



GLF Schools

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2022

FRIDAY



A13 *ABXIZYUG* #190
17/02/2023
COMPANIES HOUSE

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

Period of account: 1 September 2021 – 31 August 2022

Item	Page
Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	26
Statement on Regularity, Propriety and Compliance	34
Statement of Trustees' Responsibilities	35
Independent Auditor's Report on the Financial Statements	36
Independent Reporting Accountant's Assurance Report on Regularity	40
Statement of Financial Activities incorporating Income & Expenditure Account	42
Comparative Statement of Financial Activities	43
Balance Sheet	44
Statement of Cash Flows	45
Notes to the Financial Statements, incorporating:	46
Statement of Accounting Policies	
Other Notes to the Financial Statements	

Members

Jackie Adams
Paul Carpenter
Robin Cayley
David Moss
Steven Reid
Matt Taylor

Trustees

Jackie Adams
Ejaz Ali (from 17/10/21)
Stephen Brown (from 01/09/21)
Martin Burke
Colin Charles
Kieran Cooke
Bruce Ely-Johnston (until 16/10/21)
Daria Kuznetsova
Teresa Mellor
Gabrielle O'Meara (from 01/09/21)
Lynne O'Reilly (Chair)

Membership of the Trustee Committees can
be seen in the Governance Statement

Company Secretary

Annette Wiles (until 13/03/2022)
Sarah Lynagh (from 14/03/2022)

Trust Executive Leadership Team

- | | |
|---|--------------------|
| • Chief Executive Officer | Jon Chaloner |
| • Education Director | Russell Bennett |
| • Chief Operating Officer (until 31/08/2022) | Sarah Lynagh |
| • Chief Financial Officer | Andrew Lynn |
| • People Director (until 31/12/2022) | Maria-Cicero Scott |
| • People Director (from 01/09/2022) | Zoe Turnes |
| • Chief Information Officer (until 24/08/2022) | James Munro |
| • Chief Information and Digital Officer (from 25/08/2022) | Ben Wakefield |
| • Estates Director | Nick Murza |
| • Business and Operations Director | Janet Miall |
| • Business and Operations Director | Leisa Sleat |

GLF Schools

Reference and Administrative Details (continued)

Company Name	GLF Schools
Principal and Registered Office	The Beacon School Picquets Way Banstead SM7 1AG
Company Registration Number	07551959 (England and Wales)
Independent Auditor	MHA MacIntyre Hudson Building 4, Fountain Park Roxborough Way Maidenhead SL6 3UD
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	Browne Jacobsen LLP 6 Bevis Marks London EC3A 7BA

GLF Schools

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

GLF Schools comprised 41 schools across 7 Local Authority areas at the end of 31st August 2022; the 2021-22 academic year. There were no additions in the year.

GLF Schools had a combined pupil capacity of 19,185 and had a roll of 17,133 in the school census on 6 October 2022.

On 1st September 2022 Greenway Junior School was transferred into the Trust from Castle Trust.

Structure, Governance and Management

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

Non-executive trustees are appointed based on their skills. When vacancies arise, new trustees are appointed by advertising to local community groups and businesses dependent on the skills needed, advertising nationally, or by using external recruitment organisations. An interview process is undertaken by a sub-committee of the Board of trustees.

The Articles set out that parent trustees are not required if parent representation is in place within the School Standards Boards (SSB), which it is. Each SSB has two parent members who are nominated from within the parent community and subject to an election where required.

The CEO is not a Trustee.

Policies and Procedures Adopted for the Induction and Training of Trustees

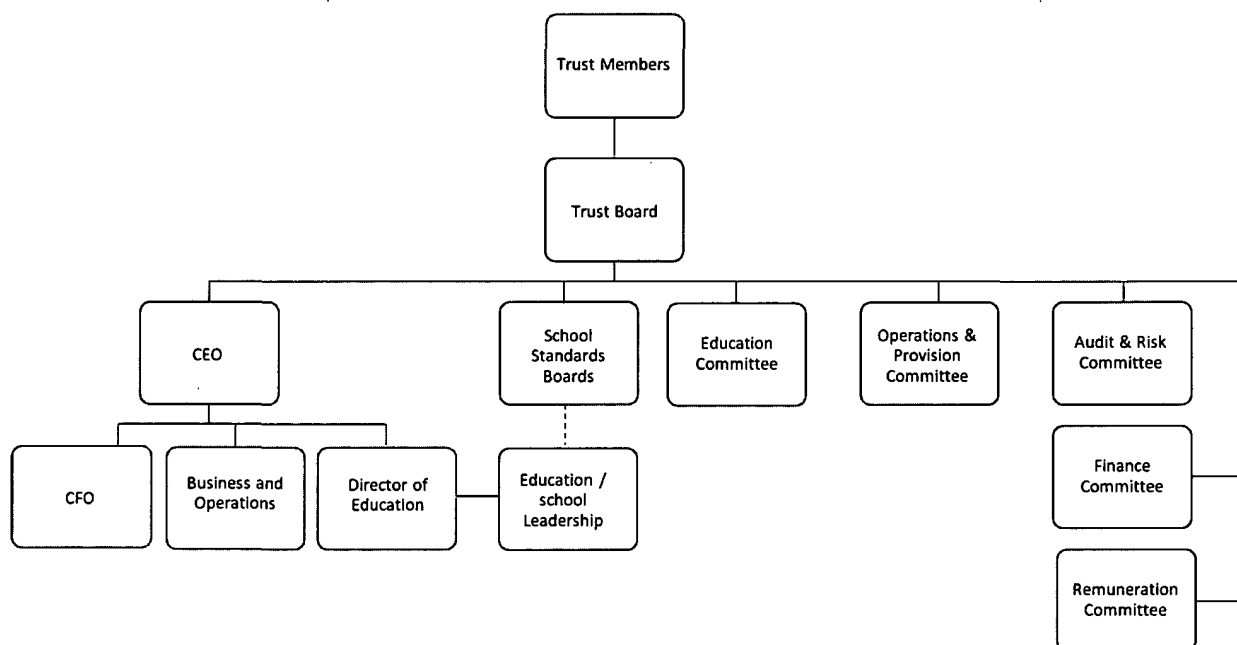
An induction programme is in place for new trustees, which includes the provision of key documentation, the opportunity to engage with members of the Executive team and the appointment of a mentor from among the existing trustees. A key expectation covered as part of the induction process is the 'Seven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

The induction process will then continue with visits to some of our schools and/or attendance at some SSB meetings.

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

Organisational Structure

The governance structure of the Trust is shown below:



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

The School Standards Board (SSB) is responsible for providing effective support and challenge to school leaders on the educational provision of their school(s), and for supporting the Trust Board in ensuring effective governance of the Trust. The Trust Board is responsible for approving the appointment of Chairs of SSBs.

The CEO has responsibility for the appointment of all Headteacher posts. 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 Trust team. Within schools, some spending control is devolved to appointed budget holders, with limits above which a senior manager must countersign. During the year to 31 August 2022, senior managers were Executive Headteacher, Headteacher, Head of School, Deputy Headteacher or Assistant Headteacher (depending on the size of the schools).

GLF Schools
Trustees' Report (continued)

Arrangements for setting pay and remuneration of key management personnel

There is no pay and remuneration in place for trustees, other than the opportunity to claim expenses (as set out in the Trust's 'Trustees and Governors Allowances Policy'). During 2021-22 travel expenses were claimed to the value of £67.

Pay and remuneration of the CEO is set by the Board of trustees, which delegates this to a separate remuneration committee, which also determines pay and remuneration for the executive team. All pay and remuneration is set with reference to the Trust's Pay Policies, 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. Oversight of pay and remuneration across the Trust is performed by the Operations and Provision committee.

Trade Union Facility Time (for period 1 April 2021 to 31 March 2022)

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	1.4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£16,410
Provide the total pay bill	£58,471,202
Provide the percentage of the total pay bill spent on facility time	0.03%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
---	----

GLF Schools

Trustees' Report (continued)

Related Parties and other Connected Charities and Organisations

GLF Schools provides services to other schools and academy trusts, primarily education support services. In 2021-22 this included support to the Salterns Academy Trust and the Castle Trust.

Engagement with employees (including 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 2021-22 the Trust has consulted with all staff in respect of the pay policy and with staff at individual schools in the case of specific staffing restructures. Unions were advised of all such consultations.

GLF Schools engages in regular communication with employees, via written communication and forums, and this has been especially important during 2021-22 during the Covid-19 pandemic. The Trust continues to develop its intranet to support future employee engagement and will be extending its use of Trust wide staff surveys for 2022-23.

Engagement with suppliers, customers and others in a business relationship with the trust

GLF Schools seeks to foster positive business relationships with suppliers and customers and engages the following principles to support this:

- transparent and respectful communication with all parties;
- transparent procurement policies and adherence to these;
- published payments practices reporting;
- regular service meetings for key contracts.

This approach has been particularly important as we have emerged from the Covid-19 pandemic in 2021-22 in order to maintain our relationships with our suppliers and customers, whilst at the same time protecting our own financial position.

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.

At GLF Schools we believe in

- Greater impact through collective action
- Local leadership of education
- Facilitating our children and our staff to be the best they can be

Our Vision is:

- All children and young people will receive the best possible start in life.
- Every child will transition successfully to their next stage of education, training or employment.

Our Mission is:

We exist to serve our communities by providing all children and staff the opportunity to **Grow**, to **Learn** and to **Flourish**.

Objectives, Strategies and Activities

The Trust Board and the Executive team have developed a three-year strategy covering the period to end of AY 2024/2025. Our strategic aims are:

Raising our Level – making improvements so that we deliver excellence in all areas of our work. Even in the strongest areas of practice there is always improvement that can be made. Developing an ethos of excellence throughout the Trust to ensure we are always striving to preserve the best and improve the rest.

Provide more - leverage the benefits of being a large trust to improve the outcomes for disadvantaged and vulnerable children. With financial challenges for schools increasing all the time, alternative sources of funding and resources are needed to be able to ensure that our most disadvantaged and vulnerable learners are receiving the levels of support and opportunity they need.

GLF Schools

Trustees' Report (continued)

Ensure operational effectiveness - operate efficiently and effectively to drive financial sustainability and excellent outcomes for children. By ensuring our operations are as efficient and effective as they can be we can direct more of our resources into the classroom where they can directly impact the children.

Priority objectives for FY 2021-22, which was the final year of the previous three year strategy, were:

- to provide additional, wider support for all pupils, but especially more vulnerable learners, to safeguard wellbeing and mental health, and enable all pupils to be successful in their next step in education, training or employment;
- through the newly established West Sussex Teaching School Hub, support schools and trusts to invest in and develop their workforce, and establish a network to spread excellent practice; and
- strengthening our culture in relation to Diversity and Inclusion.

For the coming year, key objectives are:

- to focus on and support high quality provision for all children with regard to SEND, well-being and mental health, and ensure our schools deliver excellent outcomes for all;
- to further develop the GLF Schools' Foundation to give wider support for the development of confidence, self-esteem and aspiration for all children, and in particular for our disadvantaged and vulnerable children; and
- to further develop our cluster model to enhance operational effectiveness in order to improve the quality of support for schools and to build financial sustainability.

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 Trust adhere to the Schools' Admissions Code. All schools within the Trust adopt admissions arrangements which ensures they serve their local communities. 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 schools that provide community use of its facilities, ideally with a focus on parental engagement and provision of extra-curricular activities for pupils from disadvantaged backgrounds.

GLF Schools

Trustees' Report (continued)

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

Some of the activities of and opportunities provided by the GLF Schools' Foundation support not just our students but their families, for example access to activity weekend breaks and food parcels. Such activities are fully funded via fundraising and not using funding from the Department for Education.

Strategic Report

Achievements and Performance

The Trust made good progress against its strategic objectives for the year.

To provide additional, wider support for all pupils, but especially more vulnerable learners, to safeguard wellbeing and mental health, and enable all pupils to be successful in their next step in education, training or employment

- a Children's Services team has been established centrally to provide assistance to schools in ensuring our vulnerable learners are receiving the support that they need;
- extra capacity has been added to our SEND team to embed good practice across our schools and ensure quality first teaching combined with appropriately designed curriculum enables our children with SEND to achieve to high standards;
- an external SEND Review was conducted to highlight strengths and areas for further development and action plans have been developed in response to that; and
- activities and projects from the GLF Schools' Foundation have provided opportunities for disadvantaged children in the Trust to have wider experiences.

Through the newly established West Sussex Teaching School Hub, support schools and trusts to invest in and develop their workforce and establish a network to spread excellent practice.

- the hub has recruited and trained over 350 Early Career Teachers, exceeding its initial target;
- the hub has set up a successful programme of NPQ courses;
- the hub has continued to attract and deliver Initial Teacher Training to trainee teachers in a challenging market, and has developed a programme of internships aimed at attracting undergraduates in sought after subjects into teaching; and
- the hub has established a wide range of strategic and provider relationships throughout West Sussex and more widely.

GLF Schools

Trustees' Report (continued)

Strengthening our culture in relation to Diversity and Inclusion.

- providing a programme of diversity and inclusion education and training for all staff, starting with the board and executive leadership team;
- assessing the impact on diversity and inclusion of every decision or progress update brought to the Board and its committees;
- reviewing our curriculum offer to ensure it promotes diversity and inclusion appropriately wherever possible; and
- reviewing our recruitment procedures to ensure they enable successful appointments from the widest possible range of applicants.

Key Performance Indicators

Ofsted inspections 2021-22

In the first full year of Ofsted inspections since the Covid-19 pandemic, 2021-22 saw eleven inspections across GLF Schools.

Longford Park and Lime Tree both achieved 'outstanding' gradings. Marden Lodge and Salfords were the other two primary schools with new grades and both achieved 'good' ratings with at least one aspect being 'outstanding'. Springfield, Warren Mead Junior and Cordwalles Junior all underwent routine ungraded inspections remaining 'good' schools.

Aureus, Meridian High and The Beacon were our three secondary schools inspected between March and June 2022. Aureus was graded as 'requires improvement', with 'good' for personal development. Meridian's inspection was an ungraded monitoring visit, and the report reflects the school's progress on its journey towards achieving an overall 'good' grading. The Beacon was graded as having 'serious weaknesses', recognising that although behaviour was a weakness area, the Trust demonstrated its capacity to improve the school. Personal development at The Beacon was graded as 'good'. The secondary phase is a key area of focus for 2022-23 and increased investment in the capacity of the central team has been started with the appointment of a Pedagogy and Practice Lead, a full-time English Lead and increased Science capacity.

GLF's SCITT was also inspected in June 2022 and remains a 'good' teacher training provider.

GLF Schools

Trustees' Report (continued)

Primary performance data

Outcomes are below for end of reception (Early Years Foundation Stage), Phonics in Years 1 and 2, and the end of Key Stages 1 and 2:

End of reception - Good Level of Development (GLD)

- 30 of the 34 schools have reception cohorts

National	65%
GLF average (30 schools)	75.6%

Phonics - Year 1

- 30 of the 34 schools have key stage 1 settings

National	75%
GLF average (30 schools)	81.1%

Phonics - Year 2

- 30 of the 34 schools have key stage 1 settings

National	87%
GLF average (30 schools)	90.6%

End of Key Stage 1

- 29 of our 34 schools have year 2 cohorts

	Maths	Reading	Writing
National	68%	67%	58%
GLF average (29 schools)	74.4%	72.3%	65.7%

End of Key Stage 2

- 24 of our 34 schools have year 6 cohorts

	Maths	Reading	Writing
National	71%	74%	61%
GLF average (24 schools)	72.5%	74.7%	73.7%

GLF Schools

Trustees' Report (continued)

Secondary performance data (initial data)

Outcomes are below for Key Stages 4 and 5:

GCSE Results

GCSE Results	Attainment 8 Score			%EM 4+			%EM 5+			Progress 8 Score (2019)		
	2019	2021	2022	2019	2021	2022	2019	2021	2022	2019	2021	2022
England - State funded schools	46.7	50.9		64.6	72.2		43.2	51.9		-0.03	-	
England - all Schools	44.7	48.9		59.8	67.1		40.1	48.4		0	-	
Aureus	-	-	40.98	-	-	58	-	-	26	-	-	-0.33
de Stafford School	43.1	49.11	43.32	60	68	62	32	40	34	-0.17	0.34	-0.15
Glyn School	56.3	59.8	61.03	89	91	88	79	89	75	0.25	0.76	0.65
Meridian High School	35.8	46.18	38.53	41	67	58	22	44	37	-0.44	0.38	-0.65
Rosebery School	62.6	66.48	64.29	89	91	93	74	83	80	0.89	1.05	1.25
The Beacon School	42.7	50.8	48.47	60	78	74	36	56	56	-0.36	0.25	0.02
Trust Avg	48.10	54.47	49.44	68	79	70	49	62	51	0.03	0.56	0.13

A Level Results

A Level Results	%A*/A			%A* to C			%A* to E		
	2019	2021	2022	2019	2021	2022	2019	2021	2022
National	38	44	36	75.5	88.2	82.1	97.5	99.5	98.4
Glyn School	17	40	27	74	85	80	99	99	97
Rosebery School	31	55	43	79	92	85	98	100	99
The Beacon School	16	31	19	57	82	56	92	97	90
Trust Avg	21	42	30	70	86	74	96	99	95

Overall, the average outcomes for both primary and secondary across the Trust were above key national indicators for performance.

Promoting the success of the company

The Trust Board's remit is strategic not operational, and Board decision making is always concerned with the medium to long term impact, particularly on children/students and finances, taking into account the Trust's strategic aims and the overriding Objects of the Trust as set out in its Articles of Association. (see Objects and Aims above). This is supported by a robust risk management process and a detailed medium term financial budget.

Our Operations and Provision committee applies oversight to all people-related matters in the Trust, with an emphasis on equality, development, retention and wellbeing.

We have designed the remit and operation of our SSBs and the information flow between SSBs and the Board to ensure the visibility of the needs and views of local stakeholders. Our SSBs are the Board's conduit to all stakeholders in our schools, including children/students, staff, parents and the local community. Our SSBs are charged with establishing effective mechanisms to hear and respond to stakeholder voice and informing the Board of the key issues and impacts. Through these mechanisms we ensure the views of our stakeholders are understood and considered in our decision making, and we foster positive collaboration.

GLF Schools

Trustees' Report (continued)

Trustees, SSB members and Staff each have a code of conduct based on best industry practice and tailored to their areas of responsibility. All codes of conduct emphasise the need to act with openness, honesty, integrity and respect with all stakeholders and with each other, and include the Nolan Principles.

Financial Review

Most of the 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 31 August 2022 and the associated expenditure are shown in the Statement of Financial Activities ('SOFA') on page 42, and are summarised below:

	Year ended		Movement
	31 Aug '22	31 Aug '21	
	£m	£m	£m
Income	107.3	107.4	(0.1)
Expenditure	<u>117.2</u>	<u>107.4</u>	<u>9.8</u>
Net income/(expenditure)	(9.9)	0.0	(9.9)

At operating level, the Trust achieved a positive result of £3.1m as a direct result of measures taken to preserve funds for the financial headwinds currently facing us. The SOFA also includes other factors that contribute to the net expenditure in 2021-22:

Net expenditure for 2021-22	£(9.9)m
Less: Excess LGPS pension cost (see note 29)	£(8.9)m
Less: Net restricted fixed asset funds	<u>£(4.1)m</u>
Equals: Operating surplus	£3.1m

These other elements are the extra pension cost for the local government pension scheme (LGPS) caused by the excess of service cost and finance costs over the annual paid employer contributions. The asset funds are the school condition allocation (SCA) funds less depreciation. The pension excess is outside the trust's control, while the latter is managed within the Restricted General Funds. This leaves the operating surplus for the year.

GLF Schools

Trustees' Report (continued)

Total funds held by the Trust increased from £192.6m to £233.5m as pension liabilities decreased substantially. At 31 August 2022, the academy trust held the following Reserves:

	31 Aug '22	31 Aug '21	Movement
	£m	£m	£m
Unrestricted General Funds (revenue)	2.9	2.9	0.0
Restricted General Funds (revenue)	<u>7.7</u>	<u>4.6</u>	<u>3.1</u>
Uncommitted revenue reserves	10.6	7.5	3.1
Capital Reserves	7.6	8.1	(0.5)
Fixed Asset Fund	226.1	229.7	(3.6)
Pension Reserve *	<u>(10.8)</u>	<u>(52.7)</u>	<u>41.9</u>
Total reserves	233.5	192.6	40.9

*Pension reserve is included within Restricted General Funds in the SOFA

Revenue reserves

Income exceeded expenditure by £3.1m in the year, such that Revenue reserve funds available increased to £10.6m at August 2022 from £7.5m at August 2021. This result was ahead of budget, reflecting a concerted effort to prepare for the funding issues thrown up by the emerging energy price rises and other inflationary pressures. In particular we avoided spending the Government supplementary grant from April to August 2022 (£1.0m) and have reduced spending wherever possible. We benefitted from energy contracts which had 'bought forward' the majority of our requirement for 2021/22, limiting the adverse variance to budget to just £0.25m. Throughout the year there has been a continued focus to improve operating efficiency.

Capital Reserves and Fixed Asset Fund

The majority of our fixed asset funding comes from the School Condition Allocation (SCA) which was reduced to £2.5m from April 2022 as the transitional reliefs were removed. The other main contributor has been Oxfordshire County Council who have paid (£1m in 2021-22) for the re-development of William Morris Primary School in Banbury. Expenditure charged to this Fund largely comprises depreciation.

Pensions Reserve

The pension deficit has swung markedly back from two years of heavy deficits resulting in a reduction of the pension deficit to £10.8m from £52.7m, for the Local Government Pension Schemes. This is driven by an increase in the discount rates from under 2% to over 4% in our schemes which has reduced the present value of scheme liabilities by almost 40% (see details in note 29 to the accounts).

GLF Schools

Trustees' Report (continued)

This movement in the liability is driven by accounting considerations and may well reverse in future years. Despite the positive movement there remains a deficit. Our working assumption for the LGPS Pension Deficit is that it is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits.

The movement in the pension deficit is not controllable by GLF Schools as it depends on the actuarial valuation of the schemes and contribution rates set by Government. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy trust closure, outstanding Local Government Pension Scheme liabilities for that Trust would be met by the Department for Education.

Going Concern considerations for 2022/23 and beyond

There are a number of factors that are affecting, or will adversely affect, schools' budgets.

Energy: while in 2021/22 we were protected from movements in wholesale gas prices, they increased by a factor of 17 (at its worst point at the end of August) from the base price we had during the 2020/21 year. From October 2022 the Trust is exposed to the market and reliant on the government's Energy Bill Relief Scheme (EBRS). Energy cost in 2022/23, even under the EBRS, is resulting in an increase between 2.5 and 3 times the levels we budgeted for 2021/22. The EBRS support will be removed from April 2023. While we are investing in energy saving measures there is no doubt our costs will substantially exceed the budgets set in July 2022.

Pay: the pay round may still throw up industrial action and end up with further increases. As it stands the unfunded elements for teachers and associates has been (only) partly covered by the extra funding in the November 2022 government budget. We are waiting on details for the plans to honour the £30,000 starting salary and the implications of the next pay round.

Pensions: we await clarity on the revaluations for the Teachers' Pension Scheme (TPS) and Local Government Pension Scheme (LGPS) and how the contribution rates will change following those revaluations. It is not currently clear whether funding levels from government will be changed although our current expectation is that no further government funding will be forthcoming.

General inflation: we continue to cut other expenditure costs to manage the wider and significant general non-energy inflation.

The government budget of November 17th 2022 announced an extra £2bn of funding from April 2023 but also confirmed that funding for 2023-24 would be 2.6%. It also stated that funding after that will be pegged to a 1% real terms increase. Even if the full amount of these increases reaches Multi Academy Trusts such as ours, they will be insufficient to match the escalating costs described above. We expect this challenge on funding to continue well into the next parliament.

Sector wide, these immediate issues on unfunded pay rises, energy price rises and elevated non-energy inflation play into wider on-going challenges around attracting staff into the profession and rising levels of special needs. Additionally, it is forecast that there will be reduced numbers of children coming through the education system over the next decade, with 8% fewer forecast over the next eight years in London & the South East (forecast for 5-14 year olds from the ONS). This has a direct impact on funding, which is based around numbers of children in schools. It will affect schools as children slowly disappear from classrooms and only periodically will we be able to reduce the number of classes or even close a school.

The main ongoing challenge for the whole sector is ensuring the provision of a high quality, inclusive education offering, using a finite set of resources, coupled with the impact of ever-changing curriculum and administrative demands.

The trustees are clear that the constraints of school funding mean that strategies and working practices will need to be under constant review to protect the Trust's longer term financial stability. Trustees are committed to ensuring that the Trust ensures that it is operating at its most efficient and will hold the Executive team to account to deliver these efficiencies and value for money.

The trustees and Executive acknowledge that these funding shortfalls are likely to impact the breadth and quality of the education offer that can be provided across the board but perhaps especially for more vulnerable learners.

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.

Reserves Policy

The Trust's policy for reserves is that a minimum un-committed revenue reserve of no less than 3% of ESFA General Annual Grant (GAG) Statement is retained across GLF Schools.

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.

GLF Schools

Trustees' Report (continued)

As a response to the challenges to school funding the trustees in year requested that an extra 2% (of GAG) reserve be established as a 'working reserve' (i.e. we expect to use this) to particularly address the expected energy cost excesses in 2022/23.

Uncommitted revenue reserves of £10.6m amount to 13% (2021: 10%) of the ESFA General Annual Grant (GAG) Statement. The excess over 3% reflects the good stewardship of our schools over recent years. Revenue reserves are being allocated within our 2022/23 budgets to protect the Trust while further cost cutting is enacted to be able to live within the funding provided by government. Accordingly, we are budgeting for an operating deficit in 2022/23.

It should also be noted that the funding for capital programmes is received in the latter part of the year. The capital fund is largely allocated to projects over the next two years. It should be noted that the allocations through the Scheduled Condition Allocation (SCA) fell in the year as the government stopped its transition protections. This has resulted in a reduction of our SCA (approximately £0.25m) which is inhibiting our ability to maintain the estate and invest in energy reduction schemes. The Trust's current policy is to defer capital works wherever possible in order to focus on improving its energy efficiency.

Sustainability

The ESFA Academies Financial Handbook 2020 introduced the concept of financial sustainability, for which trustees must take ownership (section 1.14). It is unclear over what timeframe this applies, nor exactly what it means. We have sought and will continue to seek clarity on this from the ESFA/DfE.

Trustees and management are confident (as stated above) that we are run on a Going Concern basis as this requires us only to look out one year from the date of these Financial Statements.

As outlined above, the Trust has significant concerns as to whether increased costs already announced by the government will be fully funded over coming years (2022/23 to 2024/25).

In addition, two particular areas have the potential to cast doubt on the long term sustainability of this Trust, and probably many other MATs. Both areas are outside the control of the trustees.

Firstly, as noted above, LGPS pensions liabilities continue to represent a significant liability. Excess current service cost of the members and financing cost significantly exceeded contributions and is not covered by any government funding (£8.9m as shown in note 29). The deficit on the Trust's relevant pension schemes is shown as a negative reserve in the sum of £10.8m. Any requirement for the Trust to fund such a deficit could well render its operations unsustainable.

Secondly, the Trust operates its academies on land and in buildings held on its Balance Sheet. The upkeep and maintenance for these freehold & leasehold properties are funded from the School Condition Allowance (SCA). This is calibrated to be only maintenance funding and it is worth noting that this is substantially less than our depreciation cost. Trustees therefore cannot be sure that the academies' buildings can be maintained in perpetuity and/or replaced at the end of their useful lives. Any failure to do so would render operations unsustainable. The UK Government's Priority Schools Building Programme is designed to address the capital investment needs of schools most in need of urgent repair, however there is no guarantee that it will be available to the Trust's academies when it is needed.

Investment Policy

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

Principal Risks and Uncertainties

The major risks to which the MAT is exposed are:

- lack of a clear and transparent long-term funding commitment for schools coupled with recent unforeseen increases in costs such as energy and greater than forecast salary increases. This exposes the Trust to the risk of unpredicted financial shortfalls, impacting the quality of education that can be delivered. In extremis this may threaten the sustainability of the Trust;
- insufficient support and funding in the system for vulnerable learners, especially those with special educational needs and disabilities. This impacts the Trust's ability to provide those children with the support they require, and also places an additional financial strain; teacher recruitment difficulties, which impact on pupil outcomes, quality of the education provision, staff costs and staff retention rates;
- changes and uncertainty in government policy regarding Academies, including the current stalled position of the Schools Bill;
- falling/low rolls at member schools and/or lack of strategic place planning across maintained and academy sectors;
- low rolls at new schools due to inaccurate predictions by Local Authorities;
- poor condition of parts of our school estates, particularly those buildings inherited for our sponsored schools;
- adverse impact on the financial and educational capacity of the Trust from schools joining/opening;
- poor performance of schools within the MAT;
- insufficient funding and/or resource to respond to growing cyber risk and legislative requirements of GDPR; and
- failures in Safeguarding or Health & Safety procedures at schools within the MAT.

All risks are reflected in the Trust's Risk Register and are reviewed regularly by Board committees who then have responsibility for reporting to the Trust Board. The Audit and Risk committee have overall responsibility for the Risk Register. 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 (where possible) 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. The Trust's Risk and Control framework ensures that these risks are adequately managed.

Fundraising

Most schools have a Parent Staff Association, or similar, which fundraise for each individual school. These are separate legal entities, registered as separate entities with the Charity Commission.

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

The GLF Schools' Foundation has been launched this year, with an aim to provide greater opportunity for children, particularly those who are disadvantaged. The Foundation does not operate as a separate entity but is the identity under which GLF Schools, as a Trust, fundraises to support children across the Trust. In 21-22 the Foundation received a donation of £50,000 from Floreat Education as well as various smaller donations of £20,000 or less.

The Trust has a fundraising policy in place which supports all these initiatives.

Streamlined Energy and Carbon

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes all 41 schools controlled during the reporting period and minibuses along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet). Greenway Junior School which joined the Trust in September 2022 will be included in next year's report.

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas, oil, and minibus diesel consumption were compiled from invoice records. Where necessary for the energy consumption, a combination of pro rata and direct comparison techniques were used. Mileage claims were used to calculate energy use and emissions associated with grey fleet. On site renewable solar photovoltaic electricity is included within scope 1. An assumption of no export has been made on the Solar PV units. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

GLF Schools
Trustees' Report (continued)

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2021/22	2020/21
Mandatory requirements:		
Gas	15,108,251	14,659,393
Purchased electricity from the grid	5,503,567	5,349,613
Transport fuel	207,028	62,202
Total energy (mandatory)	20,818,846	20,071,208
Voluntary requirements:		
Oil	402,570	305,678
Consumed electricity from on-site renewable sources	92,333	65,233
Total energy (voluntary)	494,903	370,911
Total energy (mandatory & voluntary)	21,313,749	20,442,119

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area.

Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2021 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

GLF Schools
Trustees' Report (continued)

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source	2021/22	2020/21
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	2,757.9	2,685.0
Transport - Company owned vehicles (mini-buses)	16.7	7.7
<u>Scope 2</u>		
Purchased electricity (location-based)	1,064.3	1,135.9
<u>Scope 3</u>		
Category 6: Business (grey fleet)	34.6	7.7
Total gross emissions (mandatory)	3,873.5	3,836.3
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per pupil	0.231	0.236
Tonnes of CO ₂ e per square meter floor area	0.025	0.025
Voluntary requirements:		
<u>Scope 1</u>		
Oil	107.5	78.5
Consumed electricity from on-site renewable sources	0.0	N/A
Total gross emissions (voluntary)	107.5	78.5
Total gross emissions (mandatory & voluntary)	3,981.0	3,914.8
<u>Intensity ratios (mandatory & voluntary emissions)</u>		
Tonnes of CO ₂ e per pupil	0.237	0.241
Tonnes of CO ₂ e per square meter floor area	0.026	0.025

Energy efficiency action during current financial year

The Trust is committed to reducing emissions (the increase this year was due to schools returning post Covid). This year has seen the implementation of the following energy efficiency measures:

- there have been boiler replacements at Manor Primary School, replacing large inefficient boilers with higher efficiency modern gas boilers and point of use water heaters;
- there have also been selected roof replacements including insulation upgrades at Cordwalles Junior School, Danetree Primary, and Southgate Primary;
- the permanent building for Merstham Park School (secondary) was completed in August 2022, replacing temporary classroom blocks that the school opened in 2018. The new building has been constructed by the DfE to be low-carbon and includes a significant installation of solar PV combined with high thermal performance, grey water harvesting, biophilic design and heated by heat pumps;
- at William Morris Primary School in Banbury, the Trust have completed a new three classroom extension block to replace antiquated and inefficient demountable classrooms. This has been built to current thermal and energy efficiency standards;
- the Trust commenced a programme during this reporting year of replacing and upgrading its energy meters to enable half-hourly metering across its estates to enable near-live monitoring of energy usage. Data from these meters is being reviewed regularly and shared with schools to inform energy saving measures and behavioural change, as well as future capital programmes to lower energy use;
- the Trust has also begun a programme to encourage behaviour change, including reviewing heating controls, to reduce heating and hot water temperatures and times of use, promote the switching off of electrical appliances and lights, improved power management policies for IT equipment and a review of procurement of equipment to include a consideration of energy use; and
- we are also working on a programme of capital investments in energy reduction, including solar PV installations, LED lighting replacements and fabric improvements which will be completed in the next reporting year and beyond.

Plans for Future Periods

As noted in the Objectives, Strategies and Activities section above, the Trust has developed a new three-year strategy. This will be pursued in the coming financial year with a particular focus on the following:

To focus on and support high quality provision for all children with regard to SEND, well-being and mental health, and ensure our schools deliver excellent outcomes for all. Deliverables include:

- implement the recommendations of the external SEND review;
- further develop the work of the Children's Services team;
- embed the new Primary phase leadership structure to enhance school improvement in our primary schools; and
- develop a secondary phase leadership structure to enhance school improvement in our secondary schools.

GLF Schools

Trustees' Report (continued)

To further develop the GLF Schools' Foundation to give wider support for the development of confidence, self-esteem and aspiration for all children, and in particular for our disadvantaged and vulnerable children. Deliverables include:

- extend the resources of the Foundation in order to increase fund raising activity to enable more opportunities for the children in our schools;
- increase projects funded through the Opportunities Fund; and
- constantly evaluate the impact the projects are having on our most vulnerable and disadvantaged learners and adapt accordingly to bring the widest benefit to the greatest number of children.

To further develop our cluster model to enhance operational effectiveness in order to improve the quality of support for schools and to build financial sustainability. Deliverables include:

- evaluate the current clusters in the Primary phase to establish key benefits and optimum organisation, both educationally and financially;
- extend the cluster model to those primary schools that are not yet in a cluster to enable them to receive the benefits of the model, focusing on those with the greatest financial challenge;
- develop a suitable cluster approach for our secondary schools; and
- work with schools with the greatest financial challenges to improve financial performance without diminishing quality of provision.

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 16 December 2022 and signed on the Board's behalf by:



Lynne O'Reilly
Chair of Trustees

GLF Schools

Governance Statement

Scope of Responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 seven 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	7	7
Ejaz Ali	3	6
Stephen Brown	6	7
Martin Burke	6	7
Colin Charles	6	7
Kieran Cooke	6	7
Bruce Ely-Johnston	1	1
Daria Kuznetsova	6	7
Teresa Mellor	5	7
Lynne O'Reilly	7	7
Gabrielle O'Meara	7	7

Governance Reviews

Trustees conducted a self-evaluation including a skills audit, based on the industry-recognised self-evaluation resources provided by the National Governance Association.

The self-evaluation exercise highlighted key strengths:

- the Chair ensures the board stays strategic and does not shy away from making the right decisions for the trust;
- trustees are involved in the identification and assessment of key strategic risks; and
- trustees understand how the trust's funds are managed and hold the executive leaders to account for the efficiency, sustainability and impact of the trust's financial planning and management.

Areas identified for development were:

- stakeholder engagement, and in particular local identity and taking stakeholder views, especially local stakeholders views, into account. This is an area that forms part of the new three year strategy;
- effectiveness of local governance has improved but there is still work to be done and this will be ongoing during next year; and
- the need for a clear and ambitious vision and strategy with measurable strategic aims that the Board can focus its workplan around and measure the impact of leaders against. This is something that is now in place with the new three year strategic plan.

School Standards Boards (SSBs) also carried out a self-evaluation exercise. The main areas for development arising were:

- whilst stakeholder engagement has improved, there are still some SSBs where engagement is limited. Driving improvement in this area will continue to be a focus;
- there are still gaps in the knowledge and understanding of some headteachers of the role and purpose of governance. We will continue the programme of communication and training on governance that our headteachers receive; and
- SSBs feel that trustees need to increase visibility. There is a programme of trustee visits to schools in place, and this will be enhanced with trustees also visiting and joining SSB meetings.

The Chair of trustees continues to work with the chairs of a group of large MATs to support the sharing of best practice and peer review, and attends events organised by the Regional Director's office and the Confederation of Schools Trusts. GLF is leading the subgroup of the large MATs sharing good practice on audit and risk.

GLF Schools

Governance Statement (continued)

Committees

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

- Strategic oversight of financial compliance and statutory reporting.
- Strategic oversight of risk management.
- Strategic oversight of internal scrutiny across the Trust.

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
Ejaz Ali	2	5
Stephen Brown	6	6
Colin Charles	6	6

The Operations and Provision 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. The committee is accountable for:

- Strategic oversight of the Trust's physical estate.
- Strategic oversight of employment policies and practices.
- Strategic oversight of Information Technology and Information Management within the Trust.
- Strategic oversight of growth plans and opportunities.

The Board of trustees reviews the Operations and Provision's Committee's remit and membership annually.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Martin Burke	4	4
Jackie Adams	4	4
Daria Kuznetsova	4	4

GLF Schools

Governance Statement (continued)

The Education 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. The committee is accountable for:

- Strategic oversight of the education provision of the Trust.
- Strategic oversight of safeguarding within the Trust.
- Strategic oversight of pupil outcomes.

The Board of trustees reviews the Education Committee's remit and membership annually.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Kieran Cooke	5	5
Teresa Mellor	4	5
Gabrielle O'Meara	4	5

The Finance committee is a sub-committee of the main Board of trustees which meets at least three times per year. 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. The committee is accountable for:

- Strategic oversight of the Trust's annual and three year budget setting process with a focus on financial sustainability.
- Strategic oversight of the Trust's performance against the approved budget with a focus on the efficient and effective use of financial resources.
- Strategic oversight of income generation and approved investment projects.

The Board of trustees reviews the Finance Committee's remit and membership annually.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Martin Burke	4	4
Colin Charles	3	4
Lynne O'Reilly	4	4

The Remuneration committee is a sub-committee of the main Board of trustees which meets as required. 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. The committee is accountable for:

- Monitoring of CEO performance against agreed objectives and determination of any applicable bonus payment/change to remuneration.
- Strategic oversight of the remuneration of executive leaders of the Trust to ensure transparency, fairness and value for money.
- Strategic oversight of the Trust's approach to pay and conditions of executive leaders to ensure the Trust remains in line with good practice in the sector.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jackie Adams	3	3
Stephen Brown	3	3
Lynne O'Reilly	3	3

Conflict of Interest

The Trust maintains a Conflicts of Interest Policy which is reviewed annually by the Audit and Risk committee of the Trust Board.

The Trust manages conflicts of interest by ensuring that:

- there is systematic capturing of annual Declarations of Interests and maintaining an up-to-date register of interests;
- conflicted individuals/organisations are removed from the decision-making process. This will include, but is not limited to, the original decision to enter into a contract with a related party, periodic contract performance reviews and/or contract renegotiation/renewal;
- competitive procurement procedures are followed in line with the Trust's procurement policy; and
- decision making is based on a value for money assessment.

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 and ensures that strong cost and spending controls are in place. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- recruitment of specialist resource to the central team provides schools with access to expertise which they would not be able to achieve individually; in response to the impact of the pandemic the Trust has developed a multi-disciplinary team to support our school teams to work with our most vulnerable families;
- recruitment of additional Procurement and Contracts resource, to expedite effective procurement of services across the Trust and realising cost savings and improved quality for our schools;
- investment in resource to support our schools in maximising numbers on roll, thus supporting the financial sustainability of the Trust and ensuring that teaching resource is benefitting the maximum number of children;
- ensuring that our SCITT programme provides a stream of new teachers for our schools, and schools elsewhere; and
- developing our Teaching School Hub, which has expanded our high quality professional development offer beyond our own schools to benefit all schools within West Sussex.

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 2021 to 31 August 2022 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 2021 to 31 August 2022 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, all of which is guided and reviewed through the Audit & Risk Committee. 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 Operations and Provision committee of reports which indicate financial performance of major purchase plans, capital works and expenditure programmes;
- regular reviews by the Finance committee of financial performance against approved budget;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of trustees considered the need for a specific internal scrutiny function and agreed a revised programme of internal audit.

Our internal scrutiny programme for 2021-22 has been led by JD Education Financial Services (JDEFS). The programme included financial and a non financial element. The non-financial areas covered were an IT Security Review, which was undertaken by a specialist data security firm, and a MAT SEND review, which was a peer review by another multi-academy trust.

The academy trust can confirm that they are attending to any issues raised from the internal scrutiny programme.

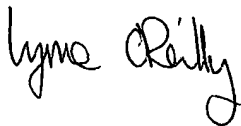
Review of Effectiveness

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; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit & Risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of trustees on 16 December 2022 and signed on its behalf by:



Lynne O'Reilly
Chair of Trustees



Jon Chaloner
Accounting Officer

As accounting officer of GLF Schools I have considered my responsibility to notify the academy trust's Board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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

16 December 2022

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of trustees on 16 December 2022 and signed on its behalf by:



Lynne O'Reilly
Chair of Trustees

Opinion

We have audited the financial statements of GLF Schools (the 'Academy Trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 (incorporating the Strategic Report and the Directors Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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 Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.


GLF Schools

Independent Auditor's Report on the Financial Statements to the Members of GLF Schools (continued)

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 Auditors' Report.

Use of our report

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



BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson (Statutory Auditor)

Maidenhead, United Kingdom

Date: 21 December 2022

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 02 June 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by GLF Schools during the year 1 September 2021 to 31 August 2022 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 GLF Schools and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to GLF Schools and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than GLF Schools and ESFA, for our 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

GLF Schools

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing a sample of payroll payments to staff;
- testing a sample of payments to suppliers and other third parties;
- consideration of governance issues;
- evaluating the internal control procedures, reporting lines, and testing as appropriate;
- making appropriate enquiries of the Accounting Officer.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

MHA MacIntyre Hudson (Statutory Auditor)
Maidenhead, United Kingdom

Date: 21 December 2022

GLF Schools
Statement of Financial Activities
For the year ended 31 August 2022
(including Income and Expenditure Account)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2022 £'000	Total 2021 £'000
Income and endowments from:						
Donations and capital grants	2	-	497	4,108	4,605	11,479
Charitable activities						
Funding for the academy trust's educational operations	3	-	96,246	-	96,246	90,397
Teaching School	4	-	-	-	-	660
Teaching School Hub	4	-	867	-	867	-
Other income for educational operations	5	4,700	-	-	4,700	2,851
Other trading activities	6	775	90	-	865	2,046
Investments	7	2	-	-	2	2
Total		5,477	97,700	4,108	107,285	107,435
Expenditure on:						
Raising funds	8	5	47	-	52	6
Charitable activities						
Academy's educational operations	8,9	5,470	101,900	8,920	116,290	106,789
Teaching School	8	-	-	-	-	558
Teaching School Hub	8	-	867	-	867	-
Total		5,475	102,814	8,920	117,209	107,353
Net income / (expenditure) before transfers		2	(5,114)	(4,812)	(9,924)	82
Transfers between funds	18	-	(724)	724	-	-
Net income / (expenditure) for the period		2	(5,838)	(4,088)	(9,924)	82
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	18,29	-	50,775	-	50,775	(8,814)
Net movement in funds		2	44,937	(4,088)	40,851	(8,732)
Reconciliation of Funds						
Funds brought forward at 1 September 2021		2,868	(48,073)	237,819	192,614	201,346
Funds carried forward at 31 August 2022		2,870	(3,136)	233,731	233,465	192,614

All of the academy trust's activities derive from continuing operations.

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
Statement of Financial Activities
For the year ended 31 August 2021
(including Income and Expenditure Account)

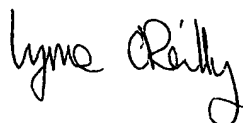
	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2021 £'000
Income and endowments from:					
Donations and capital grants	2	-	215	11,264	11,479
Charitable activities					
Funding for the academy trust's educational operations	3	-	90,397	-	90,397
Teaching school	4	-	660	-	660
Other income for educational operations	5	2,851	-	-	2,851
Other trading activities	6	719	1,327	-	2,046
Investments	7	2	-	-	2
Total		3,572	92,599	11,264	107,435
Expenditure on:					
Raising funds	8	6	-	-	6
Charitable activities					
Academy's educational operations	8,9	3,570	95,161	8,058	106,789
Teaching school	8	-	558	-	558
Total		3,576	95,719	8,058	107,353
Net income / (expenditure) before transfers		(4)	(3,120)	3,206	82
Transfers between funds	18	-	(1,102)	1,102	-
Net income / (expenditure) for the period		(4)	(4,222)	4,308	82
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes	18,29	-	(8,814)	-	(8,814)
Net movement in funds		(4)	(13,036)	4,308	(8,732)
Reconciliation of Funds					
Funds brought forward at 1 September 2020		2,872	(35,037)	233,511	201,346
Funds carried forward at 31 August 2021		2,868	(48,073)	237,819	192,614

**GLF Schools
Balance Sheet
As at 31 August 2022**

**Company number:
07551959**

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible assets	14		226,115		229,668
Current assets					
Debtors	15	4,319		3,583	
Cash at bank and in hand		<u>25,407</u>		<u>23,120</u>	
		29,726		26,703	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(11,530)</u>		<u>(11,007)</u>	
Net current assets			<u>18,196</u>		<u>15,696</u>
Total assets less current liabilities			244,311		245,364
Creditors: Amounts falling due after more than one year	17		(20)		(32)
Net assets excluding pension liability			<u>244,291</u>		<u>245,332</u>
Defined benefit pension scheme liability	29		<u>(10,826)</u>		<u>(52,718)</u>
Total net assets			<u>233,465</u>		<u>192,614</u>
Funds of the academy trust:					
Restricted fixed asset funds	18		233,731		237,819
Restricted funds					
Restricted funds excluding pension liability	18	7,690		4,645	
Pension reserve	18	<u>(10,826)</u>		<u>(52,718)</u>	
			(3,136)		(48,073)
Total restricted funds			<u>230,595</u>		<u>189,746</u>
Unrestricted funds	18		2,870		2,868
Total funds			<u>233,465</u>		<u>192,614</u>

The financial statements on pages 42 to 72 were approved by the trustees and authorised for issue on 16 December 2022 and are signed on their behalf by



Lynne O'Reilly
Chair of Trustees

GLF Schools
Statement of Cash Flows
For the year ended 31 August 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	2,747	5,653
Cash flows from investing activities	24	(431)	(1,080)
Cash flows from financing activities	23	(29)	(29)
Change in cash and cash equivalents in the reporting period		<u>2,287</u>	<u>4,544</u>
Cash and cash equivalents at 1 September 2021		23,120	18,576
Cash and cash equivalents at 31 August 2022	25	<u><u>25,407</u></u>	<u><u>23,120</u></u>

All of the cash flows are derived from continuing operations.

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 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.

Going Concern

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

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

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

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

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.

1 Statement of Accounting Policies (continued)

Income (continued)

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'.

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

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

Expenditure

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

1 Statement of Accounting Policies (continued)

Intangible Fixed Assets

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

Tangible Fixed Assets

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

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

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

Freehold buildings	Between 5 and 50 years
Leasehold land	125 years
Leasehold buildings	Between 5 and 60 years
Furniture and Equipment	5 years
Computer Equipment	3 years
Motor Vehicles	5 years

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

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

Liabilities

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

Provisions

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

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

Leased Assets

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

1 Statement of Accounting Policies (continued)

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 15. Prepayments are not financial instruments.

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 16 and 17. 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.

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.

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.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1 Statement of Accounting Policies (continued)

Fund Accounting

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

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

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

Agency Arrangements

The academy trust acts as an agent in distributing Initial Teacher Training funding from DfE. Payments received from DfE and subsequent payments are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 32.

The academy trust acts as an agent in distributing Schols Direct grant funding from DfE for schools which are outside of GLF Schools. Payments received from DfE and subsequent payments are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 32.

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 29, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 29).

The judgements that have had a significant effect on amounts recognised in the financial statements are those concerning the choice of depreciation policies and asset lives.

2 Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
DfE/ESFA capital grants				
Devolved formula capital grant	-	388	388	376
Other ESFA capital grants	-	2,500	2,500	2,703
Other Government grants				
Other LA capital grants	-	1,055	1,055	580
	<u>-</u>	<u>3,943</u>	<u>3,943</u>	<u>3,659</u>
Donated fixed assets	-	-	-	7,605
Donations - capital	-	156	156	-
Insurance Income - capital	-	9	9	-
Other donations	-	497	497	215
	<u>-</u>	<u>4,605</u>	<u>4,605</u>	<u>11,479</u>

Donated fixed assets in 2020-21 represent land and a building delivered via Oxfordshire County Council under the academy presumption process.

3 Funding for Academy Trust's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	80,914	80,914	72,946
Other DfE / ESFA grants				
Pupil Premium	-	3,747	3,747	3,298
UIFSM	-	1,280	1,280	1,357
Teachers Pay and Pension grants	-	368	368	3,673
Other	-	2,263	2,263	1,495
	<u>-</u>	<u>88,572</u>	<u>88,572</u>	<u>82,769</u>
Other Government grants				
LA revenue grants	-	6,946	6,946	6,124
Other grants	-	40	40	15
	<u>-</u>	<u>6,986</u>	<u>6,986</u>	<u>6,139</u>
Covid-19 additional funding (DfE/ESFA)				
Coronavirus Catch Up Funding	-	-	-	1,179
Other Coronavirus funding	-	605	605	37
	<u>-</u>	<u>605</u>	<u>605</u>	<u>1,216</u>
Covid-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	-	-	57
Other COVID-19 funding	-	83	83	216
	<u>-</u>	<u>83</u>	<u>83</u>	<u>273</u>
	<u>-</u>	<u>96,246</u>	<u>96,246</u>	<u>90,397</u>

4 Teaching Schools Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
DfE/ESFA Teaching School Grants	-	220	220	120
Other activities	-	647	647	540
	<u>-</u>	<u>867</u>	<u>867</u>	<u>660</u>

5 Other income for educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Other income	2,823	-	2,823	1,917
Trip and activity income	1,304	-	1,304	721
Catering income	573	-	573	213
	<u>4,700</u>	<u>-</u>	<u>4,700</u>	<u>2,851</u>

6 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Hire of facilities / other lettings	775	-	775	719
Insurance claims	-	90	90	1,327
	<u>775</u>	<u>90</u>	<u>865</u>	<u>2,046</u>

7 Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Short term deposits	2	-	2	2
	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>

8 Expenditure

	Staff Costs £'000	Non Pay Expenditure Premises Costs £'000	Other Costs £'000	Total 2022 £'000	Total 2021 £'000
Expenditure on raising funds					
Direct costs	47	-	-	47	-
Allocated support costs	-	-	5	5	6
	<u>47</u>	<u>-</u>	<u>5</u>	<u>52</u>	<u>6</u>
Academy's educational operations					
Direct costs (note 9)	68,850	-	8,123	76,973	71,361
Allocated support costs (note 9)	19,793	6,589	12,935	39,317	35,428
	<u>88,643</u>	<u>6,589</u>	<u>21,058</u>	<u>116,290</u>	<u>106,789</u>
Teaching School	-	-	-	-	558
Teaching School Hub					
Direct costs	405	-	70	475	-
Allocated support costs	249	-	143	392	-
	<u>654</u>	<u>-</u>	<u>213</u>	<u>867</u>	<u>-</u>
	<u>89,344</u>	<u>6,589</u>	<u>21,276</u>	<u>117,209</u>	<u>107,353</u>

Net income/(expenditure) for the period includes:

	2022 £'000	2021 £'000
Operating lease rentals	343	350
Depreciation	7,929	7,830
Fees payable to auditor for:		
Audit	50	48
Audit-related assurance services	17	7
Other services	8	3

9 Charitable activities

	Total 2022 £'000	Total 2021 £'000
Direct costs - educational operations	76,973	71,361
Support costs - educational operations	39,317	35,428
	<u>116,290</u>	<u>106,789</u>

Analysis of support costs

	Total 2022 £'000	Total 2021 £'000
Support staff costs	10,910	10,216
Depreciation	7,929	7,830
Technology costs	458	278
Premises costs	6,589	6,999
Other support costs	4,398	4,032
Legal costs	69	114
Governance costs	81	66
Other pension costs	7,951	4,854
Other finance costs (FRS102 pension)	932	1,039
	<u>39,317</u>	<u>35,428</u>

10 Staff Costs

	2022 £'000	2021 £'000
Staff costs during the period were:		
Wages and salaries	59,927	56,616
Social security costs	5,728	5,262
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	12,761	12,111
FRS102 Other pension and finance costs	8,883	5,893
Apprenticeship levy	301	273
	87,600	80,155
Agency supply teacher costs	1,677	1,058
Staff restructuring costs	67	33
	89,344	81,246

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

	2022 £'000	2021 £'000
Staff restructuring costs comprise:		
Redundancy payments	-	24
Severance payments	67	9
Other restructuring costs	-	-
	<u>67</u>	<u>33</u>

The academy trust paid 7 severance payments in the year, disclosed in the following bands:

£0 - £25,000	7
--------------	---

Included in staff restructuring costs are special severance payments totalling £67k (2021: £9k). Individually, the payments were: £25k, £21k, £14k, £4k, £1k, £1k and £1k (2021: £6k and £3k).

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

	2022 No.	2021 No.
Teachers	986	941
Administration and support	1,575	1,262
Management	60	57
	<u>2,621</u>	<u>2,260</u>

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

	2022 No.	2021 No.
£60,001 - £70,000	43	39
£70,001 - £80,000	18	21
£80,001 - £90,000	13	12
£90,001 - £100,000	3	3
£100,001 - £110,000	4	3
£110,001 - £120,000	2	2
£200,001 - £210,000	1	1

The key management personnel of the academy trust comprise the Trustees and Senior Leadership Team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,145k (2021: £982k).

11 Central services

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

Support on governance, policy and safeguarding issues, Education and behaviour management support, HR, Estates Management, Finance and IT.

The trust charged a fee for these services based primarily on a charge to each school of £400 per pupil. This was varied with some schools paying extra to enable schools with particular challenges to be assisted.

The actual amounts charged during the period were as follows:

	2022 £'000	2021 £'000
Aureus Primary School	116	78
Aureus School	240	266
Banstead Infant School	106	106
The Beacon School	538	554
Cherry Fields Primary School	12	-
Chestnut Primary School	237	209
Cordwalles Junior School	82	83
Cuddington Croft Primary School	175	180
Danetree Primary School	307	260
de Stafford School	317	316
Floreat Montague Park School	154	104
Floreat Wandsworth School	134	134
Forge Wood Primary School	117	90
Frogmore Junior School	82	72
Glyn School	684	703
Hammond School	126	134
Hardwick Primary School	88	82
Hillcroft Primary School	169	171
Kilnwood Vale Primary School	47	22
Lightwater Village School	70	67
Lime Tree Primary School	175	178
Longford Park Primary School	67	49
Manor Primary School	143	93
Marden Lodge Primary School	88	56
Meridian High School	254	252
Merstham Park School	166	122
Merstham Primary School	82	79
Pine Ridge Infant and Lorraine School	68	55
Rosebery School	577	593
Salfords Primary School	140	80
Southgate Primary School	136	93
Springfield Primary School	154	148
The Vale Primary School	66	44
Warlingham Village Primary School	84	84
Warren Mead Infant School	89	82
Warren Mead Junior School	120	120
Wheatfield Primary School	82	78
Whyteleafe Primary School	173	172
William Morris Primary School	65	-
Windmill Primary School	78	79
	6,608	6,088

12 Related Party Transactions - Trustees' remuneration and expenses

No trustees have been paid remuneration or have received other benefits from employment with the academy trust during the year ended 31 August 2022.

During the period ended 31 August 2022, travel and subsistence expenses totalling £67 were reimbursed or paid directly to 1 trustee (2021: £Nil).

Other related party transactions involving the trustees are set out in note 30.

13 Trustees and officers insurance

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

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

14 Tangible fixed assets

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Motor Vehicle £'000	Assets under Construction £'000	Total £'000
Cost							
As at 1 September	79,541	191,318	3,732	3,970	70	2,573	281,204
Additions	505	1,500	186	296	25	1,864	4,376
Reclassification	296	1,477	-	-	-	(1,773)	-
Disposals	-	-	-	-	-	-	-
As at 31 August	80,342	194,295	3,918	4,266	95	2,664	285,580
Depreciation							
As at 1 September	19,007	26,028	3,242	3,201	58	-	51,536
Charged in year	2,215	5,055	288	367	4	-	7,929
As at 31 August	21,222	31,083	3,530	3,568	62	-	59,465
Net book values							
As at 31 August	59,120	163,212	388	698	33	2,664	226,115
As at 1 September	60,534	165,290	490	769	12	2,573	229,668

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.

Additions to land and buildings

Additions in the year include capital works to existing buildings.

15 Debtors

	2022 £'000	2021 £'000
Trade debtors	749	385
VAT recoverable	487	444
Prepayments and accrued income	3,054	2,727
Other debtors	29	27
	<u>4,319</u>	<u>3,583</u>

16 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	798	1,200
Other taxation and social security	1,419	1,356
Other creditors	2,277	1,819
Amounts owed to ESFA	1,238	915
Loans	12	29
Accruals and deferred income	5,786	5,688
	<u>11,530</u>	<u>11,007</u>

Deferred income

	2022 £'000	2021 £'000
Deferred income at 1 September	2,016	2,282
Released from previous years	(2,016)	(2,282)
Resources deferred in the year	2,111	2,016
Deferred income at 31 August	<u>2,111</u>	<u>2,016</u>

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

Included within Loans in both Creditors: amounts falling due within one year and Creditors: amounts falling due in greater than one year are two loans of £2k and £30k from Salix Finance Ltd. The £2k loan is due to be paid back in a year and the £30k loan is due to be paid back in 3 years. Both loans are interest free.

17 Creditors: amounts falling due in greater than one year

	2022 £'000	2021 £'000
Loans	20	32
Other creditors	-	-
	<u>20</u>	<u>32</u>

18 Funds

	Balance at 1 Sept 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfer £'000	Balance at 31 August 2022 £'000
Restricted general funds					
General Annual Grant (GAG)	3,963	80,914	(78,156)	(513)	6,208
DfE/ESFA Pupil Premium	90	3,747	(3,746)	-	91
UIFSM	-	1,280	(1,280)	-	-
Teachers Pay and Pension grants	-	368	(368)	-	-
Other DfE/ESFA grants	106	2,263	(1,255)	-	1,114
Coronavirus Catch Up Funding	265	-	(265)	-	-
Other Covid-19 additional funding (DfE/ESFA)	-	605	(605)	-	-
LA revenue grants	-	6,946	(6,946)	-	-
Other government grants	-	40	(40)	-	-
Covid-19 additional funding (non-DfE/ESFA)	-	83	(83)	-	-
Other restricted funds	10	587	(320)	-	277
Teaching School	211	-	-	(211)	-
Teaching School Hub	-	867	(867)	-	-
	<u>4,645</u>	<u>97,700</u>	<u>(93,931)</u>	<u>(724)</u>	<u>7,690</u>
Pension reserve (note 29)	(52,718)	-	(8,883)	50,775	(10,826)
	<u>(48,073)</u>	<u>97,700</u>	<u>(102,814)</u>	<u>50,051</u>	<u>(3,136)</u>
Restricted fixed asset funds					
Devolved Formula Capital	833	388	-	(684)	537
Other ESFA capital funding	5,855	2,500	(428)	(2,141)	5,786
LA capital grants	168	1,055	-	(1,172)	51
Capital funds on transfer of existing academies	78	-	-	(11)	67
Capital funds transferred on conversion	41	-	-	-	41
Capital donations	-	156	-	(21)	135
Other capital funds	1,176	9	(563)	377	999
Fixed asset fund (note 14)	229,668	-	(7,929)	4,376	226,115
	<u>237,819</u>	<u>4,108</u>	<u>(8,920)</u>	<u>724</u>	<u>233,731</u>
Total restricted funds	<u>189,746</u>	<u>101,808</u>	<u>(111,734)</u>	<u>50,775</u>	<u>230,595</u>
Unrestricted funds					
Unrestricted funds	2,868	5,477	(5,475)	-	2,870
Total unrestricted funds	<u>2,868</u>	<u>5,477</u>	<u>(5,475)</u>	<u>-</u>	<u>2,870</u>
Total funds	<u>192,614</u>	<u>107,285</u>	<u>(117,209)</u>	<u>50,775</u>	<u>233,465</u>

18 Funds (continued)

The General Annual Grant represents funding received from the Education and Skills Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2022.

DfE/ESFA Pupil Premium, UIFSM (Universal Infant Free School Meals), Teachers Pay and Pension Grants and Other DfE/ESFA grants represent other forms of funding received from the Department for Education and Education and Skills Funding Agency.

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

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

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

The Teaching School shows the income, expenditure and fund balance related to the Teaching School and SCITT run by GLF Schools. The Teaching School Hub shows the income, expenditure and fund balance related to the Teaching School Hub and SCITT run by GLF Schools.

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

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

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

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

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

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

Capital donations are funds which have been donated to GLF Schools to be used for capital purposes.

Donated Fixed Assets represents the value of fixed assets donated to the academy trust by a Local Authority when a new build school is built and provided to the academy trust at no cost to GLF Schools.

Other capital funds are capital funds held at 31 August 2022 to be used for capital purposes in the future.

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

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

18 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £'000	2021 £'000
Revenue reserves		
Aureus Primary School	165	81
Aureus School	(453)	(263)
Banstead Infant School	174	166
The Beacon School	817	709
Cherry Fields Primary School	(9)	(56)
Chestnut Park Primary School	1,435	822
Cordwalles Junior School	432	406
Cuddington Croft Primary School	592	572
Danetree Primary School	675	558
de Stafford School	1,610	1,174
Floreat Montague Park School	410	188
Floreat Wandsworth School	197	184
Forge Wood Primary School	(91)	(100)
Frogmore Junior School	11	28
Glyn School	840	880
Hammond School	(334)	(195)
Hardwick Primary School	166	78
Hillcroft Primary School	742	688
Kilnwood Vale Primary School	107	34
Lightwater Village School	(245)	(145)
Lime Tree Primary School	371	387
Longford Park Primary School	(471)	(385)
Manor Primary School	(5)	129
Marden Lodge Primary School	69	41
Meridian High School	854	357
Merstham Park School	370	220
Merstham Primary School	77	103
Pine Ridge Infant and Lorraine School	223	287
Rosebery School	927	895
Salfords Primary School	64	149
Southgate Primary School	(243)	(201)
Springfield Primary School	36	272
The Vale Primary School	(19)	82
Warlingham Village Primary School	175	173
Warren Mead Infant School	51	11
Warren Mead Junior School	349	214
Wheatfield Primary School	292	306
Whyteleafe Primary School	382	396
William Morris Primary School	(749)	(695)
Windmill Primary School	416	465
GLF Schools Central	150	(1,502)
Total before capital reserves, fixed assets and pension reserve	10,560	7,513
Capital reserves	7,616	8,151
Fixed asset fund (representing net book value of fixed assets - note 14)	226,115	229,668
Pension reserve	(10,826)	(52,718)
Total funds	233,465	192,614

18 Funds (continued)

Aureus School is carrying a net deficit of £453k on these funds. Oversupply of pupil places (as local schools have been able to open more capacity) has resulted in lower than expected numbers on roll. Extremely high levels of SEND are impacting the financial position.

Cherry Fields Primary School is carrying a net deficit of £9k on these funds. Oversupply of pupil places in the local area has resulted in lower than expected numbers on roll and the school is a growing one dependent on local housing development. Extremely high levels of SEND are impacting the financial position.

Forge Wood Primary School is carrying a net deficit of £91k on these funds. Lower than expected pupil numbers in the early years of this growing school have impacted the financial position.

Hammond School is carrying a net deficit of £334k on these funds and Lightwater Village School is carrying a net deficit of £245k on these funds. Ongoing shortage of pupils due to over-supply of school places in the local area has driven an unbalanced financial model across these two federated schools.

Longford Park Primary School is carrying a net deficit of £471k on these funds, which is a result of lower than expected pupil numbers in the first years of opening, and over supply of pupil places in the local area.

Manor Primary School is carrying a net deficit of £5k on these funds as the number on roll has slipped over the years and is now less than 90% of the published admission number (PAN).

Southgate Primary School is carrying a net deficit of £243k on these funds. The school joined the Trust in July 2017 as a sponsored school; low pupil numbers and staff turnover have impacted on the financial position.

The Vale Primary School is carrying a net deficit of £19k on these funds. The school is in a community removed geographically from the towns around and has suffered from the closure of an army facility in the last few years.

William Morris Primary School is carrying a net deficit of £749k on these funds. The school joined the Trust in February 2016 as a sponsored school and was operating in a deficit position. With a legacy of underachievement, a significant level of investment was required to achieve the 'Outstanding' Ofsted judgement in September 2018. Historic low pupil numbers against a PAN of 25 underpinned the historic financial picture but the school has been redeveloped to allow classes of 30 and now the greatest challenge impacting the school's financial position remains the extreme levels of SEND supported within the school community.

GLF Schools Central – In 2021/22 we have allocated out historic central deficits to those schools that were in the Trust when the deficits arose.

18 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 2022 £'000	Total 2021 £'000
Aureus Primary School	1,165	84	85	187	1,521	1,279
Aureus School	2,847	258	420	458	3,983	3,162
Banstead Infant School	933	111	44	171	1,259	1,278
The Beacon School	5,768	577	576	700	7,621	7,488
Cherry Fields Primary School	368	67	59	92	586	510
Chestnut Park Primary School	2,238	222	187	325	2,972	2,704
Cordwalles Junior School	804	151	68	134	1,157	1,116
Cuddington Croft Primary School	1,570	163	98	308	2,139	2,127
Danetree Primary School	2,666	261	223	576	3,726	3,150
de Stafford School	3,366	546	358	445	4,715	4,539
Floreat Montague Park School	1,437	212	180	282	2,111	1,581
Floreat Wandsworth School	1,402	187	162	285	2,036	1,903
Forge Wood Primary School	1,068	134	101	190	1,493	1,269
Frogmore Junior School	705	78	125	133	1,041	858
Glyn School	7,072	786	866	906	9,630	9,235
Hammond School	1,112	114	131	173	1,530	1,282
Hardwick Primary School	732	123	59	125	1,039	1,074
Hillcroft Primary School	1,651	122	137	248	2,158	2,053
Kilnwood Vale Primary School	531	85	88	136	840	610
Lightwater Village School	657	95	50	156	958	863
Lime Tree Primary School	1,680	117	135	240	2,172	2,211
Longford Park Primary School	741	129	64	133	1,067	875
Manor Primary School	1,290	151	105	226	1,772	1,668
Marden Lodge Primary School	973	95	78	170	1,316	1,263
Meridian High School	2,937	580	413	590	4,520	4,234
Merstham Park School	1,778	233	252	179	2,442	1,846
Merstham Primary School	842	106	68	132	1,148	1,091
Pine Ridge Infant and Lorraine	900	155	71	171	1,297	1,286
Rosebery School	5,942	575	831	735	8,083	7,591
Salfords Primary School	1,409	149	106	173	1,837	1,857
Southgate Primary School	1,293	105	127	246	1,771	1,776
Springfield Primary School	1,431	187	212	303	2,133	1,974
The Vale Primary School	708	93	72	134	1,007	927
Warlingham Village Primary School	771	115	85	115	1,086	1,014
Warren Mead Infant School	814	101	48	143	1,106	1,120
Warren Mead Junior School	918	86	65	122	1,191	1,347
Wheatfield Primary School	663	91	81	139	974	927
Whyteleafe Primary School	1,727	139	145	422	2,433	2,147
William Morris Primary School	770	121	55	122	1,068	954
Windmill Primary School	718	73	88	153	1,032	970
GLF Schools Central	2,905	3,382	1,083	1,057	8,427	8,471
	69,302	11,159	8,201	11,735	100,397	93,630
				Depreciation	7,929	7,830
				Other finance costs and pension costs	8,883	5,893
				Note 8	117,209	107,353

18 Funds (continued)

Comparative Funds

	Balance at 1 Sept 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfer £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	2,865	72,946	(70,746)	(1,102)	3,963
DfE/ESFA Pupil Premium	-	3,298	(3,208)	-	90
UIFSM	-	1,357	(1,357)	-	-
Teachers Pay and Pension grants	-	3,673	(3,673)	-	-
Other DfE/ESFA grants	-	1,495	(1,389)	-	106
Coronavirus Catch Up Funding	-	1,179	(914)	-	265
Other Covid-19 additional funding (DfE/ESFA)	-	37	(37)	-	-
LA revenue grants	-	6,124	(6,124)	-	-
Other government grants	-	15	(15)	-	-
Covid-19 additional funding (non-DfE/ESFA)	-	273	(273)	-	-
Other restricted funds	-	1,542	(1,532)	-	10
Teaching School	109	660	(558)	-	211
	<u>2,974</u>	<u>92,599</u>	<u>(89,826)</u>	<u>(1,102)</u>	<u>4,645</u>
Pension reserve (note 29)	(38,011)	-	(5,893)	(8,814)	(52,718)
	<u>(35,037)</u>	<u>92,599</u>	<u>(95,719)</u>	<u>(9,916)</u>	<u>(48,073)</u>
Restricted fixed asset funds					
Devolved Formula Capital	702	376	-	(245)	833
Other ESFA capital funding	6,118	2,703	(144)	(2,822)	5,855
LA capital grants	140	580	-	(552)	168
Capital funds on transfer of existing academies	78	-	-	-	78
Capital funds transferred on conversion	94	-	-	(53)	41
Donated fixed assets	-	7,605	-	(7,605)	-
Other capital funds	1,227	-	(84)	33	1,176
Fixed asset fund	225,152	-	(7,830)	12,346	229,668
	<u>233,511</u>	<u>11,264</u>	<u>(8,058)</u>	<u>1,102</u>	<u>237,819</u>
Total restricted funds	<u>198,474</u>	<u>103,863</u>	<u>(103,777)</u>	<u>(8,814)</u>	<u>189,746</u>
Unrestricted funds					
Unrestricted funds	2,872	3,572	(3,576)	-	2,868
Total unrestricted funds	<u>2,872</u>	<u>3,572</u>	<u>(3,576)</u>	<u>-</u>	<u>2,868</u>
Total funds	<u>201,346</u>	<u>107,435</u>	<u>(107,353)</u>	<u>(8,814)</u>	<u>192,614</u>

19 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	226,115	226,115
Current assets	2,870	19,240	7,616	29,726
Current liabilities	-	(11,530)	-	(11,530)
Non-current liabilities	-	(20)	-	(20)
Total net assets excluding Pension Scheme liability	2,870	7,690	233,731	244,291
Pension Scheme liability	-	(10,826)	-	(10,826)
Total net assets	2,870	(3,136)	233,731	233,465

Comparative analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Tangible fixed assets	-	-	229,668	229,668
Current assets	2,868	15,684	8,151	26,703
Current liabilities	-	(11,007)	-	(11,007)
Non-current liabilities	-	(32)	-	(32)
Total net assets excluding Pension Scheme liability	2,868	4,645	237,819	245,332
Pension Scheme liability	-	(52,718)	-	(52,718)
Total net assets	2,868	(48,073)	237,819	192,614

20 Capital commitments

	2022 £'000	2021 £'000
Contracted for, but not provided in the financial statements	595	1,823

21 Commitments under operating leases

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £'000	2021 £'000
Amounts due within one year	216	284
Amounts due between one and five years	197	262
Amounts due after five years	-	-
	413	546

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

	2022 £'000	2021 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(9,924)	82
Adjusted for:		
Depreciation (note 14)	7,929	7,830
Capital grants from DfE and other capital income	(3,943)	(11,264)
Interest receivable (note 7)	(2)	(2)
Defined benefit pension scheme cost less contributions payable (note 29)	7,951	4,854
Defined benefit pension scheme finance cost (note 29)	932	1,039
(Increase)/decrease in stocks	-	21
(Increase)/decrease in debtors	(736)	195
Increase/(decrease) in creditors	540	2,898
Net cash provided by operating activities	2,747	5,653

23 Cash flows from financing activities

	2022 £'000	2021 £'000
Repayments of borrowing	(29)	(29)
Cash inflows from new borrowing	-	-
Net cash used in financing activities	(29)	(29)

24 Cash flows from investing activities

	2022 £'000	2021 £'000
Dividends, interest and rents from investments	2	2
Purchase of tangible fixed assets	(4,376)	(4,741)
Capital grants from DfE Group	2,888	3,079
Capital grants received from Local Authorities	1,055	580
Net cash used in investing activities	(431)	(1,080)

25 Analysis of cash and cash equivalents

	At 1 September 2021 £'000	Transferred from existing academies £'000	Transferred on conversion £'000	Cash flows £'000	At 31 August 2022 £'000
Cash at bank and in hand	23,120	-	-	2,287	25,407
Notice deposits (less than 3 months)	-	-	-	-	-
	23,120	-	-	2,287	25,407

26 Analysis of changes in net debt

	At 1 September 2021 £'000	Cash flows £'000	New finance leases £'000	Other non-cash changes £'000	At 31 August 2022 £'000
Cash	23,120	2,287	-	-	25,407
	23,120	2,287	-	-	25,407
Loans falling due within one year	(29)	17	-	-	(12)
Loans falling due after more than one year	(32)	12	-	-	(20)
	23,059	2,316	-	-	25,375

27 Contingent liabilities

There are no contingent liabilities that require disclosure.

28 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.

29 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 (Banstead Infant School, The Beacon School, Cordwalles Junior, Cuddington Croft Primary, Danetree Primary, de Stafford School, GLF Central, Glyn School, Hammond Junior, Hillcroft Primary, Lime Tree Primary, Lightwater Village, Marden Lodge Primary, Merstham Park School, Merstham Primary School, Pine Ridge Infant and Nursery School and Lorraine Schools, Rosebery, Salfords Primary, Springfield Primary, The Vale Primary, Warlingham Village Primary, Warren Mead Infant, Warren Mead Junior and Whyteleafe Primary), Croydon Council (Chestnut Park Primary and Meridian High), Hampshire County Council (Frogmore Junior School), Oxfordshire County Council (Aureus Primary School, Aureus School, Cherry Fields Primary School, Hardwick Primary, Longford Park Primary, Manor Primary and William Morris), West Sussex County Council (Forge Wood Primary, Kilnwood Vale Primary and Southgate Primary), Wandsworth Council (Floreat Wandsworth) and Royal County of Berkshire (Floreat Montague Park, Wheatfield Primary and Windmill Primary). Both schemes are multi-employer defined-benefit schemes.

The latest quadrennial actuarial valuation of the TPS related to the period ended 31 March 2016. As detailed below, the TPS valuation based on April 2020 data has not yet been implemented. This is scheduled to take place in April 2023. The latest triennial actuarial valuation of the LGPS related to the period 31 March 2019. The LGPS valuation based on March 2022 data is expected to be implemented during 2022/23.

Contributions amounting to £1,473k were payable to the schemes at 31 August 2022 (2021: £1,430k) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

29 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

The next valuation is expected to take effect in 2023.

The pension costs paid to TPS in the period amounted to £8,943k (2021: £8,562k).

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

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Scheme Changes

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

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS.

A final remedy will be determined once the results of the consultation are established.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

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.

29 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 2022 was £4,981k (2021: £4,619k), of which employer's contributions totalled £3,818k (2021: £3,549k) and employees' contributions totalled £1,163k (2021: £1,070k).

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:

	Employees %	Contribution Rates	
		Employers % from 1 April 2022	Employers % from 1 April 2023
Berkshire			
Floreat Montague Park	5.5 - 12.5	21.6	22.6
Wheatfield Primary School	5.5 - 12.5	21.6	22.6
Windmill Primary School	5.5 - 12.5	21.6	22.6
Croydon			
Chestnut Park Primary School	5.5 - 12.5	16.4	16.4
Meridian High School	5.5 - 12.5	17.0	17.0
Hampshire			
Frogmore Junior School	5.5 - 12.5	18.9	17.9
Oxfordshire			
Aureus Primary School	5.5 - 12.5	18.1	18.1
Aureus School	5.5 - 12.5	18.1	18.1
Cherry Fields Primary School	5.5 - 12.5	18.1	18.1
Hardwick Primary School	5.5 - 12.5	18.1	18.1
Longford Park Primary School	5.5 - 12.5	18.1	18.1
Manor Primary School	5.5 - 12.5	18.1	18.1
William Morris Primary School	5.5 - 12.5	18.1	18.1
Wandsworth			
Floreat Wandsworth	5.5 - 12.5	19.0	19.0
West Sussex			
Forge Wood Primary School	5.5 - 12.5	21.7	20.7
Kilnwood Vale Primary School	5.5 - 12.5	21.7	20.7
Southgate Primary School	5.5 - 12.5	21.7	20.7

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	Employees %	Contribution Rates	
		Employers % from 1 Sept 2022	Employers % from 1 Sept 2023
Surrey			
Banstead Infant School	5.5 - 12.5	20.0	20.0
The Beacon School	5.5 - 12.5	20.0	20.0
Cordwalles Junior School	5.5 - 12.5	20.0	20.0
Cuddington Croft Primary School	5.5 - 12.5	20.0	20.0
Danetree Junior School	5.5 - 12.5	20.0	20.0
de Stafford School	5.5 - 12.5	20.0	20.0
Glyn School	5.5 - 12.5	20.0	20.0
Hammond Junior School	5.5 - 12.5	20.0	20.0
Hillcroft Primary School	5.5 - 12.5	20.0	20.0
Lightwater Village School	5.5 - 12.5	20.0	20.0
Lime Tree Primary School	5.5 - 12.5	20.0	20.0
Lorraine School	5.5 - 12.5	20.0	20.0
Marden Lodge Primary School	5.5 - 12.5	20.0	20.0
Merstham Park School	5.5 - 12.5	20.0	20.0
Merstham Primary School	5.5 - 12.5	20.0	20.0
Pine Ridge Infant and Nursery	5.5 - 12.5	20.0	20.0
Rosebery School	5.5 - 12.5	20.0	20.0
Salfords Primary School	5.5 - 12.5	20.0	20.0
Springfield Primary School	5.5 - 12.5	20.0	20.0
The Vale Primary School	5.5 - 12.5	20.0	20.0
Warlingham Village Primary School	5.5 - 12.5	20.0	20.0
Whyteleafe Primary School	5.5 - 12.5	20.0	20.0
Warren Mead Infant School	5.5 - 12.5	20.0	20.0
Warren Mead Junior School	5.5 - 12.5	20.0	20.0
GLF Schools	5.5 - 12.5	20.0	20.0

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

Principal actuarial assumptions

	At 31 August 2022		At 31 August 2021	
	Top of Range	Bottom of Range	Top of Range	Bottom of Range
Rate of increase in salaries	3.95%	3.05%	3.85%	2.90%
Rate of increase for pensions in payment / inflation	3.05%	2.70%	2.90%	2.60%
Discount rate for scheme liabilities	4.25%	4.10%	1.70%	1.65%
Inflation assumption (CPI)	3.05%	2.70%	2.90%	2.60%

29 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 2022		At 31 August 2021	
	Top of Range	Bottom of Range	Top of Range	Bottom of Range
<i>Retiring today</i>				
Males	22.9	21.0	23.1	21.3
Females	25.4	23.8	25.5	24.0
<i>Retiring in 20 years</i>				
Males	24.7	22.3	24.8	22.6
Females	27.1	25.3	27.3	25.4

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 2022 £'000	Fair value at 31 August 2021 £'000
Equities	38,677	36,713
Gilts	7,610	8,430
Other bonds	179	200
Property	4,697	3,804
Cash	1,007	1,048
Target Return Portfolio	1	36
Infrastructure	99	71
Longevity Insurance	(37)	(46)
Multi-asset Fund	65	37
Other	40	74
Total market value of assets	52,338	50,367
Present value of scheme liabilities		
- Funded	(63,164)	(103,085)
Surplus/(deficit) in the scheme	(10,826)	(52,718)

The actual return on scheme assets was a loss of £2,726k (2021: a profit of £10,822k).

Amounts recognised in the statement of financial activities

	2022 £'000	2021 £'000
Current service cost (net of employee contributions)	11,769	8,403
Net interest cost	931	678
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	360
Administration expenses	1	1
Total operating charge	12,701	9,442

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2022 £'000	2021 £'000
At 1 September	103,085	76,070
Current service cost	11,769	8,403
Interest cost	1,795	1,353
Employee contributions	1,163	1,070
Actuarial (gain)/loss	(53,839)	16,379
Estimated benefits paid net of transfers in	(809)	(550)
Past service cost	-	360
At 31 August	63,164	103,085

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

	2022 £'000	2021 £'000
At 1 September	50,367	38,059
Interest income	864	675
Return on plan assets (excluding net interest on the net defined pension liability)	(3,064)	7,565
Administration expenses	(1)	(1)
Employer contributions	3,818	3,549
Employee contributions	1,163	1,070
Estimated benefits paid plus unfunded net of transfers in	(809)	(550)
At 31 August	52,338	50,367

Reconciliation of opening and closing deficit

	2022 £'000	2021 £'000
Pension deficit at 1 September	(52,718)	(38,011)
Current service cost	(11,769)	(8,403)
Employer contributions	3,818	3,549
Additional pension cost	(7,951)	(4,854)
Other finance costs	(932)	(1,039)
Actuarial gains/(losses)	50,775	(8,814)
Pension deficit at 31 August	(10,826)	(52,718)

30 Related party transactions

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

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

Expenditure Related Party Transactions

Ms J Lott (spouse of Jon Chaloner, Chief Executive Officer and Accounting Officer) was employed by the Trust as a teacher at Glyn School. Ms Lott was paid within the normal pay scale for her role & in addition she was paid under a settlement agreement on leaving the Trust.

31 Events after the balance sheet date

Subsequent to the year end Greenway Junior School joined GLF Schools from Castle Trust on 1 September 2022.

32 Agency arrangements

The academy trust administers the disbursement of Initial Teacher Training bursaries, on behalf of the DfE. In the year ended 31 August 2022 the trust received £305k (2021: £530k) and disbursed £318k (2021: £530k) from the fund. An amount of £13k (2021: £0k) (including brought forward from prior years) is included in creditors relating to amounts due from the DfE at 31 August 2022.

The academy trust administers the disbursement of School Direct grant funding, on behalf of the DfE, to schools outside of GLF Schools. In the year ended 31 August 2022 the trust received £0k (2021: £181k) and disbursed £0k (2021: £89k) from the fund. An amount of £92k (2021: £92k) (including brought forward from prior years) is included in creditors relating to undistributed funds which are due to schools outside of GLF Schools at 31 August 2022.