

GLF Schools

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2017

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

Period of account: 1 September 2016 - 31 August 2017

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GLF Schools

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Members

Denis Ward
David Moss
Matt Taylor
Paul Carpenter (resigned 31.08.17)
Jackie Adams
Robin Cayley (resigned 31.08.17)
Mark Allen (appointed 07.08.17)

Trustees

Jackie Adams (Chairperson) ^{2 3}
Jon Chaloner (CEO) (in attendance at Audit &
Risk and Resources Committees)
Richard Evans (resigned 31.08.17) ²
Paul Carpenter ^{1 3}
Caroline Corker (resigned 30.08.17) ²
Bruce Ely-Johnston ¹
Mark Allen (resigned 03.05.17) ¹
Robin Cayley ^{2 3}
Adam Braithwaite (appointed 31.08.17) ¹
Martin Burke (appointed 31.08.17) ³
Helen Mannion (appointed 31.08.17) ²
Lynne O'Reilly (appointed 31.08.17) ³

¹ members of the Audit & Risk committee

² members of the Standards committee

³ members of the Resources committee

Company Secretary

Sarah Lynagh

Reference and Administrative Details (continued)

Senior Leadership Team

- | | |
|----------------------------|--------------------|
| • Chief Executive Officer | Jon Chaloner |
| • Director of Education | Richard Evans |
| • Chief Operating Officer | Roger Lowe |
| • HR Director | Maria-Cicero Scott |
| • IT Director | Luke Nicolaou |
| • Business Support Manager | Sarah Lynagh |

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
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Bankers

Lloyds Banking Plc
402/404 Ewell Road
Tolworth
Surrey
KT6 7HG

HSBC Bank Plc
Croydon Central Branch
9 Wellesley Road
Croydon
Surrey
CR9 2AA

Solicitors

Winkworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 24 academy schools for children aged 2 to 19 across Surrey, Berkshire, Croydon, West Sussex and Oxfordshire. Its schools have a combined pupil capacity of 10,019 and had a roll of 8,893 in the school census on 19 January 2017.

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 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 four categories of trustee: non-executive trustees, the CEO, executive trustees and parent trustees.

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

It is the policy of the board of trustees that one of the trustees will be a governor from a secondary school local governing body, and one will be a governor from a primary school governing body. 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 local governing bodies (LGBs).

It is the policy of the board of trustees that the Head of Education will be an Executive trustee.

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

It should be noted that the Trust has reviewed its Articles of Association and revised articles were adopted on 1 September 2017. From 1 September there will be no Executive trustees other than the CEO.

Policies and Procedures Adopted for the Induction and Training of Trustees

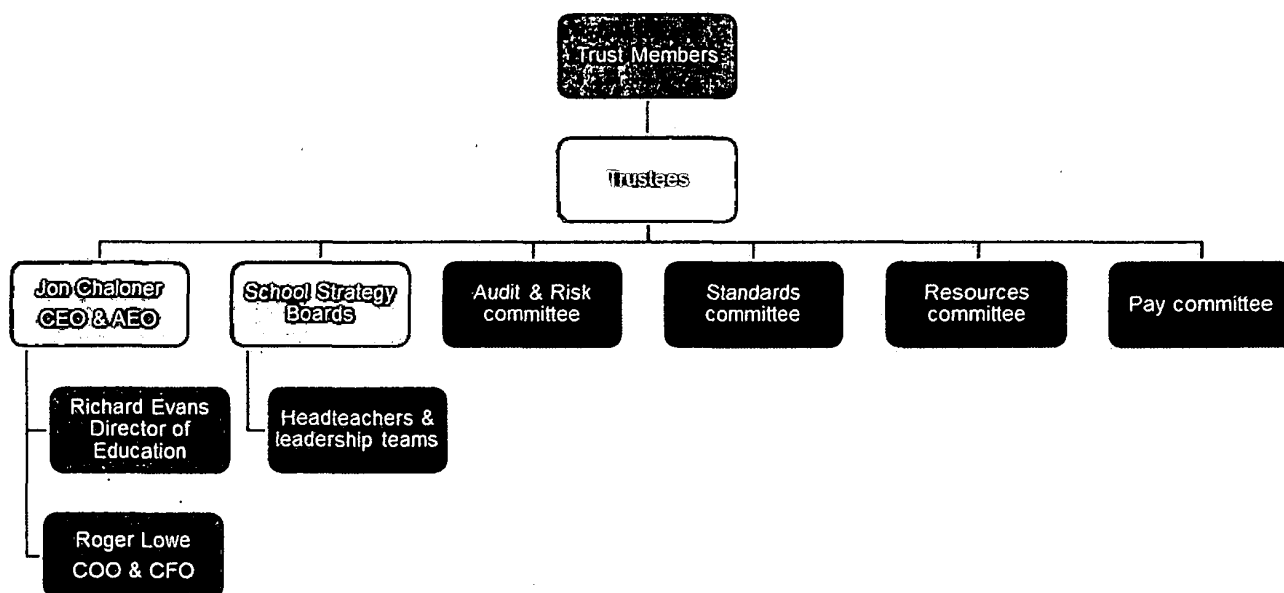
An induction programme is in place for new Trustees, which includes the provision of key documentation and the opportunity to engage with members of the Executive team. A key expectation covered as part of the induction process is the 'Seven Principles of Public Life'.

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

During 2016-17 the Trust has reviewed its governance structure and has introduced School Strategy Boards, which will retain community and parent representation but will also include members of the GLF central team, to support collaborative, informed and timely decision making. The revised structure is shown below:



A revised 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. They set an annual budget which is submitted to the Resources Committee for approval.

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.

Arrangements for setting pay and remuneration of key management personnel

There is no pay and remuneration in place for trustees, other than the opportunity to claim expenses (as set out in the Trust's 'Trustees and Governors Allowances Policy') and none were claimed during 2016-17.

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.

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. During 2016-17 GLF Schools has also worked with The Crescent School Academy Trust, supporting the preparation and interview process for its free school application.

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 2017 was £118,992 (2016:£74,717) (shown in creditors on the Balance Sheet).

GLF Schools and The Beacon School Enterprises Limited are related parties as the company is wholly owned by GLF Schools, having been formally owned by The Beacon School which joined GLF Schools on 1 September 2016. Consolidated accounts have been produced and the results for The Beacon School Enterprises Limited are consolidated on a line by line basis. All of the company's profits are donated to The Beacon School, included as income in the Trust's accounts.

Objectives and Activities

Objects and Aims

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

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

GLF Schools' vision is displayed in every GLF School:

'Learning and Teaching' is the core purpose at GLF Schools. We are committed to raising the aspirations and achievement of our children and young people through:

- *Outstanding leadership at all levels*
- *Inspiring learning and support for all delivered by dynamic and passionate professionals*
- *Instilling a sense of challenge, enjoyment and passion for learning*
- *A curriculum, unique to each school, which suits the needs of its children in their local community*
- *All children will be supported and encouraged to lead healthy and active lives; making sensible choices whilst respecting the views and attitudes of others*

Objectives, Strategies and Activities

GLF Schools' overarching strategic priority continues to be 'excellent outcomes for all children and young people within our schools' which is defined in the Trust's strategic plan as:

- All schools above National Averages for all measures. All schools making positive progress for their children and students. No school below floor, coasting, below Fischer Family Trust (FFT) band or dipping in outcomes over 3 years.
- Students and children have a very broad education. 18 by 18 is part of school culture. Attitudes to learning, communication and social skills are very good. Students and children readily go onto further education/ employment.

This is supported by the following five strategic objectives:

- **Highly effective clusters**
 - New cluster structures for school to school support that ensures cross-school CPD, curriculum design and breadth, moderation and transition
 - Cross-school provision through shared specialist staff, shared operating structures (finance, premises, HR, procurement, marketing, IT and income generation)
 - Cross-school accountability and ownership for good outcomes for all staff and pupils

OUTCOME: Shared responsibility for each cluster's outcomes

- Highly effective governance and compliance
 - Defined outline of delegated responsibilities from The Board to its committees, groups and bodies
 - Evolve governance structures throughout GLF to ensure effective and streamlined accountability, challenge, support, compliance, local intelligence and improving outcomes
 - New communication protocols fully in place

OUTCOME: School Performance is fully understood with ambition, equity and compliance. Governance is focused fully on continuous improvement

- Financial strategy and provision
 - Centralisation of finance to ensure quality and effective budgeting and accounting across the Trust as a whole
 - Procurement is embedded throughout Trust leading to savings
 - Income generation is central to all schools' work enabling new money to be generated
 - Investment in estates via School Condition Allocation funding

OUTCOME: Budgeting and expenditure is stable and all schools are able to deliver required provision and additional development whilst maintaining a surplus.

- Developing staff expertise
 - Train and develop our own teachers (through Initial Teacher Training, School Centred Initial Teacher Training - SCITT - and & Schools Direct) to meet ongoing and future demands, recruitment strategy and head-hunting
 - Talent pool (including leadership development), wellbeing, retention and reward systems fully embedded across all GLF Schools
 - Career paths (flight path) explicit within GLF linked to appraisal, secondments and talent spotting
 - Create own supply agency and reserve pool

OUTCOME: Quality staff delivering the needs of all schools

- Sustainable growth plan
 - A clear structure to the successful operation of the Trust with schools working collaboratively within and between Hubs and Clusters through shared systems, Regional Directors and a clear and planned timeline for expansion. Each cluster comprises a sufficient number of schools to operate at the highest level of efficiency.
 - Teaching School and other system leaders central to the education provision within the Trust

OUTCOME: Quality of provision is maintained and improved as the Trust grows. Increasing number of schools become self-sustaining and able to share their effectiveness.

GLF Schools

Trustees' Report (continued)

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 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 2016-17 the Trust has consulted with all staff in respect of the pay policy; with central staff with regard to relocation of Head Office; 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

Growth of GLF Schools

GLF Schools has continued to grow steadily, increasing from 17 to 24 schools over 2016-17, with a 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).

Forge Wood Primary School in Crawley was successfully opened in September 2016 in temporary accommodation. Forge Wood was delivered via the Local Authority Academy Presumption route and becomes the first of the Trust's schools in West Sussex, and the root for the development of a West Sussex cluster for the Trust.

During 2016-17 the number of secondary schools within the Trust has increased from 1 to 4, with The Beacon joining on 1st September, Meridian High in 1st October and de Stafford on 1st December. All three schools were either academies already or converter academies. With further secondary schools due to join in 2017, 2018 and 2020 this has been a significant strategic achievement for the Trust.

In February 2017, Lorraine and Pine Ridge infant schools in Camberley, both converter academies, joined. These are feeder schools to Cordwalles Junior School, already a GLF school.

Southgate Primary School, in Crawley, joined GLF Schools in July 2017 as a sponsored academy.

GLF Schools had three Free Schools approved in Wave 12 in April 2017, all in West Sussex: Kilnwood Vale Primary, Wickhurst Green Primary and Forge Wood High School (provisional name only).

Danetree Junior School expanded to become a 4fe primary school, with nursery provision, from September 2016.

Excellent Outcomes

Five schools have been inspected by Ofsted during 2016-17:

Wheatfield Primary School in Wokingham is a brand new 1 form entry school which opened in September 2014. The school was delivered by Wokingham Borough Council and was due to be sponsored by another Academy Trust to open in September 2013, but GLF Schools were asked to sponsor the school in July 2013. The Ofsted inspection in May 2017 judged the school as 'good', with 'outstanding' early years provision.

Springfield Primary School and Cordwalles Junior School joined GLF Schools in December 2013 as sponsored schools; both schools were judged by Ofsted to be 'good' in November 2016 and January 2017 respectively. Inspectors identified 'outstanding' leadership and management and personal development, behaviour and welfare at Springfield.

The Beacon School and Hillcroft Primary School were also inspected in March and April 2017 and continue to be graded as 'good' after one-day Section 8 short inspections.

In terms of school performance, GLF Schools can evidence improvement in Early Years outcomes in all its schools for the past three years, with data for 2016-17 being above national average for every school other than one sponsored school. Performance in Phonics testing is also a strength of the Trust, with all schools performing above national average.

Of the Trust's 17 EYFS settings 15 were above National averages for the 2016-17 outcomes with 7 significantly (10%+) above national averages. 11 schools improved performance against their 2015- 16 outcomes.

Of the Trust's 15 KS1 settings 11 schools performed above National averages in Reading and 12 in writing and maths. 12 out of 15 year 1 settings met or exceeded year 1 phonics screening.

KS2 showed an improvement (compared to 2015- 16 outcomes) with combined score in all schools. Of the 12 KS2 settings 6 exceeded National averages in Reading and Writing and 7 in 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 between KS1 and KS2

Attainment for secondary school students at Glyn School improved in 2017 at 'A' Level, with outcomes being significantly above the national average. The results from the new secondary schools, which joined throughout the year, are encouraging as the Trust embarks upon the first full academic year with these secondary schools.

Detailed performance data is shown under Key Performance Indicators below.

Recruitment and retention of high quality leaders / Collaborative working

Successful professional development programmes, network groups, training sessions and forums have been run during 2016-17 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 2016-17. Six headteachers have been successfully recruited, and five of these were candidates internal to GLF Schools which demonstrates the Trust's commitment to growing leaders from within.

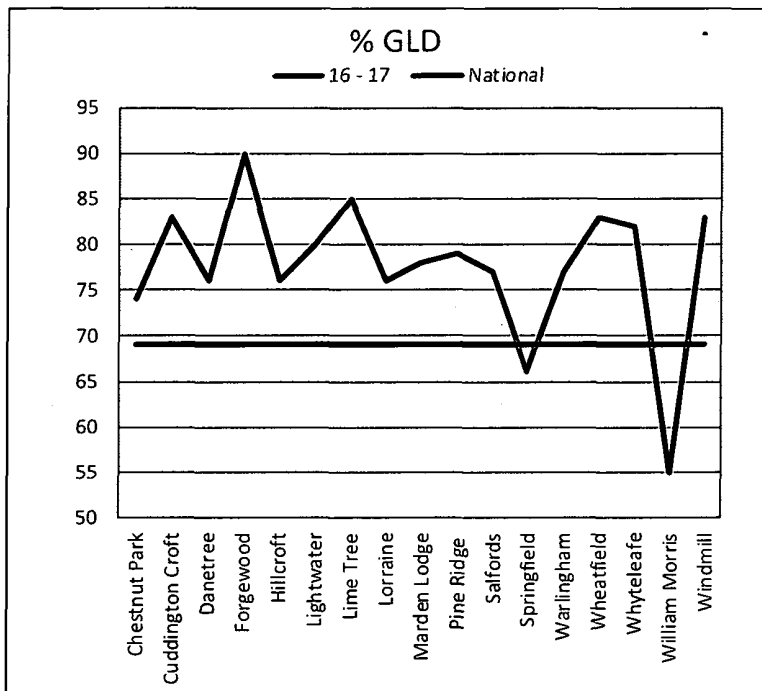
Trust wide events

The Trust is proud of several events which took place in 2016-17: Science Fair, Joint HUB. Inset day between schools, Phiz Lab openings in three schools and inter school sports competitions

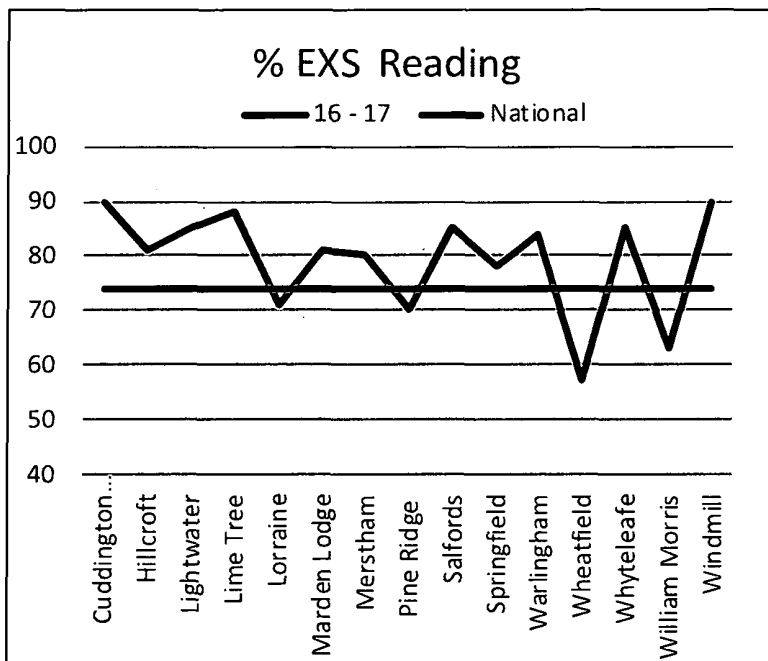
GLF Schools
Trustees' Report (continued)

Key Performance Indicators

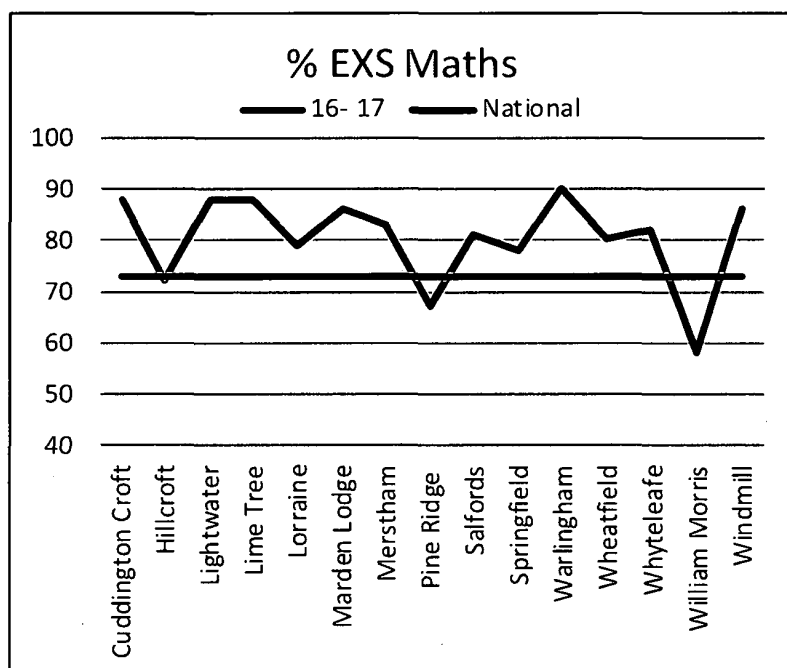
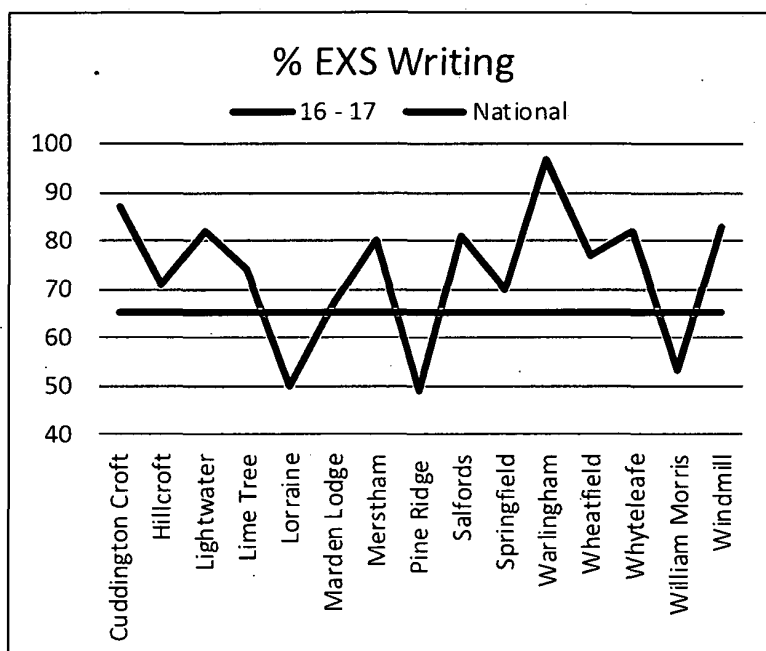
Data is provided on the following pages for all schools which were part of GLF Schools on 1 September 2017:

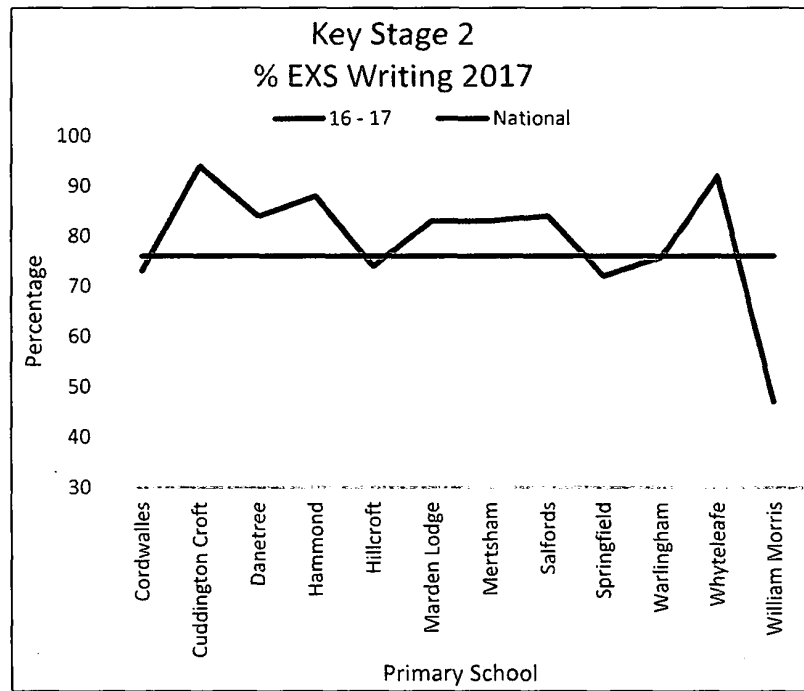
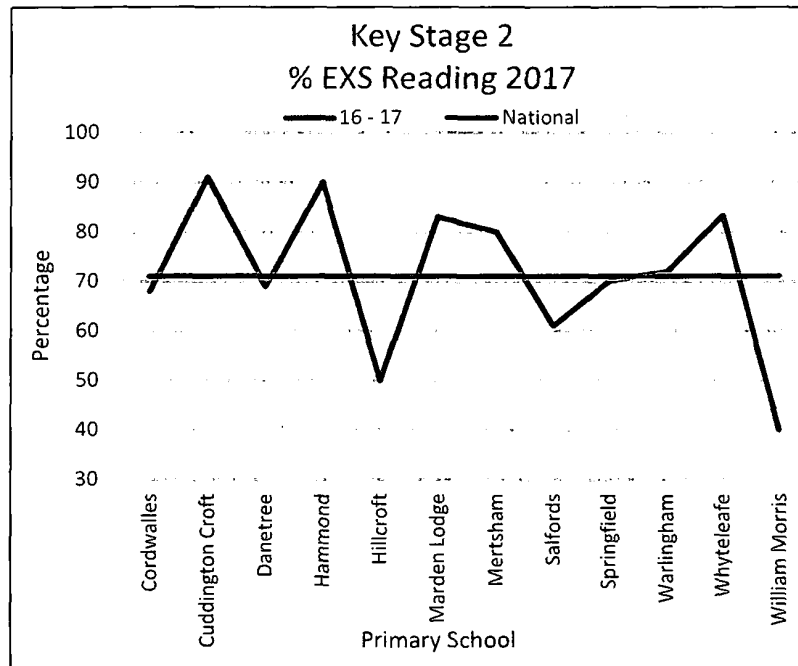


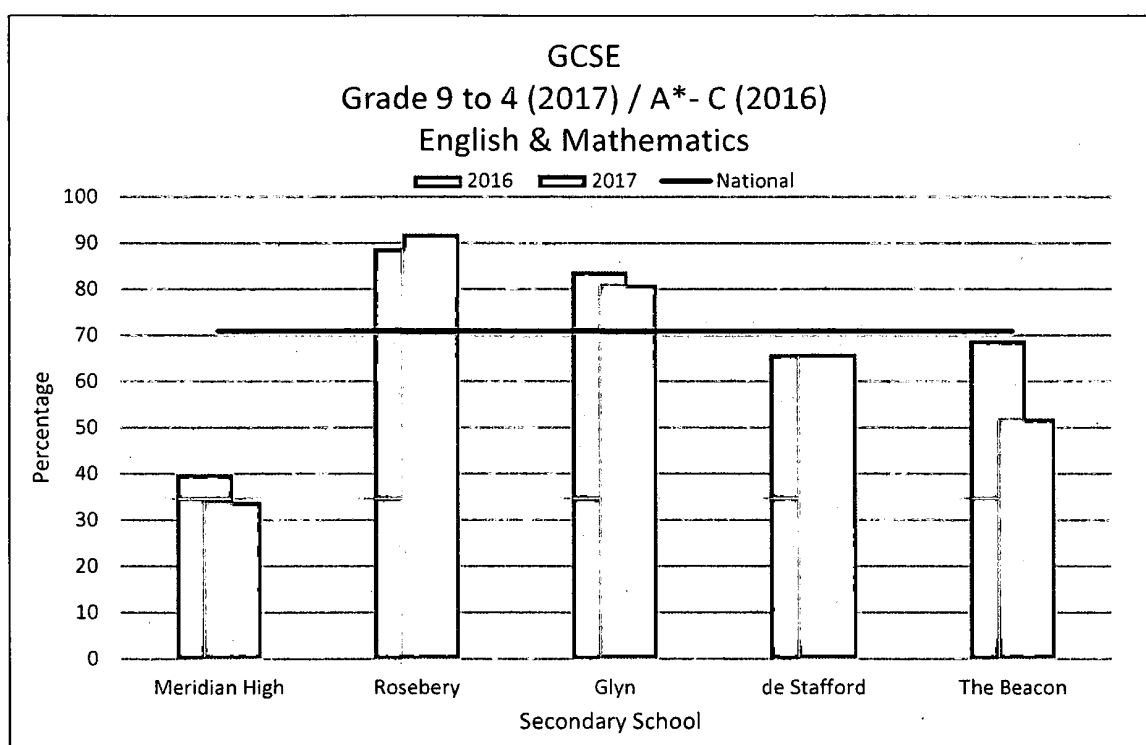
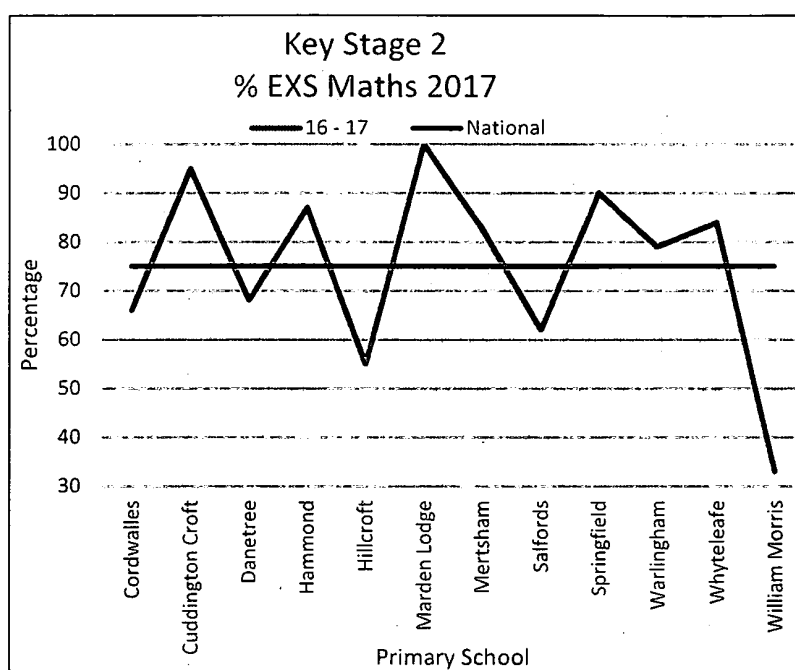
GLD: Good Level of Development

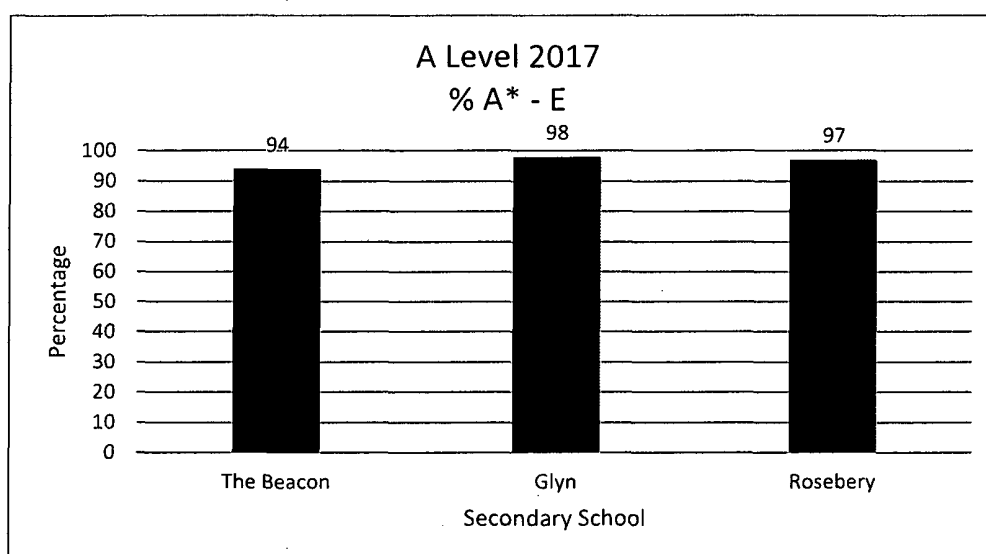


EXS: Expected standard









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 2017 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 £70.2 million to £119.6 million, £40.9 million of which represented net assets transferred on conversion of academy schools which joined the Trust in the year or existing academy schools joining the Trust. Excluding fixed asset and pension reserves the revenue funds available increased from £1.4 million in August 2016 to £3.4 million in August 2017. Of this, £1.4m 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 inflation and competition in the market for high quality teachers. The Trustees have ensured robust systems of challenge and support for the schools throughout the annual finance cycle to underpin the long term financial security of GLF. The main ongoing challenge across the organisation and the sector as a whole is ensuring the provision of an increasingly inclusive education offering, using a finite and reducing set of resources, coupled with the impact of an increasing administrative burden for the central team.

GLF Schools

Trustees' Report (continued)

Reserves Policy

The Trust's policy for reserves is that a minimum un-committed reserve of no less than 3% of EFA 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 2017 the Academy held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£'000
Unrestricted General Funds	2,839
Restricted Capital Funds	2,300
Restricted General Funds	<u>567</u>
Reserves at 31 August 2017	<u>5,706</u>

The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer or employee 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 plc. 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 increased pension contribution rates;
- Falling rolls at member schools;
- 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.

GLF Schools

Trustees' Report (continued)

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.

Plans for Future Periods

The Trust's overarching strategic objective remains 'Excellent Outcomes' as set out previously within this report, and the focus remains on school performance, underpinned by effective IT provision.

The five strategic objectives which support the overarching aim continue to drive the Trust's areas of work, with focus in the short term being:

1. Highly Effective Clusters
 - To improve localised collaboration for schools
 - To ensure consistency of provision
2. Highly effective governance and compliance
 - Implementation of new governance structures and processes
 - Reputation, culture and engagement
3. Financial strategy and provision
 - Collaborate with schools to achieve a balanced budget
 - Effective estates management
4. Developing staff expertise
 - Ensuring effective professional development
 - Developing talent
5. Sustainable growth plan
 - Enabling effective growth
 - Developing the centre

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.

GLF Schools will be opening its first Free School in September 2018, has three more approved for 2019 onwards and continues to work with Local Authorities to open new basic need schools as well as expanding established, successful academies within the group.

Rosebery School, an outstanding secondary school in Epsom, joined the Trust on 1st September 2017, bringing significant secondary expertise to the Trust. Building on the success of the secondary SCITT programme, the Trust will introduce a primary SCITT programme from September 2018.

GLF Schools
Trustees' Report (continued)

Funds Held as Custodian Trustee on Behalf of Others

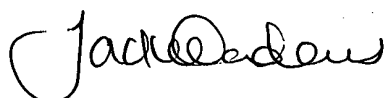
The trust holds no Assets and Funds as Custodian Trustee on behalf of others.

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 2017 and signed on the board's behalf by:



Jackie Adams
Trustee

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
Robin Cayley	5	5
Paul Carpenter	4	5
Caroline Corker (resigned 30 August 2017)	3	5
Bruce Ely Johnston	5	5
Jon Chaloner	5	5
Richard Evans	5	5
Mark Allen (resigned 3 May 2017)	2	3
Adam Braithwaite (appointed 31 August 2017)	0	0
Martin Burke (appointed 31 August 2017)	0	0
Helen Mannion (appointed 31 August 2017)	0	0
Lynne O'Reilly (appointed 31 August 2017)	0	0

Governance Reviews

The Board undertook a significant review of governance across the Trust during 2016-17 this was shared with the Regional Schools Commissioner. The Trust has introduced School Strategy Boards in place of Local Governing Bodies and has rewritten its Scheme of Delegated Authority. School Strategy Boards will retain community and parent representation but will also include members of the GLF central team, to support collaborative, informed and timely decision making.

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.

Governance Statement (continued)

The effectiveness of governance is reviewed regularly in various forms:

- Ofsted inspections (five of our schools had Ofsted inspections in 2016-17);
- 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.

This year the Trust also underwent a MAT Growth Readiness Audit initiated by the DfE and undertaken by another MAT; the feedback from this resonated with the strategic objectives already set by the Trust at the start of the year.

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;
- 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
Paul Carpenter	3	3
Mark Allen (resigned 3 May 2017)	1	2
Bruce Ely-Johnston	3	3
Jon Chaloner (in attendance)	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.

Governance Statement (continued)

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Paul Carpenter	3	3
Robin Cayley	2	3
Jackie Adams	2	3
Jon Chaloner (in attendance)	3	3

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:

1. 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
2. Understand the 3 year historical data story for each school including trends, attainment, progress and outcomes for groups (PP, SEND, More able)
3. Review data outcomes including Ofsted reports and RAISE. Understand barriers to learning within schools and across the MAT
4. Review targets set for schools and the expected outcomes depending upon stage of development
5. Review performance through the schools dashboard to monitor schools performance and how on track they are to meet / exceed targets
6. Monitor the interventions within schools to improve outcomes. Review impact and effectiveness.
7. Monitor the Education Strategic Plan and links to the individual schools Development Plans
8. Agree future priorities and projects to work upon across the MAT

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jackie Adams	3	3
Caroline Corker	1	3
Robin Cayley	3	3
Richard Evans	3	3

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.
 - Networking and professional development opportunities offered across the group.
 - The planning of the establishment of a secondary support team led by its Schools' Performance Director as from September 2017.
 - Two sponsored primary schools
- Financial oversight has been strengthened by the appointment of a new Chief Operating Officer and the implementation of a centralised finance function which provides a much more robust challenge of spending and other decisions
- The Trust continues to benefit from joint procurement opportunities, an example being the Trust's decision this year to purchase a Trust wide HR and payroll system. The Trust ensures that the goods and services procured are in accordance with the Trust's financial regulations.
- The relocation of the GLF Schools Central Team from space within Glyn School to commercial offices in Esher was completed following a thorough benchmarking exercise by the Executive Team and the Board of Trustees.

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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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.

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.

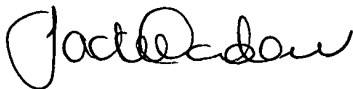
Review of Effectiveness

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 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 2017 and signed on its behalf by:



Jackie Adams
Trustee



Jon Chaloner
Accounting Officer

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

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 2016.

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 2017

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

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

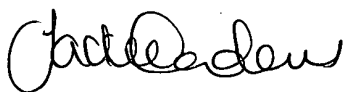
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; 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 2017 and signed on its behalf by:



Jackie Adams
Trustee

GLF Schools

Independent Auditor's Report to the members of GLF Schools

We have audited the financial statements of GLF Schools ('the charitable company') for the year ended 31 August 2017 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 2016 to 2017 issued by the ESFA.

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

Opinion on financial statements

In our opinion the financial statements:

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

Basis for opinion

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

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 charitable company'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.

GLF Schools

Independent Auditor's Report to the members of GLF Schools (continued)

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

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 26), 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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.

Andrew Rodzynski (Senior statutory auditor)
For and on behalf of Critchleys Audit LLP
Statutory Auditor
Oxford
Date: 20/12/17



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 2016 to 2017, 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 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Board of Trustees 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.

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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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.

GLF Schools

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

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.

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Critchleys Audit LLP
Reporting Accountant
Oxford

Date: 20/12/17

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	Total 2016 £'000
Income and endowments from:						
Donations and capital grants	2	-	576	11,417	11,993	10,100
Transfer from existing academy trusts	3,39	756	(3,417)	25,630	22,969	-
Transfer from local authority on conversion	4,38	632	(1,875)	19,150	17,907	9,138
Charitable activities						
Funding for the academy trust's educational operations	5	-	46,829	-	46,829	27,826
Other income for educational operations	6	4,043	-	-	4,043	2,190
Teaching schools	5	-	40	-	40	50
Other trading activities	7	476	-	-	476	251
Investments	8	4	-	-	4	5
Total		5,911	42,153	56,197	104,261	49,560
Expenditure on:						
Raising funds	9	290	-	-	290	25
Charitable activities						
Academy's educational operations	9,10	4,043	47,711	4,477	56,231	33,337
Teaching schools			40	-	40	50
Total		4,333	47,751	4,477	56,561	33,412
Net income / (expenditure) before transfers		1,578	(5,598)	51,720	47,700	16,148
Transfers between funds	22	-	(596)	596	-	-
Net income / (expenditure) for the period		1,578	(6,194)	52,316	47,700	16,148
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	22,34	-	1,734	-	1,734	(2,907)
Net movement in funds		1,578	(4,460)	52,316	49,434	13,241
Reconciliation of Funds						
Funds brought forward at 1 September 2016		1,261	(9,067)	77,966	70,160	56,919
Funds carried forward at 31 August 2017		2,839	(13,527)	130,282	119,594	70,160

All of the academy trust's activities derive from continuing operations and acquisitions in the current accounting periods (see notes 38 and 39).

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 Balance sheet
As at 31 August 2017

Company number:
07551959

	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	15		127,982		76,857
Current assets					
Stock	18	43		-	
Debtors	19	2,317		1,446	
Cash at bank and in hand		<u>8,930</u>		<u>3,752</u>	
		11,290		5,198	
Liabilities					
Creditors: Amounts falling due within one year	20	<u>(5,509)</u>		<u>(2,657)</u>	
Net current assets			<u>5,781</u>		<u>2,541</u>
Total assets less current liabilities			133,763		79,398
Creditors: Amounts falling due after more than one year	21		(75)		(12)
Net assets excluding pension liability			<u>133,688</u>		<u>79,386</u>
Defined benefit pension scheme liability	34		<u>(14,094)</u>		<u>(9,226)</u>
Total net assets			<u>119,594</u>		<u>70,160</u>
Funds of the academy trust:					
Restricted fixed asset funds	22		130,282		77,966
Restricted funds					
Restricted funds excluding pension liability	22	567		159	
Pension reserve	22	<u>(14,094)</u>		<u>(9,226)</u>	
			(13,527)		(9,067)
Total restricted funds			<u>116,755</u>		<u>68,899</u>
Unrestricted funds	22		2,839		1,261
Total funds			<u>119,594</u>		<u>70,160</u>

The financial statements on pages 31 to 63 were approved by the trustees and authorised for issue on 14 December 2017 and are signed on their behalf by



Jackie Adams
Trustee

GLF Schools
Academy Trust Balance sheet
As at 31 August 2017

Company number:
07551959

	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	15		127,982		76,857
Investments	16		-		-
Current assets					
Stock	18	17		-	
Debtors	19	2,340		1,446	
Cash at bank and in hand		8,864		3,752	
		<u>11,221</u>		<u>5,198</u>	
Liabilities					
Creditors: Amounts falling due within one year	20	<u>(5,440)</u>		<u>(2,657)</u>	
Net current assets			<u>5,781</u>		<u>2,541</u>
Total assets less current liabilities			<u>133,763</u>		<u>79,398</u>
Creditors: Amounts falling due after more than one year	21		(75)		(12)
Net assets excluding pension liability			<u>133,688</u>		<u>79,386</u>
Defined benefit pension scheme liability	34		<u>(14,094)</u>		<u>(9,226)</u>
Total net assets			<u>119,594</u>		<u>70,160</u>
Funds of the academy trust:					
Restricted fixed asset funds	22		130,282		77,966
Restricted funds					
Restricted funds excluding pension liability	22	567		159	
Pension reserve	22	<u>(14,094)</u>		<u>(9,226)</u>	
			<u>(13,527)</u>		<u>(9,067)</u>
Total restricted funds			<u>116,755</u>		<u>68,899</u>
Unrestricted funds	22		2,839		1,261
Total funds			<u>119,594</u>		<u>70,160</u>

The financial statements on pages 31 to 63 were approved by the trustees and authorised for issue on 14 December 2017 and are signed on their behalf by



Jackie Adams
Trustee

GLF Schools
Consolidated Statement of Cash Flows
For the year ended 31 August 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	28	2,411	(1,591)
Cash flows from investing activities	30	394	282
Cash flows from financing activities	29	2	2
Change in cash and cash equivalents in the reporting period		<u>2,807</u>	<u>(1,307)</u>
Reconciliation of net cash flow to movement in net funds			
Cash transferred on conversion to an academy trust		707	135
Cash transferred from existing academy trusts		1,664	-
Cash and cash equivalents at 1 September 2016		3,752	4,924
Cash and cash equivalents at 31 August 2017	31	<u><u>8,930</u></u>	<u><u>3,752</u></u>

All of the cash flows are derived from continuing operations and acquisitions in the current accounting period (see notes 38 and 39).

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 UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 2017, GLF Schools had a surplus of £40,522k.

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 15). Further details of the transaction are set out in note 38.

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 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 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 trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

Transfer of existing academies into the trust

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

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. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

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 15 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, 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.

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 the 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.

1 Statement of Accounting Policies (continued)

Leased Assets

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

Investments

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

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 19. 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 20 and 21. 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 34, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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.

1 Statement of Accounting Policies (continued)

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 37.

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 34, 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 2017. 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 34).

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2 Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
DfE/ESFA capital grants				
Devolved formula capital grant	-	219	219	140
Other ESFA capital grants	-	1,870	1,870	1,146
Other Government grants				
Other LA capital grants	-	203	203	124
	<u>-</u>	<u>2,292</u>	<u>2,292</u>	<u>1,410</u>
Donated fixed assets	-	9,125	9,125	8,416
Donations - capital	-	-	-	10
Rent free income	-	250	250	-
Other donations	-	326	326	264
	<u>-</u>	<u>11,993</u>	<u>11,993</u>	<u>10,100</u>

Donated fixed assets in 2016 represent a building project commissioned and funded by Surrey County Council together with the associated leasehold land.

The income from donations and capital grants was £11,993k (2016: £10,100k) of which £Nil was unrestricted (2016: £10k), £576k restricted (2016: £264k) and £11,417k restricted fixed assets (2016: £9,826k).

3 Transfer from Existing Academy Trusts

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Transfer from Existing Academy Trusts	756	22,213	22,969	-
	<u>756</u>	<u>22,213</u>	<u>22,969</u>	<u>-</u>

The transfers from existing academy trusts was £22,969k (2016: £Nil) of which £756k was unrestricted (2016: £Nil), £-3,417k restricted (2016: £Nil) and £25,630k restricted fixed assets (2016: £Nil).

4 Transfer from Local Authority on Conversion

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Transfer from Local Authority on Conversion	632	17,275	17,907	9,138
	<u>632</u>	<u>17,275</u>	<u>17,907</u>	<u>9,138</u>

The transfer from local authority on conversion was £17,907k (2016: £9,138k) of which £632k was unrestricted (2016: £131k), £-1,875k restricted (2016: £-1,042k) and £19,150k restricted fixed assets (2016: £10,049k).

5 Funding for Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	38,531	38,531	23,163
Start up grants	-	-	-	-
Other DfE/ESFA grants	-	3,542	3,542	2,278
National College grants	-	40	40	50
	<u>-</u>	<u>42,113</u>	<u>42,113</u>	<u>25,491</u>
Other Government grants				
Other LA revenue grants	-	4,685	4,685	2,385
Other grants	-	71	71	-
	<u>-</u>	<u>4,756</u>	<u>4,756</u>	<u>2,385</u>
	<u>-</u>	<u>46,869</u>	<u>46,869</u>	<u>27,876</u>

The funding for the academy's educational operations was £46,869k (2016: £27,876k) of which £Nil was unrestricted (2016: £Nil), £46,829k restricted (2016: £27,826k) and £Nil restricted fixed assets (2016: £Nil).

6 Other income for educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Other income	2,096	-	2,096	1,215
Trip and activity income	1,158	-	1,158	809
Catering income	409	-	409	166
Income from trading subsidiary	380	-	380	-
	<u>4,043</u>	<u>-</u>	<u>4,043</u>	<u>2,190</u>

The other income for educational operations was £4,043k (2016: £2,190k) of which £4,043k was unrestricted (2016: £2,190k), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

7 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities / other lettings	476	-	476	251
	<u>476</u>	<u>-</u>	<u>476</u>	<u>251</u>

The other trading activities income was £476k (2016: £251k) of which £476k was unrestricted (2016: £251k), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

8 Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	4	-	4	5
	<u>4</u>	<u>-</u>	<u>4</u>	<u>5</u>

The investment income was £4k (2016: £5k) of which £4k was unrestricted (2016: £5k), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

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9 Expenditure

	Staff Costs £'000	Non Pay Premises Costs £'000	Expenditure Other Costs £'000	Total 2017 £'000	Total 2016 £'000
Expenditure on raising funds					
Cost of goods sold	-	-	6	6	25
Expenditure of trading subsidiary	197	-	87	284	-
	197	-	93	290	25
Academy's educational operations					
Direct costs (note 10)	32,313	-	5,292	37,605	24,308
Allocated support costs (note 10)	6,936	3,266	8,424	18,626	9,029
	39,249	3,266	13,716	56,231	33,337
Teaching School	36	-	4	40	50
	39,482	3,266	13,813	56,561	33,412

The expenditure on raising funds was £290k (2016: £25k) of which £290k was unrestricted (2016: £25k), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

The expenditure on academy's educational operations was £56,231k (2016: £33,337k) of which £4,043k was unrestricted (2016: £2,240k), £47,711k restricted (2016: £28,674k) and £4,477k restricted fixed assets (2016: £2,423k).

Net income/(expenditure) for the period includes:

	2017 £'000	2016 £'000
Operating lease rentals	176	79
Depreciation	4,477	2,423
Fees payable to auditor for:		
Audit	40	24
Audit-related assurance services	-	1
Taxation services	-	1
Other services	14	17

10 Charitable activities

	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	37,605	24,327
Support costs - educational operations	18,626	9,060
	56,231	33,387

Analysis of support costs

	Educational operations £'000	Total 2017 £'000	Total 2016 £'000
Support staff costs	6,404	6,404	3,234
Depreciation	4,477	4,477	2,423
Technology costs	969	969	115
Premises costs	3,266	3,266	1,784
Other support costs	2,924	2,924	1,776
Governance costs	54	54	73
Other pension costs	1,238	1,238	248
Other finance costs (FRS102 pension)	(706)	(706)	(624)
	18,626	18,626	9,029

11 Staff Costs

	2017 £'000	2016 £'000
Staff costs during the period were:		
Wages and salaries	29,843	18,472
Social security costs	2,786	1,462
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	5,327	3,264
FRS102 Other pension and finance costs	532	(376)
Apprenticeship levy	-	-
	<u>38,488</u>	<u>22,822</u>
Agency supply teacher costs	858	763
Staff restructuring costs	136	260
	<u>39,482</u>	<u>23,845</u>

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

	2017 £'000	2016 £'000
Staff restructuring costs comprise:		
Redundancy payments	98	183
Severance payments	37	77
Other restructuring costs	1	-
	<u>136</u>	<u>260</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £19k (2016: £77k). Individually, the payments were: £1k, £7k, £3k, £3k, £5k (2016: £3k, £10k, £3k, £10k, £3k, £9k, £10k, £4k, £25k).

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

	2017 No.	2016 No.
Teachers	576	347
Administration and support	1,009	681
Management	36	24
	<u>1,621</u>	<u>1,052</u>

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

	2017 No.	2016 No.
£60,001 - £70,000	18	12
£70,001 - £80,000	4	3
£80,001 - £90,000	3	-
£90,001 - £100,000	-	1
£100,001 - £110,000	2	1
£160,001 - £170,000	-	1
£170,001 - £180,000	1	-

The key management personnel of the academy trust comprise the Trustees and Senior Leadership Team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £733k (2016: £344k Trustees, Chief Executive Officer and Head of Education only).

12 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:

	2017 £'000	2016 £'000
The Beacon School	146	-
Chestnut Primary School	60	64
Cordwalles Junior School	72	59
Cuddington Croft Primary School	101	77
Danetree Primary School	141	102
de Stafford School	57	-
Forge Wood Primary School	60	-
Glyn School	344	352
Hammond School	81	49
Hillcroft Primary School	111	93
Lightwater Village School	60	29
Lime Tree Primary School	94	67
Lorraine School	19	-
Marden Lodge Primary School	66	47
Meridian High School	160	-
Pine Ridge Infant and Nursery	24	-
Salfords Primary School	105	81
Southgate Primary School	-	-
Springfield Primary School	112	76
Warlingham Village Primary School	62	41
Wheatfield Primary School	60	26
Whyteleafe Primary School	100	83
William Morris Primary School	60	-
Windmill Primary School	60	37
	<u>2,155</u>	<u>1,283</u>

13 Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an 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 2017 was £180,000 (2016: £169,435) and pension contributions amounted to £29,664 (2016: £27,830). Richard Evans (Staff Trustee) remuneration for the year to 31 August 2017 was £108,662 (2016: £97,645) and pension contributions amounted to £17,907 (2016: £16,092).

During the period ended 31 August 2017, no expenses were reimbursed to trustees for travel and subsistence expenditure incurred in their roles as trustees (2016: £Nil).

Other related party transactions involving the trustees are set out in note 35.

14 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.

15 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 2016	20,493	61,214	903	1,394	-	84,004
Transfer of existing academy	15,285	13,879	251	152	15	29,582
Transfer on conversion	-	19,021	43	-	11	19,075
Additions	615	9,638	269	505	-	11,027
Disposals	-	-	-	-	-	-
As at 31 August 2017	36,393	103,752	1,466	2,051	26	143,688
Depreciation						
As at 1 September 2016	2,793	3,139	390	825	-	7,147
Transfer of existing academy	2,165	1,691	106	113	7	4,082
Charged in year	1,065	2,801	232	375	4	4,477
As at 31 August 2017	6,023	7,631	728	1,313	11	15,706
Net book values						
As at 31 August 2017	30,370	96,121	738	738	15	127,982
As at 1 September 2016	17,700	58,075	513	569	-	76,857

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 2017

During the year, the Trust acquired the freehold of the land and buildings of The Beacon School from The Beacon School. The Trust also acquired the lease over the land and buildings of Meridian High School from Impact Multi Academy Trust.

Transfers on conversion during year ended 31 August 2017

The Academy took out 125 year leases over the land and buildings of de Stafford School, Lorraine School, Pine Ridge Infant School and Southgate Primary School. Leasehold property has been valued by the Local Authority and has been adjusted for depreciation based on the estimated useful economic life from construction.

Additions to land and buildings

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

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16 Fixed Asset Investments

	Share in group undertakings £'000
Academy Trust	
Cost	
At 1 September 2016 and 31 August 2017	-

17 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			380
Expenditure			(284)
Donation to GLF Schools under gift aid			(96)
Result for the year			-
Total assets			105
Total liabilities			(105)
Net funds at the end of year			-

18 Stock

Group	2017 £'000	2016 £'000
Clothing	43	-
	43	-
Academy Trust		
	2017 £'000	2016 £'000
Clothing	17	-
	17	-

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19 Debtors

Group

	2017 £'000	2016 £'000
Trade debtors	785	415
VAT recoverable	465	181
Prepayments and accrued income	996	844
Other debtors	71	6
	<u>2,317</u>	<u>1,446</u>

Academy Trust

	2017 £'000	2016 £'000
Trade debtors	774	415
VAT recoverable	465	181
Prepayments and accrued income	1,032	844
Other debtors	69	6
	<u>2,340</u>	<u>1,446</u>

20 Creditors: amounts falling due within one year

Group

	2017 £'000	2016 £'000
Trade creditors	2,116	606
Other taxation and social security	776	440
Other creditors	848	488
Amounts owed to ESFA	14	-
Accruals and deferred income	1,755	1,123
	<u>5,509</u>	<u>2,657</u>

Deferred income

	2017 £'000	2016 £'000
Deferred income at 1 September	577	345
Released from previous years	(577)	(345)
Resources deferred in the period	832	577
Deferred income at 31 August	<u>832</u>	<u>577</u>

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

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

Academy Trust

	2017 £'000	2016 £'000
Trade creditors	2,098	606
Other taxation and social security	776	440
Other creditors	807	488
Amounts owed to ESFA	14	-
Accruals and deferred income	1,745	1,123
	<u>5,440</u>	<u>2,657</u>

Deferred income

	2017 £'000	2016 £'000
Deferred income at 1 September	577	345
Released from previous years	(577)	(345)
Resources deferred in the period	824	577
Deferred income at 31 August	<u>824</u>	<u>577</u>

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

Included within other creditors are two loans of £12k and £82k from Salix Finance Ltd. The £12k loan is due to be paid back in 6 years and the £82k loan is due to be paid back in 5 years. Both loans are interest free.

21 Creditors: amounts falling due in greater than one year

Group

	2017 £'000	2016 £'000
Other creditors	75	12
	<u>75</u>	<u>12</u>

Academy Trust

	2017 £'000	2016 £'000
Other creditors	75	12
	<u>75</u>	<u>12</u>

Included within other creditors are two loans of £12k and £82k from Salix Finance Ltd. The £12k loan is due to be paid back in 6 years and the £82k loan is due to be paid back in 5 years. Both loans are interest free.

GLF Schools
Notes to the financial statements
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22 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 34)	(9,226)	(6,070)	(532)	1,734	(14,094)
	(9,067)	42,153	(47,751)	1,138	(13,527)
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 15)	76,857	44,575	(4,477)	11,027	127,982
	77,966	56,197	(4,477)	596	130,282
Total restricted funds	68,899	98,350	(52,228)	1,734	116,755
Unrestricted funds					
Unrestricted funds	1,261	5,531	(4,049)	96	2,839
Trading subsidiary	-	380	(284)	(96)	-
Total unrestricted funds	1,261	5,911	(4,333)	-	2,839
Total funds	70,160	104,261	(56,561)	1,734	119,594

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 2017.

GLF Schools
Notes to the financial statements
For the year ended 31 August 2017

22 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	2017 £'000	2016 £'000
Revenue reserves		
The Beacon School	686	-
Chestnut Park Primary School	119	31
Cordwalles Junior School	143	154
Cuddington Croft Primary School	461	351
Danetree Primary School	443	503
de Stafford School	386	-
Forge Wood Primary School	(11)	-
Glyn School	(136)	(137)
Hammond School	(93)	17
Hillcroft Primary School	199	75
Lightwater Village School	(55)	30
Lime Tree Primary School	306	261
Lorraine School	(42)	-
Marden Lodge Primary School	(132)	(43)
Meridian High School	486	-
Pine Ridge Infant and Nursery	272	-
Salfords Primary School	5	37
Southgate Primary School	72	-
Springfield Primary School	127	213
Warlingham Village Primary School	119	108
Wheatfield Primary School	136	79
Whyteleafe Primary School	235	195
William Morris Primary School	(131)	(43)
Windmill Primary School	211	131
GLF Schools Central	(400)	(542)
Total before fixed assets and pension reserve	3,406	1,420
Capital reserves	2,300	1,109
Fixed asset fund (representing net book value of fixed assets - note 15)	127,982	76,857
Pension reserve	(14,094)	(9,226)
Total funds	119,594	70,160

Forge Wood Primary School is carrying a net deficit of £11k 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.

Glyn School is carrying a net deficit of £136k on these funds. The reserves carry forward relates to a staffing restructure in 15/16 which is expected to fully payback the deficit in mid 17/18.

Hammond School is carrying a net deficit of £93k 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 £55k 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.

Lorraine School is carrying a net deficit of £42k 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 £132k on these funds. Following a recent Good Ofsted rating the reputation of the school has improved and the vacant places which drove the financial shortfall are filling up.

William Morris Primary School is carrying a net deficit of £131k on these funds. As a sponsored school there is still a lot to do at William Morris and over the past 2 years there has been a level of support needed that was greater than the incoming resources relating to the low student numbers. The school continues to improve and we are sharing non-class teacher resources with another local Trust school to make the financial model more efficient.

GLF Central is carrying a net deficit of £400k on these funds. GLF as a MAT continues to grow and as such we are required to show our 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.

22 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 2017 £'000	Total 2016 £'000
The Beacon School	3,971	1,589	535	755	6,850	-
Chestnut Park Primary School	609	61	130	193	993	502
Cordwalles Junior School	670	151	107	120	1,048	1,047
Cuddington Croft Primary School	1,156	145	202	227	1,730	1,598
Danetree Primary School	1,837	225	260	324	2,646	2,067
de Stafford School	2,003	485	179	404	3,071	-
Forge Wood Primary School	178	28	36	288	530	-
Glyn School	6,109	687	1,283	837	8,916	9,283
Hammond School	885	116	108	221	1,330	1,011
Hillcroft Primary School	1,349	204	147	228	1,928	2,181
Lightwater Village School	487	130	44	122	783	644
Lime Tree Primary School	1,053	101	156	206	1,516	1,359
Lorraine School	230	55	11	28	324	-
Marden Lodge Primary School	993	131	77	207	1,408	1,491
Meridian High School	2,838	652	363	406	4,259	-
Pine Ridge Infant and Nursery	313	49	11	62	435	-
Salfords Primary School	1,299	174	76	185	1,734	1,632
Southgate Primary School	224	19	6	20	269	-
Springfield Primary School	1,375	145	181	223	1,924	1,691
Warlingham Village Primary School	603	114	58	108	883	840
Wheatfield Primary School	286	58	61	134	539	438
Whyteleafe Primary School	1,100	158	101	283	1,642	1,648
William Morris Primary School	634	111	78	90	913	553
Windmill Primary School	362	69	76	104	611	542
GLF Schools Central	1,785	747	1,005	1,449	4,986	2,838
	32,349	6,404	5,291	7,224	51,268	31,365
				Depreciation	4,477	2,423
				Other finance costs and pension costs	532	(376)
				The Beacon School Enterprises Ltd	284	-
				Note 9	56,561	33,412

23 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)
Pension Scheme liability	-	(14,094)	-	(14,094)
Total net assets	2,839	(13,527)	130,282	119,594

GLF Schools
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For the year ended 31 August 2017

24 Comparative Funds

	Balance at 1 Sept 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfer £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant (GAG)	495	23,163	(23,894)	236	-
Conversion grants	93	70	(163)	-	-
Other DfE/ESFA grants	-	2,208	(2,106)	-	102
LA revenue grants	268	2,385	(2,596)	-	57
Other government grants	-	-	-	-	-
Voluntary income	77	264	(341)	-	-
Other restricted funds	-	-	-	-	-
Pension reserve (note 34)	(5,653)	(1,042)	376	(2,907)	(9,226)
	<u>(4,720)</u>	<u>27,048</u>	<u>(28,724)</u>	<u>(2,671)</u>	<u>(9,067)</u>
Restricted fixed asset funds					
Devolved Formula Capital	89	140	-	(107)	122
Other ESFA capital funding	237	1,146	-	(466)	917
LA capital grants	-	124	-	(76)	48
Capital funds transferred on conversion	19	4	-	(1)	22
Other capital grants	-	-	-	-	-
Capital donations	-	-	-	-	-
Donated fixed assets	-	8,416	-	(8,416)	-
Fixed asset fund (note 15)	59,686	10,045	(2,423)	9,549	76,857
	<u>60,031</u>	<u>19,875</u>	<u>(2,423)</u>	<u>483</u>	<u>77,966</u>
Total restricted funds	<u>55,311</u>	<u>46,923</u>	<u>(31,147)</u>	<u>(2,188)</u>	<u>68,899</u>
Unrestricted funds					
Unrestricted funds	1,608	2,637	(2,265)	(719)	1,261
Total unrestricted funds	<u>1,608</u>	<u>2,637</u>	<u>(2,265)</u>	<u>(719)</u>	<u>1,261</u>
Total funds	<u>56,919</u>	<u>49,560</u>	<u>(33,412)</u>	<u>(2,907)</u>	<u>70,160</u>

25 Comparative analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	76,857	76,857
Current assets	1,261	2,828	1,109	5,198
Current liabilities	-	(2,657)	-	(2,657)
Non-current liabilities	-	(12)	-	(12)
Pension Scheme liability	-	(9,226)	-	(9,226)
Total net assets	<u>1,261</u>	<u>(9,067)</u>	<u>77,966</u>	<u>70,160</u>

GLF Schools
Notes to the financial statements
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26 Capital commitments

	2017 £'000	2016 £'000
Contracted for, but not provided in the financial statements	-	-

27 Commitments under operating leases

Operating leases

At 31 August 2017 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £'000	2016 £'000
Amounts due within one year	177	72
Amounts due between one and five years	205	95
Amounts due after five years	-	-
	<u>382</u>	<u>167</u>

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

	2017 £'000	2016 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	47,700	16,148
Adjusted for:		
Cash transferred from existing academies	(1,664)	-
Cash transferred on conversion	(707)	(135)
Depreciation (note 15)	4,477	2,423
Capital income re fixed assets transferred from existing academy trusts	(25,500)	-
Capital income re fixed assets transferred on conversion	(19,075)	(10,045)
Capital grants from DfE and other capital income	(11,417)	(9,826)
Interest receivable (note 8)	(4)	(5)
Defined benefit pension scheme obligation inherited from existing academies	4,195	-
Defined benefit pension scheme obligation inherited on conversion	1,875	1,042
Defined benefit pension scheme cost less contributions payable (note 34)	1,238	248
Defined benefit pension scheme finance cost (note 34)	(706)	(624)
(Increase)/decrease in stocks	(43)	-
(Increase)/decrease in debtors	(871)	(558)
Increase/(decrease) in creditors	2,913	(259)
Net cash provided by/(used in) operating activities	<u>2,411</u>	<u>(1,591)</u>

29 Cash flows from financing activities

	2017 £'000	2016 £'000
Repayments of borrowing	2	2
Cash inflows from new borrowing	-	-
Net cash provided by financing activities	<u>2</u>	<u>2</u>

GLF Schools
Notes to the financial statements
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30 Cash flows from investing activities

	2017 £'000	2016 £'000
Dividends, interest and rents from investments	4	5
Proceeds from sale of tangible fixed assets	-	-
Purchase of intangible fixed assets	-	-
Purchase of tangible fixed assets	(1,902)	(1,133)
Capital grants from DfE/ESFA	2,292	1,410
Capital funding received from sponsors and others	-	-
Net cash provided by investing activities	394	282

31 Analysis of cash and cash equivalents

	At 1 September 2016 £'000	Transferred from existing academies £'000	Transferred on conversion £'000	Cash flows £'000	At 31 August 2017 £'000
Cash at bank and in hand	3,752	1,664	707	2,807	8,930
Notice deposits (less than 3 months)	-	-	-	-	-
	3,752	1,664	707	2,807	8,930

32 Contingent liabilities

There are no contingent liabilities that require disclosure.

33 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.

34 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, Cordwallis 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, Pine Ridge Infant and Nursery School and Lorriane Schools, Salfords Primary, Springfield Primary, Warlingham Village Primary and Whyteleafe Primary), Croydon Council (Chestnut Park Primary and Meridian High), Oxfordshire County Council (William Morris), West Sussex County Council (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 £656k were payable to the schemes at 31 August 2017 (2016: £409k) 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.

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 £3,214k (2016: £1,953k).

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>

34 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

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.

34 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 2017 was £2,619k (2016: £1,593k), of which employer's contributions totalled £2,113k (2016: £1,312k) and employees' contributions totalled £506k (2016: £281k). 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
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 2017		At 31 August 2016	
	Top of Range	Bottom of Range	Top of Range	Bottom of Range
Rate of increase in salaries	4.20%	2.70%	4.10%	2.40%
Rate of increase for pensions in payment / inflation	2.70%	2.40%	2.30%	2.10%
Discount rate for scheme liabilities	2.60%	2.50%	2.20%	2.10%
Inflation assumption (CPI)	2.70%	2.70%	2.30%	2.30%
Commutation of pensions to lump sums	50.00%	50.00%	50.00%	50.00%

34 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 2017		At 31 August 2016	
	Top of Range	Bottom of Range	Top of Range	Bottom of Range
<i>Retiring today</i>				
Males	23.6	22.3	23.3	22.5
Females	25.5	24.4	26.2	24.6
<i>Retiring in 20 years</i>				
Males	26	24	25.6	24.6
Females	27.9	26.2	28.5	26.9

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 2017 £'000	Fair value at 31 August 2016 £'000
Equities	13,270	6,675
Gilts	2,940	1,460
Other bonds	38	22
Property	1,376	533
Cash	705	180
LLPs	14	8
Target Return Portfolio	6	16
Commodities	2	2
Infrastructure	8	5
Longevity Insurance	(5)	(4)
Diversified growth fund	21	9
Total market value of assets	18,375	8,906
Present value of scheme liabilities		
- Funded	(32,469)	(18,132)
Surplus/(deficit) in the scheme	(14,094)	(9,226)

The actual return on scheme assets was £2,243k (2016: £1,131k).

Amounts recognised in the statement of financial activities

	2017 £'000	2016 £'000
Current service cost (net of employee contributions)	3,358	1,545
Net interest cost	317	249
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	15
Administration expenses	-	-
Total operating charge	3,675	1,809

34 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017 £'000	2016 £'000
At 1 September	18,132	11,351
Upon conversion	3,808	1,608
Transferred in on existing academies joining the trust	7,940	-
Current service cost	3,358	1,560
Interest cost	619	507
Employee contributions	504	281
Actuarial (gain)/loss	(1,641)	2,907
Estimated benefits paid net of transfers in	(251)	(82)
At 31 August	32,469	18,132

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

	2017 £'000	2016 £'000
At 1 September	8,906	5,698
Upon conversion	1,933	566
Transferred in on existing academies joining the trust	3,745	-
Interest income	302	258
Return on plan assets (excluding net interest on the net defined pension liability)	1,023	873
Actuarial gain/(loss)	93	-
Employer contributions	2,120	1,312
Employee contributions	504	281
Estimated benefits paid plus unfunded net of transfers in	(251)	(82)
At 31 August	18,375	8,906

Reconciliation of opening and closing deficit

	2017 £'000	2016 £'000	2016 £'000
Pension deficit at 1 September		(9,226)	(5,653)
Current service cost	(3,358)		(1,560)
Employer contributions	2,120		1,312
Additional pension cost		(1,238)	(248)
Other finance costs		706	624
Deficits transferred from existing academy trusts		(4,195)	-
Deficits transferred on conversion of new schools		(1,875)	(1,042)
Actuarial gains/(losses)		1,734	(2,907)
Pension deficit at 31 August		(14,094)	(9,226)

35 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

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 £72,734 (2016: £58,930, 10 months only) and employer pension contributions amounted to £11,790 (2016: £9,939, 10 months only).

Mrs 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 £24,483 (2016: £17,267) and employer pension contributions amounted to £4,150 (2016: £3,035).

36 Events after the balance sheet date

Subsequent to the year end three schools have been added to the academy trust. Aureus School is a new secondary and Longford Park Primary School is a new primary school, both opened in September 2017. Rosebery School joined GLF Schools on 1 September 2017.

37 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 2017 the trust received £35,324 (2016: £18,593) and disbursed £22,099 (2016: £12,601) from the fund. An amount of £14,470 (2016: £1,246) (including brought forward from prior years) is included in creditors relating to undistributed funds that are repayable to ESFA at the 31st August 2017.

GLF Schools
Notes to the financial statements
For the year ended 31 August 2017

38 Additions to the Academy Trust

On 1 December 2016 de Stafford 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.

On 1 February 2017 Lorraine School and Pine Ridge Infant and Nursery (both Local Authority maintained schools) 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.

On 1 July 2017 Southgate 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 transfers have 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 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
de Stafford School				
Tangible fixed assets:				
Leasehold buildings	-	-	15,886	15,886
Other tangible fixed assets	-	-	54	54
Budget surplus on LA funds	390	-	-	390
Budget surplus on other school funds	-	-	-	-
	<u>390</u>	<u>-</u>	<u>15,940</u>	<u>16,330</u>
Lorraine & Pine Ridge Federation				
Tangible fixed assets:				
Leasehold buildings	-	-	2,432	2,432
Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	185	-	61	246
Budget surplus on other school funds	29	-	-	29
	<u>214</u>	<u>-</u>	<u>2,493</u>	<u>2,707</u>
Southgate Primary School				
Tangible fixed assets:				
Leasehold buildings	-	-	703	703
Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	28	-	14	42
Budget surplus on other school funds	-	-	-	-
	<u>28</u>	<u>-</u>	<u>717</u>	<u>745</u>
LGPS pension deficit	-	(1,875)	-	(1,875)
Net assets	<u>632</u>	<u>(1,875)</u>	<u>19,150</u>	<u>17,907</u>

The above net assets include £707k that was transferred as cash at bank.

39 Transfers of Existing Academy Schools to the Academy Trust

The Beacon School

On 1 September 2016, The Beacon School (previously an academy school) transferred to GLF Schools and all the operations and assets and liabilities were transferred for £nil consideration. Prior to joining GLF Schools, The Beacon School was a single academy trust.

	Value reported by transferring trust £'000	Fair value adjustments £'000	Transfer in recognised £'000
Tangible fixed assets			
Freehold Land and Buildings	13,120	-	13,120
Plant and Machinery	13	(13)	-
Furniture and equipment	48	13	61
Computer Equipment	14	-	14
Other assets			
Stock	16	-	16
Debtors due in less than one year	98	-	98
Cash in bank and in hand	580	-	580
Liabilities			
Creditors due in less than one year	(53)	-	(53)
Pensions			
Pensions - pension scheme liabilities	(2,540)	-	(2,540)
Net assets/(liabilities)	11,296	-	11,296

Meridian High School

On 1 October 2016, Meridian High School (previously an academy school) transferred to GLF Schools and all the operations and assets and liabilities were transferred for £nil consideration. Prior to joining GLF Schools, Meridian High School was part of a multi academy trust, Impact Multi Academy Trust.

	Value reported by transferring trust £'000	Fair value adjustments £'000	Transfer in recognised £'000
Tangible fixed assets			
Leasehold Land and Buildings	12,188	-	12,188
Furniture and equipment	84	-	84
Computer Equipment	25	-	25
Motor Vehicles	8	-	8
Other assets			
Stock	2	-	2
Debtors due in less than one year	218	-	218
Cash in bank and in hand	1,076	-	1,076
Liabilities			
Creditors due in less than one year	(273)	-	(273)
Pensions			
Pensions - pension scheme liabilities	(1,655)	-	(1,655)
Net assets/(liabilities)	11,673	-	11,673