50 years
Leasehold land	125 years
Leasehold buildings	Between 5 and 60 years
Plant and machinery	5 years
Fixtures, fittings and equipment	5 years
ICT equipment	3 years
Motor Vehicles	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1 Statement of Accounting Policies (continued)

Liabilities

Liabilities 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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it 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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Investments

The academy's shareholding in the wholly owned subsidiary, The Beacon School Enterprises Ltd, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of the valuation exceeds the benefit derived from obtaining one.

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 - trade and other debtors are basic financial instruments and are debt instruments measured at amortised costs as detailed in note 18. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 cost as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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 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.

1 Statement of Accounting Policies (continued)

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 31, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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 gains and losses.

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

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

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 Bursary Funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 34.

1 Statement of Accounting Policies (continued)

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 accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 31, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Critical areas of judgement

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 31).

GLF Schools

Notes to the financial statements

For the year ended 31 August 2019

2 Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
DfE/ESFA capital grants				
Devolved formula capital grant	-	847	847	261
Other ESFA capital grants	-	2,449	2,449	2,520
Other Government grants				
Other LA capital grants	-	334	334	128
	-	3,630	3,630	2,909
Donated fixed assets	-	6,600	6,600	28,400
Donations - capital	-	10	10	-
Rent free income	-	250	250	250
Other donations	-	350	350	475
	-	10,840	10,840	32,034

Donated fixed assets in 2018-19 represent a building project commissioned and funded by Oxfordshire County Council. In 2017-18, donated fixed assets represent two building projects commissioned and funded by Oxfordshire County Council.

3 Funding for Academy Trust's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	55,116	55,116	49,816
Start up grants	-	-	-	-
Other DfE Group grants	-	5,228	5,228	4,477
National College grants	-	-	-	12
	-	60,344	60,344	54,305
Other Government grants				
Other LA revenue grants	-	4,266	4,266	4,488
Other grants	-	137	137	52
	-	4,403	4,403	4,540
	-	64,747	64,747	58,845

4 Teaching Schools Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
National College grants	-	-	-	55
Fundraising and other trading activities	-	278	278	136
	-	278	278	191

5 Other income for educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Other income	2,290	-	2,290	2,136
Trip and activity income	1,687	-	1,687	1,645
Catering income	655	-	655	430
Income from trading subsidiary	288	-	288	356
	<u>4,920</u>	<u>-</u>	<u>4,920</u>	<u>4,567</u>

6 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities / other lettings	853	-	853	588
	<u>853</u>	<u>-</u>	<u>853</u>	<u>588</u>

7 Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	6	-	6	5
	<u>6</u>	<u>-</u>	<u>6</u>	<u>5</u>

8 Expenditure

	Staff Costs £'000	Non Pay Premises Costs £'000	Expenditure Other Costs £'000	Total 2019 £'000	Total 2018 £'000
Expenditure on raising funds					
Allocated support costs	-	-	4	4	14
Expenditure of trading subsidiary	84	-	180	264	286
	84	-	184	268	300
Academy's educational operations					
Direct costs (note 9)	44,981	-	7,217	52,198	49,529
Allocated support costs (note 9)	12,301	4,859	10,948	28,108	25,395
	57,282	4,859	18,165	80,306	74,924
Teaching School	263	-	39	302	250
	57,629	4,859	18,388	80,876	75,474

Net income/(expenditure) for the period includes:

	2019 £'000	2018 £'000
Operating lease rentals	367	283
Depreciation	7,266	6,092
Fees payable to auditor for:		
Audit	50	35
Audit-related assurance services	3	14
Other services	-	19

9 Charitable activities

	Total 2019 £'000	Total 2018 £'000
Direct costs - educational operations	52,198	49,529
Support costs - educational operations	28,108	25,395
	80,306	74,924

Analysis of support costs

	Educational operations £'000	Total 2019 £'000	Total 2018 £'000
Support staff costs	9,162	9,162	8,230
Depreciation	7,266	7,266	6,092
Technology costs	281	281	293
Premises costs	4,859	4,859	4,309
Other support costs	3,304	3,304	3,283
Governance costs	97	97	156
Other pension costs	2,361	2,361	2,610
Other finance costs (FRS102 pension)	778	778	422
	28,108	28,108	25,395

10 Staff Costs

	2019 £'000	2018 £'000
Staff costs during the period were:		
Wages and salaries	41,915	38,654
Social security costs	3,935	3,637
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	6,928	6,395
FRS102 Other pension and finance costs	3,139	3,032
Apprenticeship levy	184	175
	<u>56,101</u>	<u>51,893</u>
Agency supply teacher costs	1,439	1,610
Staff restructuring costs	89	217
	<u>57,629</u>	<u>53,720</u>

The trust uses agency staff where appropriate on normal commercial terms.

	2019 £'000	2018 £'000
Staff restructuring costs comprise:		
Redundancy payments	67	183
Severance payments	20	33
Other restructuring costs	2	1
	<u>89</u>	<u>217</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £2k (2018: £47k). Individually, the payments were: £2k (2018: £29k and £18k).

The average number of persons employed by the academy trust during the period was as follows:

	2019 No.	2018 No.
Teachers	751	672
Administration and support	1,130	1,104
Management	37	31
	<u>1,918</u>	<u>1,807</u>

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

	2019 No.	2018 No.
£60,001 - £70,000	29	26
£70,001 - £80,000	14	17
£80,001 - £90,000	4	6
£90,001 - £100,000	4	1
£100,001 - £110,000	2	1
£110,001 - £120,000	-	1
£170,001 - £180,000	-	1
£190,001 - £200,000	1	-

The key management personnel of the academy trust comprise the Trustees and Senior Leadership Team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £723k (2018: £759k).

11 Central services

The academy trust has provided the following central services to its academies during the year:

First line support on governance, policy and safeguarding issues, HR case work support, Education and behaviour management support and finance support.

The trust charges a fee for these services based on a % of GAG income.

The actual amounts charged during the period were as follows:

	2019 £'000	2018 £'000
Aureus Primary School	55	-
Aureus School	126	126
The Beacon School	261	208
Chestnut Primary School	104	76
Cordwalles Junior School	71	70
Cuddington Croft Primary School	109	107
Danetree Primary School	170	173
de Stafford School	115	77
Forge Wood Primary School	52	41
Glyn School	356	326
Hammond School	80	75
Hardwick Primary School	35	-
Hillcroft Primary School	120	120
Lightwater Village School	60	60
Lime Tree Primary School	126	111
Longford Park Primary School	31	19
Lorraine School	42	47
Manor Primary School	43	-
Marden Lodge Primary School	61	60
Meridian High School	170	159
Merstham Park School	126	-
Merstham Primary School	67	21
Pine Ridge Infant and Nursery	39	41
Rosebery School	293	194
Salfords Primary School	114	113
Southgate Primary School	118	125
Springfield Primary School	121	121
Warlingham Village Primary School	63	61
Wheatfield Primary School	58	50
Whyteleafe Primary School	109	106
William Morris Primary School	53	53
Windmill Primary School	60	59
	3,408	2,799

12 Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The chief executive officer only receives remuneration in respect of services they provide undertaking the role of chief executive officer under their contract of employment.

The Chief Executive Officer's remuneration for the year to 31 August 2019 was £190,500 (2018: £180,000) and pension contributions amounted to £29,664 (2018: £29,664). Trustees who served during the previous year but did not serve during the current year have not been disclosed.

During the period ended 31 August 2019, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2018: £Nil).

Other related party transactions involving the trustees are set out in note 32.

13 Trustees and officers insurance

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

The cost of this insurance is included in the total insurance cost.

GLF Schools

Notes to the financial statements For the year ended 31 August 2019

14 Tangible fixed assets

Group and Academy Trust

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Motor Vehicle £'000	Total £'000
Cost						
As at 1 September 2018	60,279	135,583	2,406	2,538	59	200,865
Transfer of existing academy	-	2,968	53	87	-	3,108
Transfer on conversion	-	4,853	-	-	-	4,853
Additions	1,105	7,633	306	108	-	9,152
As at 31 August 2019	61,384	151,037	2,765	2,733	59	217,978
Depreciation						
As at 1 September 2018	10,934	11,017	1,235	1,971	44	25,201
Transfer of existing academy	-	722	40	69	-	831
Charged in year	2,806	3,632	471	347	10	7,266
As at 31 August 2019	13,740	15,371	1,746	2,387	54	33,298
Net book values						
As at 31 August 2019	47,644	135,666	1,019	346	5	184,680
As at 1 September 2018	49,345	124,566	1,171	567	15	175,664

Leasehold land and buildings

The freehold of these land and buildings is owned by the respective Local Authorities. These are recognised in the accounts as the academy trust has the right to use the property.

Transfers on acquisition during year ended 31 August 2019

During the year, the Trust acquired the leasehold of the land and buildings of Manor Primary School from Manor School Didcot Academy Trust.

Transfers on conversion during year ended 31 August 2019

The Academy took out 125 year leases over the land and buildings of Hardwick Primary School. Leasehold property has been valued by the Local Authority and has been adjusted for depreciation based on the estimated useful economic life from construction.

Additions to land and buildings

Additions in the year include capital works to existing buildings together with a building project commissioned and funded by Oxfordshire County Council.

15 Fixed Asset Investments

	Share in group undertakings £'000
Academy Trust	
Cost	
At 1 September 2018 and 31 August 2019	-

16 Principal Subsidiaries

Company Name	Country	Percentage Shareholding	Description
The Beacon School Enterprises Ltd	England and Wales	100	General Secondary Education
Company Number:	07851198		
Registered Address:	The Beacon School, Picquets Way, Banstead, Surrey, SM7 1AG		
			The Beacon School Enterprises Ltd £'000
Income			288
Expenditure			(263)
Donation to GLF Schools under gift aid			(25)
Result for the year			-
Total assets			25
Total liabilities			(25)
Net funds at the end of year			-

17 Stock

Group	2019 £'000	2018 £'000
Clothing	21	42
	<u>21</u>	<u>42</u>
Academy Trust		
	2019 £'000	2018 £'000
Clothing	21	21
	<u>21</u>	<u>21</u>

GLF Schools**Notes to the financial statements****For the year ended 31 August 2019****18 Debtors****Group**

	2019 £'000	2018 £'000
Trade debtors	327	654
VAT recoverable	466	386
Prepayments and accrued income	1,873	1,561
Other debtors	16	193
	<u>2,682</u>	<u>2,794</u>

Academy Trust

	2019 £'000	2018 £'000
Trade debtors	303	645
VAT recoverable	466	386
Prepayments and accrued income	1,897	1,570
Other debtors	16	193
	<u>2,682</u>	<u>2,794</u>

19 Creditors: amounts falling due within one year**Group**

	2019 £'000	2018 £'000
Trade creditors	1,476	1,276
Other taxation and social security	985	947
Other creditors	1,000	1,047
Amounts owed to ESFA	42	42
Loans	29	29
Accruals and deferred income	3,049	2,487
	<u>6,581</u>	<u>5,828</u>

Deferred income

	2019 £'000	2018 £'000
Deferred income at 1 September	1,241	832
Released from previous years	(1,241)	(832)
Resources deferred in the period	1,548	1,241
Deferred income at 31 August	<u>1,548</u>	<u>1,241</u>

Deferred income represents funding received specifically for next financial year, together with trips and activities income received in advance.

19 Creditors: amounts falling due within one year (continued)

Academy Trust

	2019 £'000	2018 £'000
Trade creditors	1,476	1,276
Other taxation and social security	985	947
Other creditors	1,000	987
Amounts owed to ESFA	42	42
Loans	29	29
Accruals and deferred income	3,049	2,487
	<u>6,581</u>	<u>5,768</u>

Deferred income

	2019 £'000	2018 £'000
Deferred income at 1 September	1,241	824
Released from previous years	(1,241)	(824)
Resources deferred in the period	1,548	1,241
Deferred income at 31 August	<u>1,548</u>	<u>1,241</u>

Deferred income represents funding received specifically for next financial year, together with trips and activities income received in advance.

Included within loans less than one year are three loans of £9k, £49k, and £60k from Salix Finance Ltd. The £9k loan is due to be paid back in 5 years, the £49k loan is due to be paid back in 3 years and the £60k loan is due to be paid back in 6 years. All three loans are interest free.

20 Creditors: amounts falling due in greater than one year

Group

	2019 £'000	2018 £'000
Loans	90	121
	<u>90</u>	<u>121</u>

Academy Trust

	2019 £'000	2018 £'000
Loans	90	121
	<u>90</u>	<u>121</u>

Included within loans less than one year are three loans of £9k, £49k, and £60k from Salix Finance Ltd. The £9k loan is due to be paid back in 5 years, the £49k loan is due to be paid back in 3 years and the £60k loan is due to be paid back in 6 years. All three loans are interest free.

GLF Schools
Notes to the financial statements
For the year ended 31 August 2019

21 Funds

	Balance at 1 Sept 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfer £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	-	55,130	(54,185)	(736)	209
Other DfE/ESFA grants	-	5,228	(5,228)	-	-
LA revenue grants	-	4,266	(4,266)	-	-
Other government grants	-	137	(137)	-	-
Voluntary income	-	250	(250)	-	-
Other restricted funds	-	350	(350)	-	-
Teaching School	(59)	278	(302)	-	(83)
Pension reserve (note 31)	(15,265)	(1,166)	(3,139)	(7,463)	(27,033)
	<u>(15,324)</u>	<u>64,473</u>	<u>(67,857)</u>	<u>(8,199)</u>	<u>(26,907)</u>
Restricted fixed asset funds					
Devolved Formula Capital	286	847	-	(521)	612
Other ESFA capital funding	3,338	2,449	-	(1,257)	4,530
LA capital grants	315	334	-	(231)	418
Capital funds on transfer of existing academies	17	18	-	(18)	17
Capital funds transferred on conversion	64	30	-	-	94
Capital donations	-	10	-	(10)	-
Donated fixed assets	-	6,600	-	(6,600)	-
Other capital funds	508	-	-	221	729
Fixed asset fund (note 14)	175,664	7,130	(7,266)	9,152	184,680
	<u>180,192</u>	<u>17,418</u>	<u>(7,266)</u>	<u>736</u>	<u>191,080</u>
Total restricted funds	<u>164,868</u>	<u>81,891</u>	<u>(75,123)</u>	<u>(7,463)</u>	<u>164,173</u>
Unrestricted funds					
Unrestricted funds	2,026	5,887	(5,489)	24	2,448
Trading subsidiary	-	288	(264)	(24)	-
Total unrestricted funds	<u>2,026</u>	<u>6,175</u>	<u>(5,753)</u>	<u>-</u>	<u>2,448</u>
Total funds	<u>166,894</u>	<u>88,066</u>	<u>(80,876)</u>	<u>(7,463)</u>	<u>166,621</u>

21 Funds (continued)

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA funding represents other forms of funding received from the Department for Education and Education and Skills Funding Agency. This includes but is not limited Pupil Premium funding, Universal Infant Free School Meal funding, Sports grant and Rates Relief Income.

LA Revenue grants represents various grant funding provided by Local Authorities.

Other Government grants represents various grant funding provided by government which are not included in Other DfE/ESFA funding.

Other restricted funds represent amounts given to the academy trust for specific revenue purposes.

The Teaching School shows the income, expenditure and fund balance related to the SCITT run by GLF Schools. Due to costs of setting up and initially running the SCITT, the Teaching School fund was in deficit at 31 August 2019. Further details can be seen in note 37.

The pension reserve fund separately identifies the pension deficit on the Local Government Pension Scheme, and through which all the movements on the pension scheme are recognised.

Devolved Formula Capital represents funding provided by the Department for Education to be used for capital projects. This funding may be used for specific capital projects which are not considered to be fixed asset additions.

Other ESFA capital funding represents funding provided by the Department for Education to be used for capital projects, specifically School Condition Allowance (SCA) funding.

LA capital funding represents funding provided by Local Authorities to be used for capital projects.

Capital funds on transfer of existing academies represents capital funds which were held by existing academy schools on the date they transferred to join GLF Schools and the subsequent movement on these funds.

Capital funds on transfer on conversion represents capital funds which were held by existing local authority schools on the date they converted to academy status and joined GLF Schools and the subsequent movement on these funds.

Donated Fixed Assets represents the value of fixed assets donated to the academy trust. The fixed assets are included in fixed asset additions and therefore the value is transferred to the Fixed Asset Fund.

Other capital funds are capital funds held at 31 August 2019 to be used for capital purposes in the future.

The Fixed Asset fund recognises the net book value of tangible and fixed assets transferred to the trust on conversion and additions since conversion.

Unrestricted funds represent other income to the academy trust which is not received as funding or with a specific purpose.

Trading subsidiary represents the transactions related to the academy trust's trading subsidiary, The Beacon School Enterprises Limited.

GLF Schools
Notes to the financial statements
For the year ended 31 August 2019

21 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £'000	2018 £'000
Revenue reserves		
Aureus Primary School	(59)	-
Aureus School	(330)	(186)
The Beacon School	513	623
Chestnut Park Primary School	278	111
Cordwalles Junior School	180	157
Cuddington Croft Primary School	420	288
Danetree Primary School	429	379
de Stafford School	478	407
Forge Wood Primary School	(47)	(33)
Glyn School	588	154
Hammond School	(181)	(171)
Hardwick Primary School	141	-
Hillcroft Primary School	498	375
Lightwater Village School	(51)	(79)
Lime Tree Primary School	303	316
Longford Park Primary School	(102)	(10)
Lorraine School	(5)	(12)
Manor Primary School	145	-
Marden Lodge Primary School	(66)	(157)
Meridian High School	(475)	(425)
Merstham Park School	(89)	-
Merstham Primary School	109	94
Pine Ridge Infant and Nursery	304	317
Rosebery School	529	556
Salfords Primary School	105	49
Southgate Primary School	(125)	(85)
Springfield Primary School	171	131
Warlingham Village Primary School	125	125
Wheatfield Primary School	227	226
Whyteleafe Primary School	356	285
William Morris Primary School	(343)	(187)
Windmill Primary School	258	220
GLF Schools Central	(1,710)	(1,501)
Total before fixed assets and pension reserve	2,574	1,967
Capital reserves	6,400	4,528
Fixed asset fund (representing net book value of fixed assets - note 14)	184,680	175,664
Pension reserve	(27,033)	(15,265)
Total funds	166,621	166,894

21 Funds (continued)

Aureus Primary School is carrying a net deficit of £59k on these funds. There has been intentional investment in staffing during the early years of opening the school, which will be recouped as pupil numbers increase.

Aureus School is carrying a net deficit of £330k on these funds. There has been intentional investment in staffing during the first years of opening, which will be recouped as pupil numbers increase.

Forge Wood Primary School is carrying a net deficit of £47k on these funds. This reflects costs relating to non-capital equipment costs required when the school was in temporary accommodation, but increasing numbers on roll is improving the school's financial position over time.

Hammond School is carrying a net deficit of £181k on these funds and Lightwater Village School is carrying a net deficit of £51k on these funds. Ongoing shortage of pupils due to over-supply of school places in the local area has driven an unbalanced financial model across these two federated schools which is being addressed through sharing staffing with local schools from the Trust.

Longford Park Primary School is carrying a net deficit of £102k on these funds, which is a result of lower than expected pupil numbers in the first years of opening, and lower than expected demand for places in the wider admissions area as a whole.

Marden Lodge Primary School is carrying a net deficit of £66k on these funds. Following the school's first 'Good' Ofsted rating in 21 years, the reputation of the school has improved and the vacant places which drove the financial shortfall are filling up and the school has improved its position significantly from last year's net deficit of £157k.

Meridian High School is carrying a net deficit of £475k on these funds. The school is significantly under-subscribed due to a legacy of under-performance prior to joining the Trust, and has been impacted further by a Free School opening locally causing a surplus of places in the area. The school's financial position has significantly improved over the last financial year.

Merstham Park School is carrying a net deficit of £89k on these funds. The school has been impacted by the decision of the Local Authority to open additional forms of entry at other local schools creating excess capacity in the system.

Southgate Primary School is carrying a net deficit of £125k on these funds. The school joined the Trust in July 2017 as a sponsored school; low pupil numbers and staff turnover have impacted on the financial position.

William Morris Primary School is carrying a net deficit of £343k on these funds. The school joined the Trust in February 2016 as a sponsored school and was operating in a deficit position. With a legacy of underachievement, a significant level of investment had been required to achieve the 'Outstanding' Ofsted judgement in September 2018. Historic low pupil numbers against a PAN of 25 underpin the financial picture. The school is working in partnership with another local Trust school to make the financial model more efficient and rising pupil numbers will improve the financial situation for future years.

GLF Central is carrying a net deficit of £1,710k on these funds. This is a legacy of the investment in capacity in previous years to deliver a structure which provides strong support for member schools.

GLF Schools
Notes to the financial statements
For the year ended 31 August 2019

21 Funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies (including all non staff direct costs) £'000	Other costs (excluding depreciation) £'000	Total 2019 £'000	Total 2018 £'000
Aureus Primary School	436	87	67	126	716	-
Aureus School	1,167	404	173	439	2,183	1,395
The Beacon School	3,936	1,531	754	749	6,970	6,904
Chestnut Park Primary School	1,204	153	157	273	1,787	1,441
Cordwalles Junior School	704	161	109	92	1,066	1,110
Cuddington Croft Primary School	1,171	148	120	246	1,685	1,717
Danetree Primary School	1,993	272	242	370	2,877	2,900
de Stafford School	2,534	590	309	429	3,862	3,930
Forge Wood Primary School	470	55	74	350	949	983
Glyn School	6,197	830	1,483	873	9,383	8,821
Hammond School	770	115	101	159	1,145	1,145
Hardwick Primary School	491	54	52	83	680	-
Hillcroft Primary School	1,433	139	154	260	1,986	1,933
Lightwater Village School	463	97	43	150	753	740
Lime Tree Primary School	1,412	166	165	220	1,963	1,734
Longford Park Primary School	476	80	52	93	701	409
Lorraine School	403	74	42	48	567	257
Manor Primary School	485	59	50	75	669	-
Marden Lodge Primary School	866	225	68	212	1,371	1,416
Meridian High School	2,689	722	259	511	4,181	4,818
Merstham Park School	517	45	46	92	700	-
Merstham Primary School	674	125	58	123	980	329
Pine Ridge Infant and Nursery	478	128	53	73	732	1,085
Rosebery School	4,967	658	843	697	7,165	7,325
Salfords Primary School	1,250	156	113	165	1,684	1,591
Southgate Primary School	1,236	138	92	266	1,732	1,821
Springfield Primary School	1,375	168	200	274	2,017	1,959
Warlingham Village Primary School	588	103	87	142	920	929
Wheatfield Primary School	479	57	77	130	743	269
Whyteleafe Primary School	1,139	133	139	263	1,674	1,588
William Morris Primary School	551	71	87	80	789	864
Windmill Primary School	547	78	87	135	847	1,050
GLF Schools Central	2,088	1,395	886	361	4,730	5,601
	45,189	9,217	7,242	8,559	70,207	66,064
				Depreciation	7,266	6,092
				Other finance costs and pension costs	3,139	3,032
				The Beacon School Enterprises Ltd	264	286
				Note 8	80,876	75,474

GLF Schools
Notes to the financial statements
For the year ended 31 August 2019

21 Funds (continued)

Comparative Funds

	Balance at 1 Sept 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfer £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	567	49,947	(51,247)	733	-
Other DfE/ESFA grants	-	4,489	(4,489)	-	-
LA revenue grants	-	4,488	(4,488)	-	-
Other government grants	-	52	(52)	-	-
Voluntary income	-	250	(250)	-	-
Other restricted funds	-	475	(475)	-	-
Teaching School	-	191	(250)	-	(59)
Pension reserve (note 31)	(14,094)	(1,921)	(3,032)	3,782	(15,265)
	<u>(13,527)</u>	<u>57,971</u>	<u>(64,283)</u>	<u>4,515</u>	<u>(15,324)</u>
Restricted fixed asset funds					
Devolved Formula Capital	202	261	-	(177)	286
Other ESFA capital funding	1,817	2,520	-	(999)	3,338
LA capital grants	187	128	-	-	315
Capital funds on transfer of existing academies	17	1,076	-	(1,076)	17
Capital funds transferred on conversion	77	27	-	(40)	64
Donated fixed assets	-	28,400	-	(28,400)	-
Other capital funds	-	-	-	508	508
Fixed asset fund (note 14)	127,982	22,706	(6,092)	31,068	175,664
	<u>130,282</u>	<u>55,118</u>	<u>(6,092)</u>	<u>884</u>	<u>180,192</u>
Total restricted funds	<u>116,755</u>	<u>113,089</u>	<u>(70,375)</u>	<u>5,399</u>	<u>164,868</u>
Unrestricted funds					
Unrestricted funds	2,839	5,547	(4,813)	(1,547)	2,026
Trading Subsidiary	-	356	(286)	(70)	-
Total unrestricted funds	<u>2,839</u>	<u>5,903</u>	<u>(5,099)</u>	<u>(1,617)</u>	<u>2,026</u>
Total funds	<u>119,594</u>	<u>118,992</u>	<u>(75,474)</u>	<u>3,782</u>	<u>166,894</u>

GLF Schools

Notes to the financial statements For the year ended 31 August 2019

22 Analysis of net assets between funds - Group

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	184,680	184,680
Current assets	2,448	6,797	6,400	15,645
Current liabilities	-	(6,581)	-	(6,581)
Non-current liabilities	-	(90)	-	(90)
Total net assets excluding Pension Scheme liability	2,448	126	191,080	193,654
Pension Scheme liability	-	(27,033)	-	(27,033)
Total net assets	2,448	(26,907)	191,080	166,621

Comparative analysis of net assets between funds - Group

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	175,664	175,664
Current assets	2,026	5,890	4,528	12,444
Current liabilities	-	(5,828)	-	(5,828)
Non-current liabilities	-	(121)	-	(121)
Total net assets excluding Pension Scheme liability	2,026	(59)	180,192	182,159
Pension Scheme liability	-	(15,265)	-	(15,265)
Total net assets	2,026	(15,324)	180,192	166,894

23 Capital commitments

	2019 £'000	2018 £'000
Contracted for, but not provided in the financial statements	1,156	890

24 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	284	334
Amounts due between one and five years	184	362
Amounts due after five years	-	-
	468	696

GLF Schools
Notes to the financial statements
For the year ended 31 August 2019

25 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £'000	2018 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	7,190	43,518
Adjusted for:		
Cash transferred from existing academies	(212)	(1,831)
Cash transferred on conversion	(246)	(146)
Depreciation (note 14)	7,266	6,092
Capital income re fixed assets transferred from existing academy trusts	(2,277)	(19,859)
Capital income re fixed assets transferred on conversion	(4,853)	(2,847)
Capital grants from DfE and other capital income	(10,230)	(31,309)
Interest receivable (note 7)	(6)	(5)
Defined benefit pension scheme obligation inherited from existing academies	1,095	1,531
Defined benefit pension scheme obligation inherited on conversion	71	390
Defined benefit pension scheme cost less contributions payable (note 31)	2,361	2,610
Defined benefit pension scheme finance cost (note 31)	778	422
(Increase)/decrease in stocks	21	1
(Increase)/decrease in debtors	112	(477)
Increase/(decrease) in creditors	751	394
Net cash provided by/(used in) operating activities	1,821	(1,516)

26 Cash flows from financing activities

	2019 £'000	2018 £'000
Repayments of borrowing	(29)	(29)
Net cash used in financing activities	(29)	(29)

27 Cash flows from investing activities

	2019 £'000	2018 £'000
Dividends, interest and rents from investments	6	5
Purchase of tangible fixed assets	(2,552)	(2,668)
Capital grants from DfE Group	3,296	2,781
Capital grants received from Local Authorities	334	128
Net cash provided by investing activities	1,084	246

28 Analysis of cash and cash equivalents

	At 1 September 2018 £'000	Transferred from existing academies £'000	Transferred on conversion £'000	Cash flows £'000	At 31 August 2019 £'000
Cash at bank and in hand	9,608	212	246	2,876	12,942
	9,608	212	246	2,876	12,942

29 Contingent liabilities

There are no contingent liabilities that require disclosure.

30 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.

31 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council (The Beacon School, Cordwalles Junior, Cuddington Croft Primary, Danetree Primary, de Stafford School, GLF Central, Glyn School, Hammond Junior, Hillcroft Primary, Lime Tree Primary, Lightwater Village, Marden Lodge Primary, Merstham Park School, Merstham Primary School, Pine Ridge Infant and Nursery School and Lorraine Schools, Rosebery, Salfords Primary, Springfield Primary, Warlingham Village Primary and Whyteleafe Primary), Croydon Council (Chestnut Park Primary and Meridian High), Oxfordshire County Council (Aureus Primary School, Aureus School, Hardwick Primary, Longford Park Primary, Manor Primary and William Morris), West Sussex County Council (Forge Wood Primary and Southgate Primary) and Royal County of Berkshire (Wheatfield Primary and Windmill Primary). Both schemes are multi-employer defined-benefit schemes.

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

Contributions amounting to £876k were payable to the schemes at 31 August 2019 (2018: £776k) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pension Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The pension costs paid to TPS in the period amounted to £4,562k (2018: £4,153k).

A copy of the latest valuation report is on the Teachers' Pension Scheme website at the following location:
<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

31 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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

Local Government Pension Scheme

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 2019 was £3,147k (2018: £2,939k), of which employer's contributions totalled £2,366k (2018: £2,242k) and employees' contributions totalled £781k (2018: £697k). The next full triennial valuation will be carried out as at 31 March 2019 with new contribution rates set from 1 April 2020.

GLF Schools

Notes to the financial statements

For the year ended 31 August 2019

31 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The agreed contribution rates for future years are different for the different Local Authorities and the schools within those Local Authorities. The table below gives a summary of this information:

	Contribution Rates from 1st April 2017	
	Employees	Employers
	%	%
Aureus Primary School	5.5 - 12.5	19.3
Aureus School	5.5 - 12.5	25.0
The Beacon School	5.5 - 12.5	19.1
Chestnut Park Primary School	5.5 - 12.5	15.9
Cordwalles Junior School	5.5 - 12.5	19.1
Cuddington Croft Primary School	5.5 - 12.5	19.1
Danetree Junior School	5.5 - 12.5	19.1
de Stafford School	5.5 - 12.5	19.1
Forge Wood	5.5 - 12.5	19.1
Glyn School	5.5 - 12.5	19.1
Hammond Junior School	5.5 - 12.5	19.1
Hardwick Primary School	5.5 - 12.5	19.3
Hillcroft Primary School	5.5 - 12.5	19.1
Lightwater Village School	5.5 - 12.5	19.1
Lime Tree Primary School	5.5 - 12.5	19.1
Longford Park	5.5 - 12.5	25.0
Lorraine School	5.5 - 12.5	19.1
Manor Primary School	5.5 - 12.5	19.0
Marden Lodge Primary School	5.5 - 12.5	19.1
Meridian High School	5.5 - 12.5	18.5
Merstham Park School	5.5 - 12.5	19.3
Merstham Primary School	5.5 - 12.5	19.1
Pine Ridge Infant and Nursery	5.5 - 12.5	19.1
Rosebery School	5.5 - 12.5	19.1
Salfords Primary School	5.5 - 12.5	19.1
Southgate Primary School	5.5 - 12.5	24.7
Springfield Primary School	5.5 - 12.5	19.1
Warlingham Village Primary School	5.5 - 12.5	19.1
Wheatfield Primary School	5.5 - 12.5	19.1
Whyteleafe Primary School	5.5 - 12.5	19.1
William Morris Primary School	5.5 - 12.5	19.3
Windmill Primary School	5.5 - 12.5	19.1
GLF Schools	5.5 - 12.5	19.1

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

Principal actuarial assumptions

	At 31 August 2019		At 31 August 2018	
	Top of Range	Bottom of Range	Top of Range	Bottom of Range
Rate of increase in salaries	3.80%	2.60%	3.80%	2.70%
Rate of increase for pensions in payment / inflation	2.30%	2.15%	2.40%	2.30%
Discount rate for scheme liabilities	1.90%	1.80%	2.80%	2.70%
Inflation assumption (CPI)	2.40%	2.15%	2.40%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%	50.00%	50.00%

31 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2019		At 31 August 2018	
	Top of Range	Bottom of Range	Top of Range	Bottom of Range
<i>Retiring today</i>				
Males	22.7	21.3	23.6	22.3
Females	24.3	23.4	25.5	24.4
<i>Retiring in 20 years</i>				
Males	24.0	22.3	26.0	24.0
Females	25.8	24.8	27.9	26.2

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

	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	21,691	17,863
Gilts	6,079	4,406
Other bonds	39	27
Property	2,666	1,925
Cash	944	943
Target Return Portfolio	13	7
Commodities	2	3
Infrastructure	26	12
Longevity Insurance	(16)	(6)
Total market value of assets	31,444	25,180
Present value of scheme liabilities		
- Funded	(58,477)	(40,445)
Surplus/(deficit) in the scheme	(27,033)	(15,265)

The actual return on scheme assets was £1,192k (2018: £1,245k).

Amounts recognised in the statement of financial activities

	2019 £'000	2018 £'000
Current service cost (net of employee contributions)	4,737	4,852
Net interest cost	470	422
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	298	-
Administration expenses	-	-
Total operating charge	5,505	5,274

31 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Changes in the present value of defined benefit obligations were as follows:

	2019 £'000	2018 £'000
At 1 September	40,445	32,469
Upon conversion	357	913
Transferred in on existing academies joining the trust	2,325	4,040
Current service cost	4,727	4,852
Interest cost	1,224	969
Employee contributions	781	697
Actuarial (gain)/loss	8,592	(3,059)
Estimated benefits paid net of transfers in	(282)	(436)
Past service cost	308	-
At 31 August	58,477	40,445

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

	2019 £'000	2018 £'000
At 1 September	25,180	18,375
Upon conversion	286	523
Transferred in on existing academies joining the trust	1,230	2,509
Interest income	754	547
Return on plan assets (excluding net interest on the net defined pension liability)	1,129	723
Employer contributions	2,366	2,242
Employee contributions	781	697
Estimated benefits paid plus unfunded net of transfers in	(282)	(436)
At 31 August	31,444	25,180

Reconciliation of opening and closing deficit

	2019		2018	
	£'000	£'000	£'000	£'000
Pension deficit at 1 September		(15,265)		(14,094)
Current service cost	(4,727)		(4,852)	
Employer contributions	2,366		2,242	
Additional pension cost		(2,361)		(2,610)
Other finance costs		(778)		(421)
Deficits transferred from existing academy trusts		(1,095)		(1,531)
Deficits transferred on conversion of new schools		(71)		(390)
Actuarial gains/(losses)		(7,463)		3,781
Pension deficit at 31 August		(27,033)		(15,265)

32 Related party transactions

Owing to the nature of the academy trust 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval when required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the financial period.

Expenditure Related Party Transactions

Ms J Lott (spouse of Jon Chaloner, Trustee/Director, Chief Executive Officer and Accounting Officer) is employed by the Trust as a teacher at Glyn School. Ms Lott's remuneration during the year was £18k (2018: £29k) and employer pension contributions amounted to £3k (2018: £5k). Ms Lott had an increase in salary during 2017-18 due to additional Head of Department responsibilities for the 2017-18 academic year only.

A Braithwaite (Trustee) is a Director of Dairy Crest. During the period the trust paid rent to Dairy Crest of £47k (2018: £100k) for office space. At 31 August 2019, £Nil was due to Dairy Crest (2018: £Nil).

Income Related Party Transactions

Richard Evans (Director of Education) fulfilled the role of CEO and Accounting Officer for the Oaks Academy Trust, via a Service Level Agreement until 31 March 2019. From 1 April 2019 to 31 August 2019 a member of GLF Schools staff who in not key management personnel fulfilled this role. During the period GLF Schools charged Oaks Academy Trust £96k (2018: £122k) for services including the services provided by Richard Evans as CEO of Oaks Academy Trust. At 31 August 2019, £13k was due from Oaks Academy Trust (2018: £122k).

33 Events after the balance sheet date

Subsequent to the year end eight schools have been added to the academy trust. Kilnwood Vale Primary School, a new primary school, opened in September 2019. Floreat Montague Park and Floreat Wandsworth transferred from the Floreat Education Trust on 1 September 2019. Banstead Infant School, The Vale Primary School, Warren Mead Infant School and Warren Mead Primary School transferred from the Oaks Trust on 1 September 2019. Frogmore Junior School joined the Trust on 1 October 2019.

34 Agency arrangements

The academy trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year ended 31 August 2019 the trust received £45k (2018: £66k) and disbursed £45k (2018: £39k) from the fund. An amount of £41k (2018: £41k) (including brought forward from prior years) is included in creditors relating to undistributed funds that are repayable to ESFA at the 31 August 2019.

GLF Schools

Notes to the financial statements For the year ended 31 August 2019

35 Additions to the Academy Trust

On 1 February 2019 Hardwick Primary School (Local Authority maintained school) converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to GLF Schools from Oxfordshire County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net gain in the Statement of Financial Activities (SOFA) as *Donations - transfer from local authority on conversion*.

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

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset funds £'000	Total £'000
Hardwick Primary School				
Tangible fixed assets:				
Leasehold buildings	-	-	4,853	4,853
Current assets				
Budget surplus on LA funds	216	-	30	246
	<u>216</u>	<u>-</u>	<u>4,883</u>	<u>5,099</u>
LGPS pension deficit	-	(71)	-	(71)
Net assets	<u>216</u>	<u>(71)</u>	<u>4,883</u>	<u>5,028</u>

The above net assets include £246k that was transferred as cash at bank.

36 Transfers of Existing Academy Schools to the Academy Trust

Manor Primary School

On 1 May 2019, Manor Primary School (previously an academy school) transferred to GLF Schools and all the operations and assets and liabilities were transferred for £nil consideration. The assets and liabilities were transferred with no fair value adjustments. Prior to joining GLF Schools, Manor Primary School was a single academy trust.

	Value reported by transferring trust £'000	Transfer in recognised £'000
Tangible fixed assets		
Leasehold Land and Buildings	2,246	2,246
Furniture and equipment	13	13
Computer Equipment	18	18
Other assets		
Debtors due in less than one year	50	50
Cash in bank and in hand	252	252
Liabilities		
Creditors due in less than one year	(90)	(90)
Pensions		
Pensions - pension scheme liabilities	(1,095)	(1,095)
Net assets/(liabilities)	1,394	1,394

Recognition in the SOFA:

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset funds £'000	Total £'000
Transfer from Existing Academy Trusts	180	(1,081)	2,295	1,394
	180	(1,081)	2,295	1,394

GLF Schools
**Notes to the financial statements
For the year ended 31 August 2019**
37 Teaching School Trading Account

		2019		2018	
		£'000	£'000	£'000	£'000
Income					
	Direct Income				
	National College Grants	-		55	
	Other Income				
	Fundraising and other trading activities	278		136	
Total Income			278		191
Expenditure					
	Direct costs				
	Direct staff costs	208		125	
	Staff development	9		56	
	Other direct costs	15		4	
	Total direct costs		232		185
	Other costs				
	Support staff costs	55		47	
	Other support costs	15		16	
	Share of governance costs	-		2	
	Total indirect costs		70		65
Total Expenditure			302		250
Transfers between funds excluding depreciation					
Surplus/(Deficit) from all sources			(24)		(59)
Teaching school balances at 1 September			(59)		-
Teaching school balances at 31 August			<u>(83)</u>		<u>(59)</u>