



GLF Schools

(A Company Limited by Guarantee)

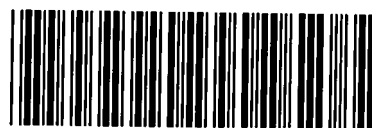
Annual Report and Financial Statements

Year ended 31 August 2018

Period of account: 1 September 2017 – 31 August 2018

**Company Registration Number:
07551959 (England and Wales)**

FRIDAY



A7XV8VK3

A18

25/01/2019

#161

COMPANIES HOUSE

GLF Schools

Contents

Item	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	16
Statement on Regularity, Propriety and Compliance	22
Statement of Trustees' Responsibilities	23
Independent Auditor's Report on the Financial Statements	24
Independent Reporting Accountant's Assurance Report on Regularity	27
Consolidated Statement of Financial Activities (including Income and Expenditure Account)	29
Consolidated Balance Sheet	31
Academy Trust Balance Sheet	32
Statement of Cash Flows	33
Notes to the Financial Statements, incorporating:	34
Statement of Accounting Policies	
Other Notes to the Financial Statements	

GLF Schools

Reference and Administrative Details

Members

Jackie Adams
Mark Allen
David Moss
Matt Taylor
Denis Ward

Trustees

Jackie Adams (Chair) ^{2 4}
Adam Braithwaite ^{1 4}
Martin Burke ³
Colin Charles (appointed 01/01/18) ¹
Jon Chaloner (CEO) ¹
Paul Carpenter ^{1 3}
Robin Cayley (resigned 24/06/18) ^{2 4}
Bruce Ely-Johnston ¹
Helen Mannion ²
Lynne O'Reilly ³

¹ members of the Audit & Risk committee

² members of the Standards committee

³ members of the Resources committee

⁴ members of the Pay committee

Company Secretary

Sarah Lynagh

GLF Schools

Reference and Administrative Details (continued)

Senior Leadership Team

- | | |
|----------------------------------------------------|--------------------|
| • Chief Executive Officer | Jon Chaloner |
| • Director of Education | Richard Evans |
| • Chief Operating Officer (until 31/12/17) | Roger Lowe |
| • HR Director | Maria-Cicero Scott |
| • IT Director (until 31/8/18) | Luke Nicolaou |
| • Business Support Manager (until 31/12/17) | Sarah Lynagh |
| • Acting Director of Shared Services (from 1/1/18) | Sarah Lynagh |
| • Acting Head of Finance (from 1/1/18) | Wendy Lincoln |

Company Name

GLF Schools

Principal and Registered Office

Claygate House
Littleworth Road
Esher
Surrey
KT10 9PN

Company Registration Number

07551959 (England and Wales)

Independent Auditor

Critchleys Audit LLP
Greyfriars Court
Paradise Square
Oxford
OX1 1BE

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 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates 30 academy schools (as at 1 September 2018) for children and young people aged 2 to 19 across Surrey, Berkshire, Croydon, West Sussex and Oxfordshire. Its schools have a combined pupil capacity of 13,326 and had a roll of 12,273 in the school census on 4 October 2018.

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 is known 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 SGOS 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 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.

GLF Schools

Trustees' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

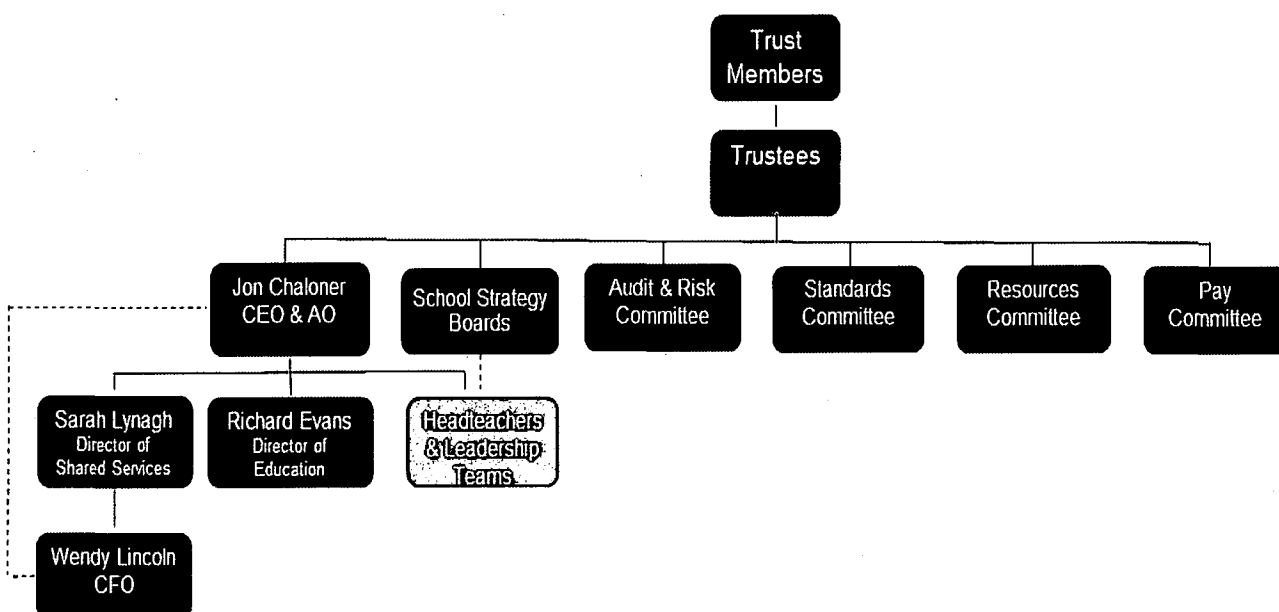
An induction programme is in place for new Trustees, which includes the provision of key documentation and the opportunity to engage with members of the Executive team. A key expectation covered as part of the induction process is the 'Seven Principles of Public Life'.

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 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. Senior managers are Headteacher or Head of School, Deputy Headteacher or Assistant Headteacher (depending on the size of the schools) and School Business Leaders.

GLF Schools

Trustees' Report (continued)

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 2017-18.

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

The Trade Union Act 2016 introduced a number of reforms to Britain's industrial relations framework. These regulations came into force on 1 April 2017, with the first published year running from 1 April 2017 to 31 March 2018. The facility time data for GLF Schools for that period was as follows:

Relevant union officials

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
6	5.4

Percentage of time spent on facility time

<i>Percentage of time</i>	<i>Number of employees</i>
0%	
1-50%	6
51%-99%	
100%	

GLF Schools

Trustees' Report (continued)

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£10,807.51
Provide the total pay bill	£41,817,477.23
Provide the percentage of the total pay bill spent on facility time	0.03%

Paid trade union activities

<i>Time spent on paid trade union activities as a percentage of total paid facility time hours:</i> 5.36%

Related Parties and other Connected Charities and Organisations

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

GLF Schools has an SLA agreement with the Oaks Academy Trust to provide educational and operational support, including the resourcing of the CEO role.

Glyn School works closely with the Epsom, Ewell and Banstead 16-19 Network which exists to promote collaboration in education at the 16-19 age range. This is not a separate legal entity but a collaborative partnership which operates by a formal partnership management agreement. Financial decisions are made by the Steering Group and Glyn School's Headteacher is a member of the Steering Group alongside four other academy Head Teachers and the principal of the local college. The funds for the partnership belong to the group as a whole and thus surpluses and deficits on activities belong to all member schools in equal share. GLF Schools provides a financial service for the Epsom, Ewell and Banstead 16-19 Network and holds funds as custodian on the Network's behalf. The balance of funds held at 31 August 2018 was £85,009 (2017:£118,992) (shown in creditors on the Balance Sheet).

The Beacon School Enterprises Limited is wholly owned by GLF Schools, and provides school uniform and catering services. The activities of The Beacon School Enterprises Limited are consolidated into these accounts.

GLF Schools

Trustees' Report (continued)

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:

- *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”; ultimately we wish to make sure that all schools are stronger for being with us than before joining the Trust.

Objectives, Strategies and Activities

The Trust's strategic objectives for the next three years 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. Therefore, we aspire for every school to continually improve their performance so that each year a greater number of children achieve at a level which gives them the best chances in the next stage of their life. We know that we need to invest in and value our staff to deliver these improvements. A particular focus for us is the outcomes of disadvantaged children and students and those with SEND; our ambition being that these children leave our schools with the same opportunities as their peers.
- **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 facing the financial challenges which are affecting the education sector as a whole. This is impacting negatively upon the financial position of the Trust overall, with reserves diminishing annually. We are committed to working with each school to ensure that the MAT as a whole is financially sustainable and to achieve a sufficient level of reserves which allows for investment in schools where this is required. We wish to provide funding of a research and professional development programme to support the Trust's ambition to become a centre of excellence and innovation. We will continue to enhance our portfolio of training opportunities for all staff to ensure we provide the best possible workforce within our schools.

- 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. It is our aim that clusters work collaboratively, share expertise and innovate to enhance the learning experience for all children and students within the cluster. In order to remain financially viable, there will be a need to implement and embed a greater degree of cluster working to address both the financial and recruitment challenges facing the sector.

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, 'People' are our prime focus; they are central - and essential - to everything that we aspire to achieve. We firmly believe that investing in and retaining high quality personnel drives the success of our Trust.

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 2017-18 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

Efficient clusters

GLF Schools has continued to grow steadily, increasing from 24 to 28 schools over academic year 2017-18, with a continued focus on developing the Trust's secondary school provision and consolidating the Trust's four geographical hubs - Eastern, Central, Western and Oxfordshire (with each hub comprising clusters of schools).

Longford Park Primary School in Banbury was successfully opened in September 2017. Longford Park was delivered via the Local Authority Academy Presumption route and becomes the second of the Trust's schools in Banbury, under a shared leadership team with William Morris Primary School.

Aureus School in Didcot became the Trust's seventh new school, but first new secondary school, in September 2017; also a Local Authority Academy Presumption school. Aureus is our first school in Didcot, with Aureus Primary joining in September 2018 as our eighth new school.

Rosebery School, an outstanding girls' secondary school in Epsom, joined our central hub on 1 September 2017, along with Merstham Park Primary, another converter academy, in May 2018.

Forge Wood Primary, which opened in temporary accommodation in September 2016, moved into its permanent build in Autumn 2017.

GLF Schools was also pleased to be selected as the provider of a new primary school due to open in September 2020 within the Southam Road development in Banbury, following an academy presumption process.

Two further schools opened within the Trust on 1 September 2018; Merstham Park School and Aureus Primary School.

Improving Outcomes

Four schools have been inspected by Ofsted during 2017-18:

Cuddington Croft and Whyteleafe schools were inspected in October 2017 and both had short inspections which confirmed that the schools continued to be 'good' schools.

Salfords Primary, a sponsored academy that was previously in special measures, was inspected in May 2018 and judged as 'requires improvement', with 'good' leadership & management and personal development, behaviour and welfare.

Chestnut Park Primary, one of our new schools which opened in September 2015, was judged as 'outstanding' in June 2018.

Overall 22 of the 23 schools within the Trust which have Ofsted judgements are graded at least 'good', and all 23 have at least 'good' for leadership & management and personal development, behaviour & welfare.

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.

Recruitment and retention of high quality leaders / Collaborative working

Successful professional development programmes, network groups, training sessions and forums have been run during 2017-18 for NQTs, Early Years Leaders, SENCOs, Heads, Deputy Heads, Maths Leaders, English Leaders, Science Leaders, Assessment Leaders, School Business Leaders and Governors.

All vacant posts across the Trust have been successfully filled during 2017-18, many via internal promotions as well as our SCITT programme which demonstrates our investment in growing our own talent.

Trust wide events

The Trust is proud of several events which took place in 2017-18: Science Fair, Joint HUB and Trust wide Inset days and music festivals.

Key Performance Indicators**Primary**

Early Years outcomes in the majority of schools for the past three years have improved, with the GLF average (76%) for Good Level of Achievement for 2017-18 being above national averages (71%). Performance for SEND and disadvantaged students continues to improve. Of the Trust's 20 EYFS settings 15 were above National averages for the 2017-18 outcomes with 8 significantly (80%+) above national averages. 9 schools improved performance against their 2016-17 outcomes.

Performance in Phonics testing in Year 1 has remained steady with the average for GLF being in line with National Averages (82%). 11 out of 19 schools passed the phonics screening with 5 schools (90%+) significantly above National Averages. 10 schools improved their performance against 2017 outcomes.

KS1 outcomes on average for GLF were all above National Averages with Reading 75% (National 74%), Writing 73% (National 70%) and maths 77% (national 76%). Of the Trust's 17 KS1 settings 10 schools performed in-line/ above National averages in Reading and 15 in writing and 13 maths. There were mixed outcomes for improvements against previous years.

KS2 showed an improvement (compared to 2017-18 outcomes) with combined scores in all schools. The GLF average for Reading was 77% (National 75%), Writing 79% (National 78%), Maths 76% (National 76%) combined 66% (National 66%). The outcomes for SEND improved in all subjects and is above National trend. Of the 13 KS2 settings 8 were in line/ exceeded National averages in Reading, Writing and Maths. The general trend within KS2 settings shows an improvement, compared to prior outcomes within the majority of subjects across the schools. Progress rates are varied with between 6-7 schools across reading, writing and maths showing negative progress.

High outcomes and excellent progress has been sustained, as in previous years, at Hammond Junior, Cuddington Croft Primary and Whyteleafe Primary schools. Lime Tree Primary, Warlingham Primary and Chestnut Primary schools are now delivering more consistent high performance. The Trust is particularly proud of the significant improvements in performance this year at Cordwalles Junior, Hillcroft Primary, William Morris Primary and Southgate Primary schools.

Secondary

Attainment for secondary school students improved. There has been a rise in Attainment 8 score (4 out of 5 schools), rise in combined English and Maths at Grade 4 (16%), rise in grade 5 in 2 out of 5 schools. The GLF average is 68%. There has been a rise in those achieving EBacc in 4 out of 5 schools and a rise in Progress 8 for 4 out of 5 schools.

At GCSE level 3 out of 5 secondary schools are above National averages for GCSE 9-4 in English Language, English Literature, Mathematics and English / Maths combined. The same 3 schools have improved upon their 2016-17 outcomes. 2 of the schools (Glyn and Rosebery) are significantly above National Averages (16%+). Good gains have been made for Meridian High over the past year whose performance for 2016-17 was significantly below National Averages but has seen 11% gains in English literature, 5% in Mathematics and 11% in English / Maths combined.

GLF Schools

Trustees' Report (continued)

3 out of 5 schools have made positive gains against progress 8 (Meridian, Glyn and The Beacon) with 2 schools (Glyn and Rosebery) sustaining progress 8 above 0.

Within GLF there was variation within and between schools and within the performance of 'open bucket' subjects. Variation in subjects such as Art, Geography, Media and Technology. Variation with Pupil Premium (boys).

Outcomes for A level results show a rise in attainment for A*-B, progress is very good in 2 of the 3 schools (Alps), individual subject performance is strong. In the 3 GLF A Level settings 2 of our schools are above national average (51%) for A*-B, A*-C and A*-E. Glyn and Rosebery consistently perform 5%+ higher for A*-C compared to National.

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 2018 and the associated expenditure are shown in the Statement of Financial Activities.

Over the course of the year the total funds held by the Academy Trust increased from £120 million to £167 million; £2.6 million of which represented net assets transferred on conversion of academy schools which joined the Trust in the year, £20.1 million of which represented net assets transferred by existing academy schools joining the Trust in the year and £28.4 million of which represented donated assets from Oxfordshire County Council. Excluding fixed asset and pension reserves the revenue funds available decreased from £3.4 million in August 2017 to £2.0 million in August 2018. Of this, £0.9 million was attributable to revenue reserves transferred on conversion and from existing Academies joining the Trust.

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.

GLF Schools

Trustees' Report (continued)

Reserves Policy

The Trust's policy for reserves is that a minimum uncommitted 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 2018 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value of Fixed Assets and Pension Deficit):

	£'000
Unrestricted General Funds	2,026
Restricted Capital Funds	4,528
Restricted General Funds	<u>(59)</u>
Reserves at 31 August 2018	<u>6,495</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:

- Shortfalls in funding which have not been anticipated;
- Impact of the proposed national formula;
- Teacher recruitment crisis, which impacts on outcomes, staff costs and staff retention rates;
- Increasing staffing costs, including salary increases and increased pension contribution rates;
- Falling rolls at member schools;
- Low rolls at new schools due to inaccurate predictions by Local Authorities;
- Changes in government policy regarding Academies;
- Uncertainty regarding financial security of schools joining the MAT;
- Poor condition of parts of our school estates, particularly those buildings inherited for our sponsored schools;
- 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

Our prime focus is to continue to improve outcomes for all the children and young people within our Trust, and to do this we know that we have to seek solutions to ensure that our MAT remains financially sustainable given the funding challenges facing the education sector. Our ambition is to develop a model which allows us to have access to funding which can be invested in those schools requiring additional support but also in projects to develop innovative practice across our schools and beyond.

GLF Schools will continue to seek to widen its role of improving education for young people beyond its immediate vicinity. The Trust's sponsor status and Teaching School will see us continuing to look actively to work in partnership with additional primary and secondary schools to provide outstanding education to as wide a number of students as possible. Through GLF Schools, each academy will be at the forefront of establishing new ways to benefit the wider community and provide direct access to school facilities, curricular materials and the expertise of staff. We will seek to use the expertise of our staff to serve schools that are both in our MAT and those that seek bespoke partnership support. We have added a primary SCITT programme to our existing secondary SCITT this year and continue to expand this offer.

GLF Schools opened its first Free School in September 2018, will be opening another in September 2019 and has two more approved for 2020 onwards. We continue to work with Local Authorities to open new basic need schools as well as expanding established, successful academies within the group where there is a basic need.

Our focus remains on developing our existing clusters of schools, with a focus on those areas where we have a smaller number of schools so that we can build a sufficient base from which to realise the benefits of shared resourcing and collaboration. Therefore our Banbury, Didcot, Wokingham, Croydon and Crawley clusters remain our key areas for expansion.

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; and
- 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 14 December 2018 and signed on the board's behalf by:



Jackie Adams
Trustee

GLF Schools

Governance Statement

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	4	5
Robin Cayley (resigned June 2018)	4	5
Jon Chaloner	4*	5
Colin Charles (appointed January 2018)	2	2
Bruce Ely-Johnston	5	5
Helen Mannion	4	5
Lynne O'Reilly	5	5

*Missed one meeting due to Ofsted meeting

Governance Reviews

The Board undertook a significant review of governance across the Trust during 2016-17 and introduced School Strategy Boards (SSBs) in place of Local Governing Bodies. This structure has evolved during 2017-18 and refined further as we move into 2018-19, to further focus the remit of the SSBs on pupil outcomes and community aspects of the schools.

The Chair of Trustees continues to work with a chair of another MAT board 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.

The effectiveness of governance is reviewed regularly in various forms:

- Ofsted inspections (four of our schools had Ofsted inspections in 2017-18);
- Leadership Reviews undertaken by the Education team which includes governance experts;
- Reviews by the Local Authority (where sponsored schools have joined the MAT and were previously receiving intensive support from the Local Authority);
- Peer reviews within the MAT;
- Scrutiny of minutes

GLF Schools

Governance Statement (continued)

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	3	3
Paul Carpenter	2	3
Jon Chaloner	3	3
Colin Charles (appointed 01/01/18)	2	2
Bruce Ely-Johnston	3	3

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 to:

- 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.

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	1	3
Piers Clarke (SSB member)	2	3
Lynne O'Reilly	3	3

GLF Schools

Governance Statement (continued)

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:

- 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	2	2
Robin Cayley (resigned 24/06/18)	1	2
Helen Mannion	2	2

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
Robin Cayley (resigned 24/06/18)	2	2

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 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, with a specific example of impact being the outcomes for Early Years across the Trust as well as the increase in attainment for all schools in terms of KS2 results. By providing a central Education team, the Trust is able to provide support to academies more economically and efficiently.
 - Use of expertise in one school utilised across a number of schools.
 - Networking and professional development opportunities offered across the group.
 - The introduction of a secondary support team led by its Schools' Performance Director as from September 2017.
- Financial oversight has been strengthened by the appointment of five new Trustees since August 2017 with a range of business and financial expertise.
- Efficient curriculum planning is being addressed via the appointment of a Director of Curriculum and Learning in September 2018.
- The Trust continues to benefit from joint procurement opportunities, an example being the Trust's procurement of cleaning and energy suppliers this year. 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 Resources 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 has considered the need for specific internal audit function and has decided to appoint 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.

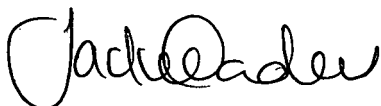
Review of Effectiveness

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 14 December 2018 and signed on its behalf by:



Jackie Adams
Trustee



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 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 2017.

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 2017.

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



Jon Chaloner
Accounting Officer

14 December 2018

Statement of Trustees' Responsibilities

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 2017 to 2018;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 14 December 2018 and signed on its behalf by:



Jackie Adams
Trustee

Opinion on financial statements

We have audited the financial statements of GLF Schools ('the academy trust') for the year ended 31 August 2018 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 2017 to 2018 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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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. 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 23), 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: 20/12/18

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 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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 of 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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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:

20/12/18

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	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	2	-	725	31,309	32,034	11,993
Transfer from existing academy trusts	36	624	(1,400)	20,935	20,159	22,969
Transfer from local authority on conversion	35	119	(390)	2,874	2,603	17,907
Charitable activities						
Funding for the academy trust's educational operations	3	-	58,845	-	58,845	46,829
Teaching school	4,37	-	191	-	191	40
Other income for educational operations	5	4,567	-	-	4,567	4,043
Other trading activities	6	588	-	-	588	476
Investments	7	5	-	-	5	4
Total		5,903	57,971	55,118	118,992	104,261
Expenditure on:						
Raising funds	8	300	-	-	300	290
Charitable activities						
Academy's educational operations	8,9	4,799	64,033	6,092	74,924	57,254
Teaching school	8,37	-	250	-	250	40
Total		5,099	64,283	6,092	75,474	57,584
Net income / (expenditure) before transfers		804	(6,312)	49,026	43,518	46,677
Transfers between funds	21	(1,617)	733	884	-	-
Net income / (expenditure) for the period		(813)	(5,579)	49,910	43,518	46,677
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	21,31	-	3,782	-	3,782	2,757
Net movement in funds		(813)	(1,797)	49,910	47,300	49,434
Reconciliation of Funds						
Funds brought forward at 1 September 2017		2,839	(13,527)	130,282	119,594	70,160
Funds carried forward at 31 August 2018		2,026	(15,324)	180,192	166,894	119,594

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 2017
(including Income and Expenditure Account)


	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2017 £'000
Income and endowments from:					
Donations and capital grants	2	-	576	11,417	11,993
Transfer from existing academy trusts		756	(3,417)	25,630	22,969
Transfer from local authority on conversion		632	(1,875)	19,150	17,907
Charitable activities					
Funding for the academy trust's educational operations	3	-	46,829	-	46,829
Teaching school	4,37	-	40	-	40
Other income for educational operations	5	4,043	-	-	4,043
Other trading activities	6	476	-	-	476
Investments	7	4	-	-	4
Total		5,911	42,153	56,197	104,261
Expenditure on:					
Raising funds	8	290	-	-	290
Charitable activities					
Academy's educational operations	8,9	4,043	48,734	4,477	57,254
Teaching school	8,37	-	40	-	40
Total		4,333	48,774	4,477	57,584
Net income / (expenditure) before transfers		1,578	(6,621)	51,720	46,677
Transfers between funds	21	-	(596)	596	-
Net income / (expenditure) for the period		1,578	(7,217)	52,316	46,677
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes	21,31	-	2,757	-	2,757
Net movement in funds		1,578	(4,460)	52,316	49,434
Reconciliation of Funds					
Funds brought forward at 1 September 2016		1,261	(9,067)	77,966	70,160
Funds carried forward at 31 August 2017		2,839	(13,527)	130,282	119,594

GLF Schools
Consolidated Balance sheet
As at 31 August 2018

Company number:
07551959

	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Tangible assets	14		175,664		127,982
Current assets					
Stock	17	42		43	
Debtors	18	2,794		2,317	
Cash at bank and in hand		9,608		8,930	
		<u>12,444</u>		<u>11,290</u>	
Liabilities					
Creditors: Amounts falling due within one year	19	(5,828)		(5,509)	
Net current assets			<u>6,616</u>		<u>5,781</u>
Total assets less current liabilities			<u>182,280</u>		<u>133,763</u>
Creditors: Amounts falling due after more than one year	20		(121)		(75)
Net assets excluding pension liability			<u>182,159</u>		<u>133,688</u>
Defined benefit pension scheme liability	31		(15,265)		(14,094)
Total net assets			<u>166,894</u>		<u>119,594</u>
Funds of the academy trust:					
Restricted fixed asset funds	21		180,192		130,282
Restricted funds					
Restricted funds excluding pension liability	21	(59)		567	
Pension reserve	21	(15,265)		(14,094)	
			(15,324)		(13,527)
Total restricted funds			<u>164,868</u>		<u>116,755</u>
Unrestricted funds	21		2,026		2,839
Total funds			<u>166,894</u>		<u>119,594</u>

The financial statements on pages 29 to 67 were approved by the trustees and authorised for issue on 14 December 2018 and are signed on their behalf by



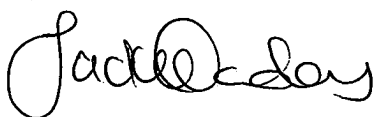
Jackie Adams
Trustee

**GLF Schools
Academy Trust Balance sheet
As at 31 August 2018**

**Company number:
07551959**

	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Tangible assets	14		175,664		127,982
Investments	15		-		-
Current assets					
Stock	17	21		17	
Debtors	18	2,794		2,340	
Cash at bank and in hand		9,569		8,864	
		<u>12,384</u>		<u>11,221</u>	
Liabilities					
Creditors: Amounts falling due within one year	19	(5,768)		(5,440)	
Net current assets			<u>6,616</u>		<u>5,781</u>
Total assets less current liabilities			<u>182,280</u>		<u>133,763</u>
Creditors: Amounts falling due after more than one year	20		(121)		(75)
Net assets excluding pension liability			<u>182,159</u>		<u>133,688</u>
Defined benefit pension scheme liability	31		(15,265)		(14,094)
Total net assets			<u>166,894</u>		<u>119,594</u>
Funds of the academy trust:					
Restricted fixed asset funds	21		180,192		130,282
Restricted funds					
Restricted funds excluding pension liability	21	(59)		567	
Pension reserve	21	(15,265)		(14,094)	
			<u>(15,324)</u>		<u>(13,527)</u>
Total restricted funds			<u>164,868</u>		<u>116,755</u>
Unrestricted funds	21		2,026		2,839
Total funds			<u>166,894</u>		<u>119,594</u>

The financial statements on pages 29 to 67 were approved by the trustees and authorised for issue on 14 December 2018 and are signed on their behalf by



Jackie Adams
Trustee

GLF Schools
Consolidated Statement of Cash Flows
For the year ended 31 August 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	25	(1,516)	2,415
Cash flows from investing activities	27	246	394
Cash flows from financing activities	26	(29)	(2)
Change in cash and cash equivalents in the reporting period		<u>(1,299)</u>	<u>2,807</u>
Reconciliation of net cash flow to movement in net funds			
Cash transferred on conversion to an academy trust		146	707
Cash transferred from existing academy trusts		1,831	1,664
Cash and cash equivalents at 1 September 2017		8,930	3,752
Cash and cash equivalents at 31 August 2018	28	<u><u>9,608</u></u>	<u><u>8,930</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 2017 to 2018 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 2018, GLF Schools had a 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.

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.

1 Statement of Accounting Policies (continued)

Income (continued)

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.

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.

1 Statement of Accounting Policies (continued)

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 42 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.

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.

1 Statement of Accounting Policies (continued)

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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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).

2 Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
DfE/ESFA capital grants				
Devolved formula capital grant	-	261	261	219
Other ESFA capital grants	-	2,520	2,520	1,870
Other Government grants				
Other LA capital grants	-	128	128	203
	<u>-</u>	<u>2,909</u>	<u>2,909</u>	<u>2,292</u>
Donated fixed assets	-	28,400	28,400	9,125
Rent free income	-	250	250	250
Other donations	-	475	475	326
	<u>-</u>	<u>32,034</u>	<u>32,034</u>	<u>11,993</u>

Donated fixed assets in 2017-18 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 2018 £'000	Total 2017 £'000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	49,816	49,816	38,531
Other DfE Group grants	-	4,477	4,477	3,542
National College grants	-	12	12	-
	<u>-</u>	<u>54,305</u>	<u>54,305</u>	<u>42,073</u>
Other Government grants				
Other LA revenue grants	-	4,488	4,488	4,685
Other grants	-	52	52	71
	<u>-</u>	<u>4,540</u>	<u>4,540</u>	<u>4,756</u>
	<u>-</u>	<u>58,845</u>	<u>58,845</u>	<u>46,829</u>

4 Teaching Schools Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
National College grants	-	55	55	40
Fundraising and other trading activities	-	136	136	-
	<u>-</u>	<u>191</u>	<u>191</u>	<u>40</u>

5 Other income for educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Other income	2,136	-	2,136	2,096
Trip and activity income	1,645	-	1,645	1,158
Catering income	430	-	430	409
Income from trading subsidiary	356	-	356	380
	<u>4,567</u>	<u>-</u>	<u>4,567</u>	<u>4,043</u>

6 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities / other lettings	588	-	588	476
	<u>588</u>	<u>-</u>	<u>588</u>	<u>476</u>

7 Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	5	-	5	4
	<u>5</u>	<u>-</u>	<u>5</u>	<u>4</u>

GLF Schools
Notes to the financial statements
For the year ended 31 August 2018

8 Expenditure

	Staff Costs £'000	Non Pay Expenditure Premises Costs £'000	Other Costs £'000	Total 2018 £'000	Total 2017 £'000
Expenditure on raising funds					
Direct costs	-	-	-	-	-
Allocated support costs	-	-	14	14	6
Expenditure of trading subsidiary	91	-	195	286	284
	91	-	209	300	290
Academy's educational operations					
Direct costs (note 9)	42,195	-	7,334	49,529	37,605
Allocated support costs (note 9)	11,262	4,309	9,824	25,395	19,649
	53,457	4,309	17,158	74,924	57,254
Teaching School	172	-	78	250	40
	53,720	4,309	17,445	75,474	57,584

The 2017 allocated support costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

Net income/(expenditure) for the period includes:

	2018 £'000	2017 £'000
Operating lease rentals	283	176
Depreciation	6,092	4,477
Fees payable to auditor for:		
Audit	35	40
Audit-related assurance services	14	-
Other services	19	14

Included within expenditure are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £'000	Individual items above £5,000	
		Amount £	Reason
Unrecoverable debts	1	-	-

9 Charitable activities

	Total 2018 £'000	Total 2017 £'000
Direct costs - educational operations	49,529	37,605
Support costs - educational operations	25,395	19,649
	<u>74,924</u>	<u>57,254</u>

Analysis of support costs

	Educational operations £'000	Total 2018 £'000	Total 2017 £'000
Support staff costs	8,230	8,230	6,404
Depreciation	6,092	6,092	4,477
Technology costs	21	21	969
Premises costs	4,309	4,309	3,266
Other support costs	3,555	3,555	2,894
Governance costs	156	156	84
Other pension costs	2,610	2,610	1,238
Other finance costs (FRS102 pension)	422	422	317
	<u>25,395</u>	<u>25,395</u>	<u>19,649</u>

The 2017 support costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

10 Staff Costs

	2018 £'000	2017 £'000
Staff costs during the period were:		
Wages and salaries	38,654	29,784
Social security costs	3,637	2,786
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	6,395	5,327
FRS102 Other pension and finance costs	3,032	1,555
Apprenticeship levy	175	59
	<u>51,893</u>	<u>39,511</u>
Agency supply teacher costs	1,610	858
Staff restructuring costs	217	136
	<u>53,720</u>	<u>40,505</u>

The 2017 staff costs have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

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

	2018 £'000	2017 £'000
Staff restructuring costs comprise:		
Redundancy payments	183	98
Severance payments	33	37
Other restructuring costs	1	1
	<u>217</u>	<u>136</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £47k (2017: £19k). Individually, the payments were: £29k made on 29 June 2018 and £18k made 31 August 2018.

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

	2018 No.	2017 No.
Teachers	672	576
Administration and support	1,104	1,009
Management	31	36
	<u>1,807</u>	<u>1,621</u>

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

	2018 No.	2017 No.
£60,001 - £70,000	26	18
£70,001 - £80,000	17	4
£80,001 - £90,000	6	3
£90,001 - £100,000	1	-
£100,001 - £110,000	1	2
£110,001 - £120,000	1	-
£170,001 - £180,000	1	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 £759k (2017: £733k).

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:

	2018 £'000	2017 £'000
Aureus School	126	-
The Beacon School	208	146
Chestnut Primary School	76	60
Cordwalles Junior School	70	72
Cuddington Croft Primary School	107	101
Danetree Primary School	173	141
de Stafford School	77	57
Forge Wood Primary School	41	60
Glyn School	326	344
Hammond School	75	81
Hillcroft Primary School	120	111
Lightwater Village School	60	60
Lime Tree Primary School	111	94
Longford Park Primary School	19	-
Lorraine School	47	19
Marden Lodge Primary School	60	66
Meridian High School	159	160
Merstham Primary School	21	-
Pine Ridge Infant and Nursery	41	24
Rosebery School	194	-
Salfords Primary School	113	105
Southgate Primary School	125	-
Springfield Primary School	121	112
Warlingham Village Primary School	61	62
Wheatfield Primary School	50	60
Whyteleafe Primary School	106	100
William Morris Primary School	53	60
Windmill Primary School	59	60
	2,799	2,155

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 and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of chief executive officer and staff members under their contracts of employment.

The Chief Executive Officer's remuneration for the year to 31 August 2018 was £180,000 (2017: £180,000) and pension contributions amounted to £29,664 (2017: £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 2018, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2017: £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.

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

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 2017	36,393	103,752	1,466	2,051	26	143,688
Transfer of existing academy	22,179	-	806	244	33	23,262
Transfer on conversion	-	2,847	-	-	-	2,847
Additions	1,707	28,984	134	243	-	31,068
As at 31 August 2018	60,279	135,583	2,406	2,538	59	200,865
Depreciation						
As at 1 September 2017	6,023	7,631	728	1,313	11	15,706
Transfer of existing academy	3,126	-	73	189	15	3,403
Charged in year	1,785	3,386	434	469	18	6,092
As at 31 August 2018	10,934	11,017	1,235	1,971	44	25,201
Net book values						
As at 31 August 2018	49,345	124,566	1,171	567	15	175,664
As at 1 September 2017	30,370	96,121	738	738	15	127,982

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 2018

During the year, the Trust acquired the freehold of the land and buildings of Rosebery School from Rosebery School.

Transfers on conversion during year ended 31 August 2018

The Academy took out 125 year leases over the land and buildings of Merstham 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 two building projects commissioned and funded by Oxfordshire County Council.

GLF Schools
Notes to the financial statements
For the year ended 31 August 2018

15 Fixed Asset Investments

	Share in group undertakings £'000
Academy Trust	
Cost	
At 1 September 2017 and 31 August 2018	-

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			356
Expenditure			(286)
Donation to GLF Schools under gift aid			(70)
Result for the year			-
Total assets			69
Total liabilities			(69)
Net funds at the end of year			-

17 Stock

Group	2018 £'000	2017 £'000
Clothing	42	43
	<u>42</u>	<u>43</u>
Academy Trust		
	2018 £'000	2017 £'000
Clothing	21	17
	<u>21</u>	<u>17</u>

18 Debtors

Group

	2018 £'000	2017 £'000
Trade debtors	654	785
VAT recoverable	386	465
Prepayments and accrued income	1,561	996
Other debtors	193	71
	<u>2,794</u>	<u>2,317</u>

Academy Trust

	2018 £'000	2017 £'000
Trade debtors	645	774
VAT recoverable	386	465
Prepayments and accrued income	1,570	1,032
Other debtors	193	69
	<u>2,794</u>	<u>2,340</u>

19 Creditors: amounts falling due within one year

Group

	2018 £'000	2017 £'000
Trade creditors	1,276	2,116
Other taxation and social security	947	776
Other creditors	1,047	829
Amounts owed to ESFA	42	14
Loans	29	19
Accruals and deferred income	2,487	1,755
	<u>5,828</u>	<u>5,509</u>

Deferred income

	2018 £'000	2017 £'000
Deferred income at 1 September	832	577
Released from previous years	(832)	(577)
Resources deferred in the period	1,241	832
Deferred income at 31 August	<u>1,241</u>	<u>832</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

	2018 £'000	2017 £'000
Trade creditors	1,276	2,098
Other taxation and social security	947	776
Other creditors	987	788
Amounts owed to ESFA	42	14
Loans	29	19
Accruals and deferred income	2,487	1,745
	<u>5,768</u>	<u>5,440</u>

Deferred income

	2018 £'000	2017 £'000
Deferred income at 1 September	824	577
Released from previous years	(824)	(577)
Resources deferred in the period	1,241	824
Deferred income at 31 August	<u>1,241</u>	<u>824</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 £14k, £66k, and £70k from Salix Finance Ltd. The £14k loan is due to be paid back in 6 years, the £66k loan is due to be paid back in 4 years and the £70k loan is due to be paid back in 7 years. All three loans are interest free.

20 Creditors: amounts falling due in greater than one year

Group

	2018 £'000	2017 £'000
Loans		
Other creditors	121	75
	<u>121</u>	<u>75</u>

Academy Trust

	2018 £'000	2017 £'000
Loans		
Other creditors	121	75
	<u>121</u>	<u>75</u>

Included within loans less than one year are three loans of £14k, £66k, and £70k from Salix Finance Ltd. The £14k loan is due to be paid back in 6 years, the £66k loan is due to be paid back in 4 years and the £70k loan is due to be paid back in 7 years. All three loans are interest free.

21 Funds

Group and Academy Trust

	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>

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 2018.

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 2018. 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 2018 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 2018

21 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	2018 £'000	2017 £'000
Revenue reserves		
Aureus School	(186)	-
The Beacon School	623	686
Chestnut Park Primary School	111	119
Cordwalles Junior School	157	143
Cuddington Croft Primary School	288	461
Danetree Primary School	379	443
de Stafford School	407	386
Forge Wood Primary School	(33)	(11)
Glyn School	154	(136)
Hammond School	(171)	(93)
Hillcroft Primary School	375	199
Lightwater Village School	(79)	(55)
Lime Tree Primary School	316	306
Longford Park Primary School	(10)	-
Lorraine School	(12)	(42)
Marden Lodge Primary School	(157)	(132)
Meridian High School	(425)	486
Merstham Primary School	94	-
Pine Ridge Infant and Nursery	317	272
Rosebery School	556	-
Salfords Primary School	49	5
Southgate Primary School	(85)	72
Springfield Primary School	131	127
Warlingham Village Primary School	125	119
Wheatfield Primary School	226	136
Whyteleafe Primary School	285	235
William Morris Primary School	(187)	(131)
Windmill Primary School	220	211
GLF Schools Central	(1,501)	(400)
Total before fixed assets and pension reserve	1,967	3,406
Capital reserves	4,528	2,300
Fixed asset fund (representing net book value of fixed assets - note 14)	175,664	127,982
Pension reserve	(15,265)	(14,094)
Total funds	166,894	119,594

21 Funds (continued)

Aureus School is carrying a net deficit of £186k on these funds. As a new school, there has been intentional investment in staffing during the year of opening, which will be recouped as pupil numbers increase.

Forge Wood Primary School is carrying a net deficit of £33k on these funds. This reflects costs relating to the newly opened building (in 17/18) and putting non-capital equipment in ahead of the official opening.

Hammond School is carrying a net deficit of £171k on these funds. Ongoing shortage of pupils due to over-supply of school places in the local area has driven an unbalanced financial model which is being addressed through sharing staffing with local schools from the Trust.

Lightwater Village School is carrying a net deficit of £79k on these funds. Impacted in the year by high levels of maternity leave that needed to be covered and high levels of 1:1 provision needed for pupils with SEN. This is being addressed through sharing non-class teaching roles with local schools from the Trust to drive efficiencies.

Longford Park Primary School is carrying a net deficit of £10k on these funds, which is a result of lower than expected pupil numbers in the first year of opening, and lower than expected demand for places in the wider admissions area as a whole.

Lorraine School is carrying a net deficit of £12k on these funds. Works closely with Pine Ridge school in the area which is carrying a high level of reserves.

Marden Lodge Primary School is carrying a net deficit of £157k 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.

Meridian High School is carrying a net deficit of £425k 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.

Southgate Primary School is carrying a net deficit of £85k on these funds. The school joined the Trust in July 2017 as a sponsored school and is Special Measures; low pupil numbers and staff turnover have impacted on the financial position.

William Morris Primary School is carrying a net deficit of £187k 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 (4% of pupils achieving ARE at KS2) 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 £1,501k on these funds. GLF as a MAT continues to grow and as such there is a need to ensure capacity for growth ahead of new schools joining. With continued growth in the pipeline for future years, we have built a structure that will be able to deliver strong support for member schools and based on a prudent view based on known future growth we expect to pay back the deficit over the next two academic years.

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 2018 £'000	Total 2017 £'000
Aureus School	679	267	132	317	1,395	-
The Beacon School	4,015	1,460	691	738	6,904	6,850
Chestnut Park Primary School	924	170	114	233	1,441	993
Cordwalles Junior School	797	123	98	92	1,110	1,048
Cuddington Croft Primary School	1,171	157	169	220	1,717	1,730
Danetree Primary School	1,949	264	327	360	2,900	2,646
de Stafford School	2,578	619	298	435	3,930	3,071
Forge Wood Primary School	328	47	285	323	983	530
Glyn School	6,064	688	1,186	883	8,821	8,916
Hammond School	806	71	105	163	1,145	1,330
Hillcroft Primary School	1,387	184	122	240	1,933	1,928
Lightwater Village School	450	119	47	124	740	783
Lime Tree Primary School	1,194	152	180	208	1,734	1,516
Longford Park Primary School	218	53	79	59	409	-
Lorraine School	133	15	43	66	257	324
Marden Lodge Primary School	947	147	95	227	1,416	1,408
Meridian High School	2,992	820	414	592	4,818	4,259
Merstham Primary School	236	45	30	18	329	-
Pine Ridge Infant and Nursery	748	195	40	102	1,085	435
Rosebery School	5,071	704	884	666	7,325	-
Salfords Primary School	1,146	135	120	190	1,591	1,734
Southgate Primary School	1,304	149	129	239	1,821	269
Springfield Primary School	1,432	107	199	221	1,959	1,924
Warlingham Village Primary School	606	126	89	108	929	883
Wheatfield Primary School	102	5	53	109	269	539
Whyteleafe Primary School	1,043	144	121	280	1,588	1,642
William Morris Primary School	555	106	95	108	864	913
Windmill Primary School	738	129	72	111	1,050	611
GLF Schools Central	2,707	1,076	1,195	623	5,601	4,986
	42,320	8,277	7,412	8,055	66,064	51,268
				Depreciation	6,092	4,477
				Other finance costs and pension costs	3,032	1,555
				The Beacon School Enterprises Ltd	286	284
				Note 8	75,474	57,584

GLF Schools
Notes to the financial statements
For the year ended 31 August 2018

21 Funds (continued)

Comparative Funds

Group and Academy Trust

	Balance at 1 Sept 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfer £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	39,309	(38,146)	(596)	567
Conversion grants	-	491	(491)	-	-
Other DfE/ESFA grants	102	3,051	(3,153)	-	-
LA revenue grants	57	4,685	(4,742)	-	-
Other government grants	-	71	(71)	-	-
Voluntary income	-	250	(250)	-	-
Other restricted funds	-	326	(326)	-	-
Teaching School	-	40	(40)	-	-
Pension reserve (note 31)	(9,226)	(6,070)	(1,555)	2,757	(14,094)
	<u>(9,067)</u>	<u>42,153</u>	<u>(48,774)</u>	<u>2,161</u>	<u>(13,527)</u>
Restricted fixed asset funds					
Devolved Formula Capital	122	219	-	(139)	202
Other ESFA capital funding	917	1,870	-	(970)	1,817
LA capital grants	48	203	-	(64)	187
Capital funds on transfer of existing academies	-	130	-	(113)	17
Capital funds transferred on conversion	22	75	-	(20)	77
Donated fixed assets	-	9,125	-	(9,125)	-
Fixed asset fund (note 14)	76,857	44,575	(4,477)	11,027	127,982
	<u>77,966</u>	<u>56,197</u>	<u>(4,477)</u>	<u>596</u>	<u>130,282</u>
Total restricted funds	<u>68,899</u>	<u>98,350</u>	<u>(53,251)</u>	<u>2,757</u>	<u>116,755</u>
Unrestricted funds					
Unrestricted funds	1,261	5,531	(4,049)	96	2,839
Trading Subsidiary	-	380	(284)	(96)	-
Total unrestricted funds	<u>1,261</u>	<u>5,911</u>	<u>(4,333)</u>	<u>-</u>	<u>2,839</u>
Total funds	<u>70,160</u>	<u>104,261</u>	<u>(57,584)</u>	<u>2,757</u>	<u>119,594</u>

The Comparative Funds Pension Reserve figures have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

21 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

Group and Academy Trust

	Balance at 1 Sept 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfer £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	89,256	(89,393)	137	-
Conversion grants	-	491	(491)	-	-
Other DfE/ESFA grants	102	7,540	(7,642)	-	-
LA revenue grants	57	9,173	(9,230)	-	-
Other government grants	-	123	(123)	-	-
Voluntary income	-	500	(500)	-	-
Other restricted funds	-	801	(801)	-	-
Teaching School	-	231	(290)	-	(59)
Pension reserve (note 31)	(9,226)	(7,991)	(4,587)	6,539	(15,265)
	<u>(9,067)</u>	<u>100,124</u>	<u>(113,057)</u>	<u>6,676</u>	<u>(15,324)</u>
Restricted fixed asset funds					
Devolved Formula Capital	122	480	-	(316)	286
Other ESFA capital funding	917	4,390	-	(1,969)	3,338
LA capital grants	48	331	-	(64)	315
Capital funds on transfer of existing academies	-	1,206	-	(1,189)	17
Capital funds transferred on conversion	22	102	-	(60)	64
Donated fixed assets	-	37,525	-	(37,525)	-
Other capital funds	-	-	-	508	508
Fixed asset fund (note 14)	76,857	67,281	(10,569)	42,095	175,664
	<u>77,966</u>	<u>111,315</u>	<u>(10,569)</u>	<u>1,480</u>	<u>180,192</u>
Total restricted funds	<u>68,899</u>	<u>211,439</u>	<u>(123,626)</u>	<u>8,156</u>	<u>164,868</u>
Unrestricted funds					
Unrestricted funds	1,261	11,078	(8,862)	(1,451)	2,026
Trading Subsidiary	-	736	(570)	(166)	-
Total unrestricted funds	<u>1,261</u>	<u>11,814</u>	<u>(9,432)</u>	<u>(1,617)</u>	<u>2,026</u>
Total funds	<u>70,160</u>	<u>223,253</u>	<u>(133,058)</u>	<u>6,539</u>	<u>166,894</u>

22 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

22 Analysis of net assets between funds - Group (continued)

Comparative analysis of net assets between funds - Group

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	127,982	127,982
Current assets	2,839	6,151	2,300	11,290
Current liabilities	-	(5,509)	-	(5,509)
Non-current liabilities	-	(75)	-	(75)
Total net assets excluding Pension Scheme liability	2,839	567	130,282	133,688
Pension Scheme liability	-	(14,094)	-	(14,094)
Total net assets	2,839	(13,527)	130,282	119,594

23 Capital commitments

	2018 £'000	2017 £'000
Contracted for, but not provided in the financial statements	890	-

24 Commitments under operating leases

Operating leases

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

	2018 £'000	2017 £'000
Amounts due within one year	334	177
Amounts due between one and five years	362	205
Amounts due after five years	-	-
	696	382

GLF Schools
Notes to the financial statements
For the year ended 31 August 2018

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

	2018 £'000	2017 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	43,518	46,677
Adjusted for:		
Cash transferred from existing academies	(1,831)	(1,664)
Cash transferred on conversion	(146)	(707)
Depreciation (note 14)	6,092	4,477
Capital income re fixed assets transferred from existing academy trusts	(19,859)	(25,500)
Capital income re fixed assets transferred on conversion	(2,847)	(19,075)
Capital grants from DfE and other capital income	(31,309)	(11,417)
Interest receivable (note 7)	(5)	(4)
Defined benefit pension scheme obligation inherited from existing academies	1,531	4,195
Defined benefit pension scheme obligation inherited on conversion	390	1,875
Defined benefit pension scheme cost less contributions payable (note 31)	2,610	1,238
Defined benefit pension scheme finance cost (note 31)	422	317
(Increase)/decrease in stocks	1	(43)
(Increase)/decrease in debtors	(477)	(871)
Increase/(decrease) in creditors	394	2,917
Net cash (used in)/provided by operating activities	(1,516)	2,415

26 Cash flows from financing activities

	2018 £'000	2017 £'000
Repayments of borrowing	(29)	(2)
Net cash used in financing activities	(29)	(2)

27 Cash flows from investing activities

	2018 £'000	2017 £'000
Dividends, interest and rents from investments	5	4
Purchase of tangible fixed assets	(2,668)	(1,902)
Capital grants from DfE Group	2,781	2,089
Capital grants received from Local Authorities	128	203
Net cash provided by investing activities	246	394

28 Analysis of cash and cash equivalents

	At 1 September 2017 £'000	Transferred from existing academies £'000	Transferred on conversion £'000	Cash flows £'000	At 31 August 2018 £'000
Cash at bank and in hand	8,930	1,831	146	(1,299)	9,608
	8,930	1,831	146	(1,299)	9,608

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 Primary School, Pine Ridge Infant and Nursery School and Lorriane Schools, Rosebery, Salfords Primary, Springfield Primary, Warlingham Village Primary and Whyteleafe Primary), Croydon Council (Chestnut Park Primary and Meridian High), Oxfordshire County Council (Aureus, Longford Park 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 2012 and of the LGPS 31 March 2016.

Contributions amounting to £776k were payable to the schemes at 31 August 2018 (2017: £656k) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme governed by the Teachers' Pension Regulations (2010) and the Teachers' Pension Scheme Regulations 2014. 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 - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

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.

31 Pension and similar obligations (continued)

Local Government Pension Scheme

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

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

The pension costs paid to TPS in the period amounted to £4,153k (2017: £3,214k).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on the reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed schedule include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to the State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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.

31 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £2,939k (2017: £2,619k), of which employer's contributions totalled £2,242k (2017: £2,113k) and employees' contributions totalled £697k (2017: £506k). The next full triennial valuation will be carried out as at 31 March 2019 with new contribution rates set from 1 April 2020.

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 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
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
Marden Lodge Primary School	5.5 - 12.5	19.1
Meridian High School	5.5 - 12.5	18.5
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 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 2018		At 31 August 2017	
	Top of Range	Bottom of Range	Top of Range	Bottom of Range
Rate of increase in salaries	3.80%	2.70%	4.20%	2.70%
Rate of increase for pensions in payment / inflation	2.40%	2.30%	2.70%	2.40%
Discount rate for scheme liabilities	2.80%	2.70%	2.60%	2.50%
Inflation assumption (CPI)	2.40%	2.30%	2.70%	2.70%
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 2018		At 31 August 2017	
	Top of Range	Bottom of Range	Top of Range	Bottom of Range
<i>Retiring today</i>				
Males	23.6	22.3	23.6	22.3
Females	25.5	24.4	25.5	24.4
<i>Retiring in 20 years</i>				
Males	26.0	24.0	26.0	24.0
Females	27.9	26.2	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 2018 £'000	Fair value at 31 August 2017 £'000
Equities	17,863	13,270
Gilts	4,406	2,940
Other bonds	27	38
Property	1,925	1,376
Cash	943	705
LLPs	-	14
Target Return Portfolio	7	6
Commodities	3	2
Infrastructure	12	8
Longevity Insurance	(6)	(5)
Diversified growth fund	-	21
Total market value of assets	25,180	18,375
Present value of scheme liabilities		
- Funded	(40,445)	(32,469)
Surplus/(deficit) in the scheme	(15,265)	(14,094)

The actual return on scheme assets was £1,245k (2017: £2,243k).

Amounts recognised in the statement of financial activities

	2018 £'000	2017 £'000
Current service cost (net of employee contributions)	4,852	3,358
Net interest cost	422	317
Total operating charge	5,274	3,675

31 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2018 £'000	2017 £'000
At 1 September	32,469	18,132
Upon conversion	913	3,808
Transferred in on existing academies joining the trust	4,040	7,940
Current service cost	4,852	3,358
Interest cost	969	619
Employee contributions	697	504
Actuarial (gain)/loss	(3,059)	(1,641)
Estimated benefits paid net of transfers in	(436)	(251)
At 31 August	40,445	32,469

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

	2018 £'000	2017 £'000
At 1 September	18,375	8,906
Upon conversion	523	1,933
Transferred in on existing academies joining the trust	2,509	3,745
Interest income	547	302
Return on plan assets (excluding net interest on the net defined pension liability)	723	1,023
Actuarial gain/(loss)	-	93
Employer contributions	2,242	2,120
Employee contributions	697	504
Estimated benefits paid plus unfunded net of transfers in	(436)	(251)
At 31 August	25,180	18,375

Reconciliation of opening and closing deficit				
	2018		2017	
	£'000	£'000	£'000	£'000
Pension deficit at 1 September		(14,094)		(9,226)
Current service cost	(4,852)		(3,358)	
Employer contributions	2,242		2,120	
Additional pension cost		(2,610)		(1,238)
Other finance costs		(422)		(317)
Deficits transferred from existing academy trusts		(1,531)		(4,195)
Deficits transferred on conversion of new schools		(390)		(1,875)
Actuarial gains/(losses)		3,782		2,757
Pension deficit at 31 August		(15,265)		(14,094)

The 2017 pension figures have been amended for a reallocation of expenditure related to the Local Government Pension Scheme. This reallocation is between Other Finance Costs and Actuarial (Loss)/Gain.

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 and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Mrs S Evans (spouse of Richard Evans, Trustee/Director) is employed by the Trust as Executive Head teacher of Lightwater Village Primary School and Hammond School. Mrs Evans' remuneration during the year was £75k (2017: £73k) and employer pension contributions amounted to £12k (2017: £12k).

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 £29k (2017: £24k) and employer pension contributions amounted to £5k (2017: £4k). 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 £100k (2017: £33k) for office space. At 31 August 2018, £Nil was due to Dairy Crest (2017: £Nil).

Richard Evans (Director of Education) fulfils the role of CEO and Accounting Officer for the Oaks Academy Trust, via a Service Level Agreement. During the period GLF Schools charged Oaks Academy Trust £122k (2017: £Nil) for services including the services provided by Richard Evans as CEO of Oaks Academy Trust. At 31 August 2018, £122k was due from Oaks Academy Trust (2017: £Nil).

33 Events after the balance sheet date

Subsequent to the year end three schools have been added to the academy trust. Merstham Park School is a new secondary and Aureus Primary School is a new primary school, both opened in September 2018. The Hardwick Primary School will be converting to academy status and joining GLF Schools on 1 February 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 2018 the trust received £66k (2017: £35k) and disbursed £39k (2017: £22k) from the fund. An amount of £41k (2017: £14k) (including brought forward from prior years) is included in creditors relating to undistributed funds that are repayable to ESFA at the 31 August 2018.

35 Additions to the Academy Trust

On 1 May 2018 Merstham 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 Surrey 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
Merstham Primary School				
Tangible fixed assets:				
Leasehold buildings	-	-	2,847	2,847
Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	119	-	27	146
Budget surplus on other school funds	-	-	-	-
	<u>119</u>	<u>-</u>	<u>2,874</u>	<u>2,993</u>
LGPS pension deficit	-	(390)	-	(390)
Net assets	<u>119</u>	<u>(390)</u>	<u>2,874</u>	<u>2,603</u>

The above net assets include £146k that was transferred as cash at bank.

36 Transfers of Existing Academy Schools to the Academy Trust

Rosebery School

On 1 September 2017, Rosebery 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, Rosebery School was a single academy trust.

	Value reported by transferring trust £'000	Transfer in recognised £'000
Tangible fixed assets		
Freehold Land and Buildings	19,053	19,053
Furniture and equipment	733	733
Computer Equipment	55	55
Motor Vehicles	18	18
Other assets		
Debtors due in less than one year	953	953
Cash in bank and in hand	1,904	1,904
Liabilities		
Creditors due in less than one year	(1,026)	(1,026)
Pensions		
Pensions - pension scheme liabilities	(1,531)	(1,531)
Net assets/(liabilities)	20,159	20,159

Recognition in the SOFA:

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset funds £'000	Total £'000
Transfer from Existing Academy Trusts	624	(1,400)	20,935	20,159
	624	(1,400)	20,935	20,159

GLF Schools
Notes to the financial statements
For the year ended 31 August 2018

37 Teaching School Trading Account

	2018	2017
	£'000	£'000
Income		
Direct Income		
National College Grants	55	40
Other Income		
Fundraising and other trading activities	136	-
Total Income	191	40
Expenditure		
Direct costs		
Direct costs		
Direct staff costs	125	36
Staff development	56	-
Other direct costs	4	-
Total direct costs	185	36
Other costs		
Support staff costs	47	-
Other support costs	16	4
Share of governance costs	2	-
Total indirect costs	65	4
Total Expenditure	250	40
Transfers between funds excluding depreciation		
Surplus/(Deficit) from all sources	(59)	-
Teaching school balances at 1 September 2017	-	-
Teaching school balances at 31 August 2018	(59)	-