

GFM Education  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
Year ended 31 August 2023

Company Registration Number:  
07834711 (England and Wales)

# GFM Education

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# GFM Education

## Reference and Administrative Details

### Members

J Bonsor

A Cojocar

N Duncan (resigned May 2023)

G Godliman

### Trustees

A Bell (appointed 9 February 2023)

C Beswick

J Bonsor

M Dawson (appointed 21 September 2022)

C Donovan

J Morgan

K Robertson

G Walls (appointed 17 May 2023)

R Williams

A Cojocar (resigned 2 March 2023)

I Potter (resigned 20 July 2023)

V Selwood (resigned 15 March 2023)

### Senior Management Team

K Andrew-Power Executive Principal

C Berry Headteacher (to 31 August 2023)

S Hamilton Executive Director of Finance (to 30 April 2023)

N Matthias Executive Headteacher

G Mulhall Executive Headteacher

S Parker-Tyremen Executive Headteacher (to 10 February 2023)

K Payne Executive Headteacher

R Peet Executive Headteacher

K Digby Associate Headteacher

I Potter CEO (to 31 July 2023)

M Smith Director of Human Resources (to 21 October 2022)

G Walls Interim CEO

C Willis Executive Headteacher

### Company Name

GFM Education

# GFM Education

## Reference and Administrative Details

### Principal and Registered Office

Gomer Lane  
Alverstoke  
Gosport  
Hampshire  
PO12 2QP

### Company Registration Number

07834711 (England and Wales)

### Independent Auditor

Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

### Bankers

Lloyds Bank Plc  
38 London Road  
North End  
Portsmouth  
Hampshire  
PO2 0LR

### Solicitors

Blake Morgan LLP  
New Kings Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 3LG

# GFM Education

## Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

GFM Education comprises 5 schools in the Gosport and Fareham area of Hampshire formed on 1 April 2017; two junior, two secondaries, one with combined sixth form and one specialised academy for students with social, emotional and mental health needs. These academies have a combined pupil capacity of 4,390 and had a roll of 3,989 as at 31 August 2023.

### 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 GFM Education are also the directors of the charitable company for the purposes of company law. The charitable company operates as GFM Education.

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

In accordance with normal commercial practice, GFM Education provides Directors' & Officers' indemnity insurance up to £2,000,000 on any one claim.

#### Method of Recruitment and Appointment or Election of Trustees

GFM Education's Members are responsible for appointing the directors of the Trust (Trustees). When appointing new Trustees, the Members consider the skills and experience of the existing Trustees in order to ensure that the Board has the necessary skills and expertise to contribute fully to GFM Education's development, set strategic direction and meet all its statutory obligations as set out in the Academy Trust Handbook.

#### Policies and Procedures Adopted for the Induction and Training of Trustees

During the year, Trustees and Members attended five formal meetings as well as meeting on an ad-hoc basis throughout the term to discuss specific matters of interest. All Trustees are provided with copies of procedures, minutes and other documents that they will need to undertake their role. All Trustees are made aware of, and invited to attend, a variety of governance training sessions both externally and in-house.

# GFM Education

## Trustees' Report

### Organisational Structure

The Trustees have delegated the day to day management of the Trust to the Chief Executive Officer (currently interim Chief Executive Officer in place) who is supported by the Executive or Senior Management team, as detailed in the Reference and Administrative Information on page 1. In addition to this, an extended Senior Leadership Team ('SLT') comprising both educational and support department leads have been established to further support the Executive. The Executive meets twice per half term as well as regularly with their extended SLT to monitor the educational performance of pupils and the financial and operational performance of the Trust.

The Chief Executive Officer is also the Accounting Officer for the Trust. Local accountability is delegated across the Schools Executive to collectively oversee each academy and additionally is supported by a Local Governing Committee who meet termly and have oversight of the quality of teaching, learning and assessment, ensuring a broad and balanced curriculum in line with the Trust's vision.

In addition, direct scrutiny is carried out by GFM non-Executives in their support and challenge of the Executive school leaders. Known as Ambassadors these non-Executives scrutinise practice within GFM schools, informing their questioning, of school leaders with evidence taken from their visits to the schools as well as data provided in documents. The active leadership and governance of school improvement within the GFM rests currently with two Scrutiny and Advisory Groups or SAAGs, being 'School Visits' and 'Scrutiny and Evaluation'. These groups carry out the heavy lifting alongside the CEO. A Trustee of the GFM Board is active within each SAAG, thus providing connection with the MAT Board. In addition to Trustee involvement, the membership is made up of both parents and staff from the schools. Reporting to the Board on School improvement is the responsibility of the CEO and the connected Trustee.

### Arrangements for setting pay and remuneration of key management personnel

#### *Trustees*

The Trustees are unpaid although they can claim reasonable expenses associated with the undertaking of their role in line with the GFM Trustee Expenses Policy.

#### *Senior Leadership Team*

Leadership are assigned an individual salary range (ISR). ISRs are set by the Trust after considering the needs of the school and/or the Trust and can be amended when there have been significant changes in the responsibilities of the post holder. Pay progression is determined through individual reviews by the Executive Leadership Teams and moderation process by the Chief Executive. The task of appraising the Executive is carried out by the Chief Executive. The task of appraising the Chief Executive is carried out by the GFM Board. Final pay decisions are delegated by the Board to the Chief Executive, with the exception of the Chief Executive and Trustees are involved should there be an appeal.

For non-teaching staff, the Finance and Resources Committee, as delegated by the GFM Board, will determine, on an annual basis, salary increases to be applied to the various salary spines and other additional payments paying regard to the National Joint Council (NJC) for Local Government services National Agreement on Pay and conditions of Service.

# GFM Education

## Trustees' Report

Arrangements for setting pay and remuneration of key management personnel (continued)

All members of the Leadership Group must demonstrate sustained high quality of performance with particular regard to leadership, management and pupil progress with a school. There will be no automatic pay progression for those in the Leadership Group: progression (if any) will depend on performance. Members of the Leadership Group who are at the top of their ISR may be eligible for realignment with a new maxima of the ISR; however, this will be applied at the absolute discretion of the Trust, and only where the individual has had a successful performance management cycle. There may be an opportunity for leaders to have their ISRs reviewed in order to enable them to have the pensionable value of their salary increase whilst remaining in the employ of the GFM.

Trade union facility time

*Relevant union officials*

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	0.9

*Percentage of time spent on facility time*

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

*Percentage of pay bill spent on facility time*

Total cost of facility time	£80,163
Total pay bill	£24m
Percentage of the total pay bill spent on facility time	0.3%

*Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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Related Parties and other Connected Charities and Organisations

GFM Education purchased consultancy services from JB Consultancy during the year ended 31 August 2023, who is a connected member of the Trust. The value of the services amounted to approximately £1k.

# GFM Education

## Trustees' Report

### Engagement with employees (including disabled persons)

The GFM Equal Opportunities and Diversity Policy sets out the Trust's commitment to treating all of its employees, workers and job applicants equally. No employee, worker or potential employee will receive less favourable treatment because of any 'protected characteristic', namely sex, sexual orientation, marital or civil partner status, pregnancy or maternity, gender reassignment, race, colour, nationality, ethnic or national origin, religion or belief, disability or age.

During the year a number of different activities have been implemented in order to ensure staff engagement continues to add value and ensure employees are consulted on matters affecting them. This includes working parties, team meetings, newsletters and email, staff briefings, professional learning opportunities, INSET training and website updates. In addition, we have undertaken consultations with staff and trade unions around policies, continued with staff surveys and introduced round table meetings with the CEO and with Executive leadership.

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

The Trust is committed to ensuring it retains a good relationship with its supply chain which is vital for ensuring the continuation of resources for education and learning. Sustainability is at the heart of decision making both in terms of materials and also with regards to local provision wherever possible supporting the community and its economy.

Services are procured using locally developed frameworks and in conjunction with consultancy partnerships when of a larger value. In addition, when there is both better value for money and for delivery and continuity of services through stronger partnerships, longer-term service contracts are tendered for and negotiated against.

### *Parents, carers, pupils and local communities*

The Trust's relationship with its pupils, parents, carers and local community is critical to its success. Trust newsletters are circulated celebrating successes and providing information on current activities and presenting plans for the future throughout the year. General communications also signpost to Trust-wide activity such as the GFM Awards and community events and opportunities.

Each academy regularly communicates with parents/carers via email news reports, curriculum updates, pastoral issues, report cards, general letters and social media blogs and updates. In addition, parent apps provide updates on each child's academic achievements, trips and events. Staff and Senior Leaders are also present at the beginning and end of the school day providing the time to speak to parents as well as the local community.

Individual websites have also been updated and contain 360 tours of each site and open day videos allow parents/carers to meet the team and understand more about the curriculum. In addition to the return of in-person learning reviews, additional parent/carer open meetings with senior leadership and the CEO have been initiated this year providing those who were particularly impacted by transition during the pandemic further opportunities for questions as well as hearing about ongoing strategies for continuous improvement across the Trust.



# GFM Education

## Trustees' Report

### Objectives and Activities

#### Objects and Aims

The principal object of GFM Education is the provision of education for pupils aged between 7 and 19 and was established with a focus of pioneering a local education model, recognising the need to work in partnership with Hampshire County Council and all local schools to build better outcomes and opportunities for the young people of Gosport and Fareham.

The core purpose of the Trust is to: 'Transform and enrich the lives of young people and the communities they live in. Through the power of education, leadership, lifelong learning and social equality we will be a catalyst for raising ambitions, expectations and aspirations to collectively improve the potential of all those we connect with.'

To support this purpose, the Trust has four strategic ambition pillars:

Education	Community	Inclusion	Organisational
The GFM will be a key driver to Gosport becoming known as a town of education and training, empowering its learners to develop critical thinking skills, becoming a centre of excellence in education & educational research and becoming a pioneer of collaborative education built upon effective partnerships.	The GFM is committed to the belief that every member of our community has the right to achieve their full and utmost potential. The principle underpinning the Community Strategy is that exceptional schooling is only sustainable within happy and healthy communities.	Enabling change by ensuring a voice for all. The strategy will be achieved when all, especially those who haven't had a chance before, to speak and be heard. The GFM will empower voices through its inclusive culture and practice, being invitational and encouraging of all.	Three key implementation priorities of leadership & governance, infrastructure and service delivery models have been established in order to develop a flexible organisation that supports growth, works collaboratively and is influential in its community and the sector.

In addition, running alongside these pillars are interwoven strategies for human resources, learning & development, extended services, research, redesign of schooling and STEM.

These are underpinned by seven guiding principles:

- 1) Collective endeavour
- 2) Centrality of all learners
- 3) Highly effective leadership, management and governance
- 4) A rigorous approach to quality improvement
- 5) A commitment to staff development, well-being and professional learning
- 6) Equity, inclusion and diversity
- 7) Connecting with and transforming our community

# GFM Education

## Trustees' Report

### Objectives, Strategies and Activities

To ensure the Trust delivers against its ambitions, improvement plans have been developed and approved by Trustees. Key priorities include:

- All learners experience an ambitious core curriculum underpinned by the highest quality learning, teaching and assessment to secure rapid progress in the quality of education.
- Colleagues' teaching of a broad and balanced knowledge-rich curriculum is good, aligned to local, national and global market forces and careers.
- To establish a range of wrap-around services in partnership with community organisations across the town through which Gosport children and young people are able to engage and thrive.
- To ensure an inclusive approach in establishing creative and effective partnerships with local and national employers focused on skills development and securing clear, strong routes to employment for all.
- Provision of services that are responsive to local demand and emerging needs, and bring new capacity within the local system, through a proactive and innovative approach to community partnerships and educational provision.
- To build a community that actively attracts and engages diverse, talented individuals from many heritages and lifestyles, and promotes respect and inclusion of all stakeholders at all levels.
- To enable stakeholder leadership and voice so that it is core to GFM strategy, development and improvement.
- To develop resources and tools to support innovative learning away from the classroom.
- To develop GFM staff's agency, influence, self-efficacy and voice within and beyond the GFM.

### Public Benefit

GFM Education has considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by the Trust is the provision of high-quality education for all its pupils and students. The Trust aims, above all, to improve pupils' and students' knowledge, skills, experience and imaginative understanding, believing this to be the surest route to acquiring moral values, making informed choices and judgements in life, and learning to communicate effectively. Through its curriculums, GFM Education also encourages young people to become active participants in their own learning and society and be responsible contributors to both. To serve these ends, the Trust endeavours to provide a rational, tolerant, yet always disciplined atmosphere within all of its Schools, and to foster active participation by pupils and students in both the classroom and extra-curricular activities. In our society of rapid change, we believe that it is essential that young people should be equipped through their schooling to be sufficiently flexible to learn new roles and adapt to constantly changing circumstances in employment and in other respects.

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

# GFM Education

## Trustees' Report

### Strategic Report

#### Achievements and Performance

The journey from our schools being pitched against each other in the market of education towards a collaboration, where the collective endeavour is for all youngsters to gain a good schooling experience regardless of the school they attend, has made good strides. The notion of the GFM as a campus in how we organise the MAT is gaining depth. The strategy for school improvement being nested within strategies for the development of the community and its town is becoming clearer. Time is needed now to consolidate our understanding of how we realise our purpose and ambitions strategically and that will further come from the implementation of the strategic plans, and continually reviewing their impact.

Ofqual have stated that this year GCSEs have returned to pre-pandemic standards, with protection built into the grading process to recognise the disruption that students have faced. The Government also contends that this return to pre-pandemic grading means that national results will be lower than last summer. The DfE has said that it will be most meaningful to compare this year's results with 2019, the last year that summer exams were taken before the pandemic. The approach to grading means that results for individual schools and colleges are highly likely to be lower than last summer.

#### *Primary Phase*

These are the second Key Stage 2 Standard Assessment Tests (SATs) attainment outcomes we have had since 2019, after assessments were cancelled in 2020 and 2021 due to the COVID-19 pandemic.

This data links to the attainment of Year 6 pupils who completed the SATS assessments in the Summer 2023. These pupils experienced disruption to their learning during the pandemic, particularly during Year 3 and in Year 4. These outcomes are therefore a result of 4 years of learning - with two of those not being fully on-site.

A primary learner is aiming to achieve a scaled score of 100 or more at the end of their KS2 learning journey. Greater Depth (typically 110+) has now been removed, from the NPD Live Checking, as an attainment measure making tracking from KS1 to KS2 more challenging. The average scaled score of all Primary GFM learners, for all SATS, is above 100.

	GJS	RJS
Reading	108	103
GPS	107	101
Maths	108	102

#### Key

GPS = Grammar, punctuation and spelling

GDS = Greater Depth

CU = currently unknown

# GFM Education

## Trustees' Report

### Achievements and Performance (continued)

#### Key data:

- 74.4% of pupils (92% at Gomer Junior; 60% at Rowner Junior) met the expected standard in Reading against a national average of 73%.
- 77.5% of pupils (93% at Gomer Junior; 67% at Rowner Junior) met the expected standard in Maths against a national average of 73%.
- 75% of pupils (75% at Gomer Junior; 69% at Rowner Junior) met the expected standard in Writing against a national average of 71%.
- 79% of pupils (92% at Gomer Junior; 66% at Rowner Junior) met the expected standard in grammar, punctuation and spelling against a national average of 72%.

The GFM Primary Phase is achieving above the SATs national average. Gomer Junior achieved above the national average in all SATs examinations. Some progress has been made by Rowner Junior. This has been inhibited, in part, due to the significant learning needs of some children and the bereavement of one of their peers in May 2023.

#### *Secondary Phase*

At Brune Park, whilst results overall are disappointing, the 54.3% 9-4 in English Language is higher than the school achieved before the pandemic in 2019 (50%), there were also significant improvements in Film Studies (76% 9-4 from 43% in 2019), Drama (78% 9-4 from 66% in 2019), Dance 100% (41% in 2019) and Music 83% (64% in 2019). Pass rates in English Literature (43% 9-4) and Mathematics (50% 9-4), are at identical levels to 2019. Results in Science are difficult to compare because of the radical change in entry patterns (with far more pupils entered for triple science) but results are disappointing with the school sitting in the lowest percentile for progress. All subject areas are significantly below the national progress benchmarks in the latest IDSR (November, 2023).

Similarly, at Bay House, outcomes were disappointing with all elements of Attainment and Progress 8 (except languages) significantly below the national average in the latest IDSR (November, 2023). Performance was strongest in Humanities and mathematics and weakest in the Open Group. English Language results are higher than reflected in the IDSR because of the Trust's early entry policy. At A Level, results reflected a lower rate of progress than in previous years, however results in Spanish and French (100% A\*-B), Ancient History (80% A\*-B) and History (77% A\*-B), as well as ICT (100% Distinction\*-Distinction) and Health and Social Care (60% Distinction\*-Distinction) were areas where students achieved exceptionally high grades.

The school improvement requirements at both Secondary schools have been reflected in both schools current Ofsted category (Bay House being judged as 'Requires Improvement' and Brune Park being judged as having 'Serious Weaknesses'). Post-Ofsted individual Academy Improvement Plans for both Secondary Schools clearly identify the key Areas for Improvement (Afls) for each school and the plans to address the Ofsted findings on a term-by-term basis.

# GFM Education

## Trustees' Report

Achievements and Performance (continued)

### *Special Phase*

LWS Academy was visited by Ofsted on the 27th and 28th June 2023 and was judged to be 'Good' (having previously been graded 'Requires Improvement'. Inspectors found that pupils benefited from the specialist support and care they receive at this school. Inspectors recognised that many pupils have had difficult and varied educational experiences. And that they have complex needs which are well understood by the expertly trained staff at the school. The team also noted that the mutually warm and kind relationships between pupils and staff foster a strong sense of trust. As a result, pupils feel safe and secure enough to take part in lessons and learn.

Inspectors also found that pupils know the high ambitions leaders have for what they will achieve. Pupils respond well to this and, by Year 10, many of them have clear and ambitious plans for the next stage in their lives. Pupils value their learning, especially in English and mathematics. They know that working well with their teachers in these subjects will help them to achieve their goals. Inspectors saw that the school environment is mostly calm, both inside and outside of lessons. While disruptive behaviour is rare, sometimes pupils find it hard to regulate their emotions. When this happens, staff provide effective support to help pupils feel calm and safe. Bullying and unkind behaviour do not happen often. When they do, staff skilfully help pupils to understand the impact their words or actions may have on others.

### *Community*

The GFM Community Strategy strives to enable a group of schools, charities, Sports & Arts organisations, Churches, businesses and social enterprises. Working with and within some of the most vulnerable local areas, with a clear, aspirational and radical vision of transformation for our community.

We have dedicated Community Hub and during this year this is some of the projects that have been delivered and some of the outcomes and achievements;

- We worked in collaboration with Hampshire Gosport and Fareham Family Support Service to deliver evidence-based parent/carer programmes each term. These include The Nurture Programme, Talking Teens, Non-Violent Resistance, Teen Life (autism) to a total of 117 parents / carers. Feedback data shows that parents felt the courses had supported their ability to provide more effective parenting and 98% reported an improvement in their wellbeing as a result of attending these programmes. Our waiting lists for January 2024 are already exceeding our maximum allowance on each course.
- We delivered targeted ACE intervention to a cohort of children from Rowner.
- Supported our attendance team to use solution focused methods of supporting families where there is low school attendance. This includes drop-in sessions at both secondary sites.

# GFM Education

## Trustees' Report

### Achievements and Performance (continued)

- The £8,000 received in 2022 from Abri housing is still being used to fund the Good Grub Club (GGC) holiday project. GGC supports families to foster confidence in their ability to cook healthy meals, on a budget. This year we have delivered a total of five sessions, in the school holidays to a total of 60 families. This course sees a high proportion of repeat attendees and can evidence that it is achieving its objectives, with the unforeseen outcome that it would be having a positive impact on children with SEND. Some sessions have been co-facilitated with Play Rangers to provide an active element and Multiply to support numeracy skills. Some of the funds were allocated to offer packed lunches to families over the summer holidays. 100% of families that attend GGC are either in receipt of free school meals, or identify as being on a low income.
- We received £4,386 from the Ukrainian Support Fund. £3,910.35 was spent on two drop-in events, the Ukrainian family day and winter clothing collection. Over the summer, essential food and hygiene hampers were available. In total 77 people attended the end of term family drop-in, 82 the winter clothing session and a total of 199 hampers were given to families in need throughout the summer. The remaining amount will be used to support the Ukrainian community with access to food in January 2024. Our support has now extended to working with the Ukrainian Relief Charity, who take essential items directly to Ukraine. This Christmas our tutor groups and local community are being asked to participate in the Christmas shoe box appeal, where gifts will be sent to the children of Ukraine, some of whom are in orphanages as a result of the conflict. We believe that the extension of this offer is in line with our role modelling of British values of kindness and inclusivity to our children.
- We have received £15,000 from the SCiP Alliance to support the launch of our Service Children's Ambassador programme, which aims to ensure that the voice of our children is heard in school, the local area and beyond. The funding will also support us working with other schools to successfully implement the use of the evidence-based Thriving Lives Toolkit, a model that demonstrates how effective and inclusive we are in responding to the needs of armed forces children in schools.
- Our next 3-year project has commenced with the RNRMC. This year, we have received a total of £60,000 to cover the costs of our agreed outcomes that include the Youth Engagement Project, Connecting Families, Transition Wrap Around Care and Community Warm Space. We have surpassed our agreed reach for this year and as a result of this successful relationship, we have been asked to support them with outreach to other schools and networks, sharing our work and good practice. We will be introduced to other RN schools, provide some online events/mini workshops and participate in media campaigns, to promote what the RNRMC offer. They would like Brune Park to host the Kings Camp Foundation scheme for next year. In addition to this we allocated £3,000 to the City Farm Trip, which lowered the price for all children, ensuring that places went to those who would otherwise struggle to pay for school trips.
- We are supporting our wider community team by overseeing the bidding process for the Energise Me funding that aims to provide healthy, active sessions for children with SEND needs and drop in support sessions for their parents and carers. In addition to this they have been introduced to the Middle Years group, who are keen to discuss funding to allow for community interventions that aim to promote their living healthier for longer strategy.

# GFM Education

## Trustees' Report

Achievements and Performance (continued)

### *Inclusion*

The GFM is committed to implementing our ambition to be the agency for achieving social justice and an inclusive Gosport. The inclusion strategy will ensure the GFM does not fall into the category of being a hard to reach school. From the point of policy to practice the loci of the strategy is firmly based in connecting, valuing and empowering the voice of all. Progress during the year includes:

- Consistent Trust wide diagnostic hub to assess and analyse needs, enabling evidence informed and child centred provision to be implemented. Over 600 learners have been through the referral and assessment process.
- Implementation of forums across the Trust to enable views to be gathered from all sites and settings.
- SEND Parents Forums to influence next steps of policy and practice.
- EAL parent forums and learning opportunities implemented.

### *Extended Services*

GFM Extended services aims to become the 'champion' and facilitator for high quality and strategic intervention, support and guidance for the children and families of Gosport and Fareham. This emerging service has always been an ambition and core to the formation of the GFM, we want to provide a sustainable service that is dynamic, adaptive and responsive to local needs. We know that by supporting our children and families beyond the day to day operations of the school, we would enhance local well-being and capacity to support need holistically. Establishing professional services that bring together the public and private sectors will enable new economies of scale and affordability for all.

During 2022-23, we have:

- Engaged with a variety of students, adults and families across the whole of our community;
- Continued supported for our students through our tutoring provision;
- Maintained 7 local service level agreements for support including specialist therapies, support and interventions;
- Development of the SERT training suite on our Brune Park campus providing training and accreditation for engineers, focusing on renewable and future home energy and bringing training for the workplace nearer to schooling.

Successes during the year include:

- 97% of students enjoy their Tutoring experience. 89% of Teachers now believe Tutoring is impacting positively on pupils and their learning.

# GFM Education

## Trustees' Report

Achievements and Performance (continued)

### *Research NIGE*

The Research Hub is driving to achieve the Board's ambition for the GFM to become a centre of excellence in educational research. In the simplest of terms, this can help colleagues to find solutions to particular problems or questions arising in GFM classrooms, school or services. It can also support in developing colleagues' agency, influence, self-efficacy and voice within and beyond the GFM. Key highlights during the year include:

- 32 Colleagues have now engaged with the Research Training linked to either the University of Portsmouth or University of Southampton.
- The GFM is now a member of the University of Southampton's prestigious LEEP group (the only MAT to have this status) and is involved in four ongoing research projects (e.g. eye-tracking and mental health).
- The GFM is contributing to the BA (Hons) Education programme at the University of Southampton through the student partnerships in the Primary Phase and providing some course content for the BA programme at Southampton Solent and the MA programme at the University of Middlesex.
- LWS is currently bidding to gain the 'Research Mark' from the Chartered College of Teaching.

### *STEM*

STEM matters, which is why the GFM have included it in the teaching and learning of the curriculum. It underpins our daily lives, drives economic growth, plays a critical role in addressing major global challenges. Some GFM learners will be the engineering innovators of the future. GFM endeavours are fundamental in helping to futureproof the next generation of engineers. Key 22-23 successes include:

- Resourced STEM teaching and learning classrooms with significant LEGO Education resources to engage our learners.
- Engagement with STEM enrichment activities in order that learners understand their STEM-rich locality e.g. BAE roadshow which included all Primary learners, Year 7 and 8, GFM learners and local feeder schools.
- Enabled 1,222 learners to develop and apply Engineering Habits of Mind and understand how this links to Gosport Futures skills.
- Evangelised about our STEM learning with our feeder schools who participated in transition activities led by a certified LEGO trainer.



# GFM Education

## Trustees' Report

Achievements and Performance (continued)

### *Redesigned Schooling*

The purpose of the redesigned schooling strategy is to increase our capacity to manage the unknown so that we are better able to meet the challenges of the future. In doing so, we meet our Boards ambition to “transform and enrich the lives of young people and the communities they live in. Successes this year include:

- The roll out of Chromebooks has enabled all learners to have access to a device at school and home that connects them to tools, resources and collaboration to support learning.
- Physical and virtual connections between classrooms along with structural systems to support this have enabled the collaboration of staff and learners on project, curriculum design and within lessons.
- Blended learning techniques have been explored by many. This learning is being shared and supporting development in learning and teaching.
- Our online estate continues to develop in functionality and access, with tools available to learners and staff to improve their experience.

Key Performance Indicators

### *1. Pupil Numbers*

Number on roll vs maximum:

Bay House School:	1,716 v 1,750 (2022: 1,713 v 1,750)
Bay House Sixth Form:	416 v 460 (2022: 465 v 460)
Brune Park Community School:	1,350 v 1,650 (2022: 1,330 v 1,650)
Gomer Junior School:	240 v 240 (2022: 242 v 240)
LWS Academy:	58 v 55 (2022: 56 v 55)
Rowner Junior School:	209 v 240 (2022: 207 v 240)

# GFM Education

## Trustees' Report

Key Performance Indicators (continued)

### 2. Financial Performance Indicators

Income KPIs	2022-23	2021-22	2020-21
Total Revenue Income per Pupil	£7,225	£6,537	£6,254
GAG Income per Pupil	£5,700	£5,472	£5,095
GAG Income as % of Total Revenue Income	79%	84%	81%

Expenditure KPIs	2022-23	2021-22	2020-21
Staff Costs as % of Total Revenue Expenditure	82%	82%	84%
Teaching Staff Costs as % of Total Expenditure	78%	70%	72%
Teaching Staff Costs as % of Total Staff Costs	81%	85%	86%
Premises Costs as % of Total Revenue Expenditure	7%	7%	8%
Total Expenditure as % of Total Revenue Income	96%	98%	97%

*note: Teaching staff costs include education support staff costs*

### 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.

### Promoting the success of the company

Section 172 of the Companies Act 2009 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

- *The likely consequences of any decision in the long-term;*  
All activities are focused around the achievement of the Trust's long-term ambitions. Each operational plan developed around the strategy carries identified risks and mitigating factors. These are monitored alongside plan milestones in order to understand any consequences, intentional or not. The Trust has taken the decision to separate risk from the main finance committee in order to maintain a higher level of scrutiny in this area and ensure that the main purpose is achieved.

# GFM Education

## Trustees' Report

Promoting the success of the company (continued)

- *The need to foster the Trust's business relationships with suppliers, customers, and others;*  
As well as strong relationships with suppliers and contractors, the Trust runs a Business & Education Forum throughout the year, engaging with local businesses and entrepreneurs, supporting careers and world of work experience.

GFM is a local KICKSTART provider and also facilitates placements for other local employers that wish to support the initiative. New KICKSTART employees benefit from an assigned mentor and coach to develop their employability skills and career development, completing a 6-month skills portfolio and specific accreditations to demonstrate their progress and achievement, enabling them to achieve their next career step.

- *The impact of the Trust's operations on the community and the environment;*  
The community and environment are at the heart of the Trust's endeavours. Initiatives promoting sustainability are embedded within the school improvement plans as well as within capital development and maintenance plans. In addition, healthy living and well-being activities are being implemented from catering provisions through to staff welfare and into the classroom. Wherever possible, local provision is sought and where not appropriate, engagement is always undertaken with those offering similar values.
- *The desirability of the Trust maintaining a reputation for high standards of business conduct;*  
We aim to build strong, meaningful partnerships with community and business stakeholders to secure sustainable improvement.
- *The need to act fairly as between members of the Trust;*  
We aim to act fairly and be a fully inclusive organisation and our culture is based on collaboration as well as inclusion and is about what is best for all of us in terms of our development and well-being.

# GFM Education

## Trustees' Report

### Financial Review

As a Trust we faced another challenging year with rising costs in many areas including utilities, catering and higher staff and employer pension costs. We have managed to secure external grant funding to counteract these rising costs, but not completely mitigate these. We have focused on a 'school improvement programme throughout the year, to underpin the curriculum, the learning experience of the pupil and the development of school sites.

The Trust made an in-year operating loss of £1.8m (combination of unrestricted and restricted revenue funds). Due to the school improvement roll out plan, a loss was expected, however this was higher than budgeted for due to circumstances out of our control.

An additional £925k was spent from built up surpluses on capital improvements and fixed assets in order to provide additional furniture and fittings, strengthen security and also strengthen the technical resources available to staff and students supporting the continuation of blended learning platforms. This also included the completion of a new 3g Football pitch (£700k) at our Brune Park site which will strengthen the facilities hire that we rely on to generate additional income. This results in a net decrease in general reserves of £2.6m.

Strategic plans have already been put in place to achieve a balanced budget for the year ahead (23-24). There are various focus groups that are looking at specific areas across the Trust where costs can be reduced and all departments have been tasked with a reduction in spend to help achieve this.

The Trust received an additional £1.3m in restricted capital grant funds under the School Condition Allocation funding programme. Money is allocated based on a combination of pupil and student numbers as well as condition surveys commissioned by the DfE. £2.5m of these funds were spent during the year on various improvements including roof and window replacements to improve the efficiency and sustainability of buildings and also the new build of an innovation hub at the Brune Park site. These replace an old unusable building and is used for classroom space plus studios spaces to provide a flexible and blended learning provision.

With the remaining SCA funding that is carried forward, there is a detailed 5-year school improvement plan which focuses on maintaining existing school buildings. Designs are being drawn up to complete much needed refurbishment plans at LWS Academy and also continue with the roll out of replacement window and roofs at Brune Park. Work is still continuing with the DfE for rebuilding works at Bay House.

The development of the GFM Innovation Hub was completed during the year providing support for a wide range of options for routes to employment and much needed improved classroom space. The building is the first net zero building in the Trust.

# GFM Education

## Trustees' Report

### Reserves Policy

Current policy is to hold the equivalent to approximately one month's expenditure, currently estimated to be between £2.0m and £2.2m, of combined restricted and unrestricted general funds (excluding restricted fixed asset fund and pension reserve). GFM Education's reserves are the resources the Trust has or can make available to spend for or all of the school's purposes once it has met its commitments and covered its planned expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants.

The Board reviews its reserves annually and has recognised that in addition to the amount identified above, after various restructures and the receipt of further capital grants to help improve the condition of parts of the estate, that reserves are able to be used to enhance the educational services and to fund projects in line with the strategic aims outlined above. The Trust reserves have also been ring-fenced to support several strategic initiatives over the next few years including capital refurbishments at Brune Park and LWS and sustainability projects.

The Trustees are satisfied that the level of reserves is in line with the policy.

Funds held at the 31 August 2023 were:

- Unrestricted (free) reserves of £2,125,035 (2022: £2,671,373)
- A restricted fixed asset fund of £77,220,619 (2022: £77,097,076), which can only be realised through disposal of tangible fixed assets
- A pension deficit of £184,000 (2022: £1,578,000)
- Other restricted funds of £nil (2022: £2,027,199)
- Total funds of £79,161,654 (2022: £80,217,648)

### Investment Policy

The policy is in place to identify the level of funds that can be placed on deposit to generate additional interest income for the Trust in order to support its on-going charitable objectives. Any investment decisions must be supported by a cash flow forecast that reduces the risk of the Trust not having the liquidity required to carry out its day to day activities. Surplus funds can be placed on an investment platform as well as with accounts from Lloyds, the Trusts bankers. Surplus funds must be placed in a variety of accounts which have differing maturity dates to ensure that returns are made throughout the year and surplus funds can either be re-invested or used to support Trust activities.

# GFM Education

## Trustees' Report

### Principal Risks and Uncertainties

The major risks to which the Trust is exposed are:

- Failures in safeguarding or health & safety procedures at schools within the Trust.
- A drop in Ofsted rating in any school within the Trust impacts negatively on Trust performance.
- Decreasing reserves due to the financial impact of the school improvement and recovery plans.
- Increasing safeguarding and emotional/mental health needs of pupils and students at a time when other services have apparent capacity shortfalls.
- Impact of emerging 'cost of living'/inflationary pressures on staff, pupils, students, their families and the wider community.
- Recruitment challenges, which impact on outcomes, staff costs and staff retention.
- Continuing increase in staffing costs, including increased pension contribution rates and underfunded pay awards.
- Competing demands on available capital funds for improvements to older and inefficient buildings across the various sites.
- The continuation of significantly higher costs of energy across our campus.

Risk reporting is centralised using information from each Executive Strategy and discussed at every Board meeting as well as at Audit and Risk Committee. Risk is also discussed in Executive meetings to ensure current focus is kept on those areas of highest risk to the Trust as well as being used for forward planning.

Trustees' responsibilities to ensure the Trust's estate is safe, maintained and complies with relevant regulations:

- Trustees have commissioned a long-term estates improvement plan prioritising areas of concern which need to be addressed.
- The MAT is audited by an external health and safety expert to ensure compliance with relevant regulations.
- Health and safety issues, including near misses, are logged, and addressed.
- Members of the estates team complete ongoing training to ensure both sites continue to be safe and well maintained.
- Trustees complete regular site walkarounds to identify any health and safety issues which need to be addressed.
- A review of building projects was completed by the site team to identify whether any RAAC concrete may have been used.

# GFM Education

## Trustees' Report

### Fundraising

As part of its work within the community, the Academy Trust undertakes fundraising activities, for example through fetes, cake sales, non-uniform days etc. The Academy Trust raises funds in order to support its own operations and also to make donations to local and national charities. The Academy Trust undertakes all such activities itself, with the help of its students and their families. We confirm that when fundraising:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the Academy Trust during the year.

### Streamlined Energy and Carbon Reporting

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.

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. This includes all 5 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet") and additional outbuildings.

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. A summary of energy consumption over the period is shown in the following table. The full report can be accessed on the GFM website.

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

Energy type	2021/22	2022/23
Mandatory requirements:		
Gas	4,338,394	3,453,352
Purchased electricity from the grid	1,513,264	1,680,593
Transport fuel	64,650	78,229
Total energy (mandatory)	5,916,308	5,212,174

# GFM Education

## Trustees' Report

Streamlined Energy and Carbon Reporting (continued)

Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):

Emission source	2021/22	2022/23
<b>Mandatory requirements:</b>		
<u>Scope 1</u>		
Natural gas	791.9	631.7
Transport - Company owned vehicles (mini-buses)	12.2	13.4
<u>Scope 2</u>		
Purchased electricity (location-based)	292.6	348.0
<u>Scope 3</u>		
Transport – Business travel in employee-owned vehicles	3.4	5.2
<b>Total gross emissions (mandatory)</b>	<b>1,100.1</b>	<b>998.3</b>
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO <sub>2</sub> e per pupil	0.274	0.248
Tonnes of CO <sub>2</sub> e per square meter floor area	0.030	0.027

### *Intensity ratio*

Two intensity ratios are reported showing emissions (tCO<sub>2</sub>e) 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.

### *Energy efficiency action during current financial year*

The Trust is committed to reducing emissions and this year has seen the implementation of the following energy efficiency measures:

- Various kitchen equipment has continued to be upgraded as part of an energy efficiency programme across sites.
- LED lighting continued to be installed across the Trust in a rolling programme. Lighting down main corridors are now activated by a motion sensor.
- Smart meters have been installed to monitor electricity usage across the schools. Staff are heavily encouraged to ensure non essential power is turned off after the school day to help with the increase in utility costs.



# GFM Education

## Trustees' Report

### Plans for Future Periods

Key activities planned include:

- Working with the DfE School Rebuilding Programme team to commence the programme for the rebuild and refurbishment of the Bay House School & Sixth Form site.
- New healthy living initiatives to promote sustainable lifestyles, linking extended GFM catering provision across education and learning as well as development of staff health & wellbeing resources.
- Provide more bespoke, accessible, high quality tutoring for all young people.
- Invest further in pathways toward green energy careers and skills training, designed through industry, delivered by GFM Schools.
- Further develop a dedicated programme of learning and development for pedagogy, that involves a wide range of teachers at all stages of their career and across a range of subjects / areas of expertise.
- Enhance the sixth form offer through subject level masterclass style sessions for all.

### Funds Held as Custodian Trustee on Behalf of Others

No funds are held on behalf of others.

### Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2023 and signed on the Board's behalf by:



C Beswick  
Chair of Trustees

# GFM Education

## Governance Statement

### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that GFM Education 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 Chief Executive, 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 GFM Education 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 five times during the year as well as attending a strategic away day in order to advance a refresh of the strategic vision and plans for the Trust. Attendance during the year at meetings of the Board of Trustees was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
A Bell	2	2
C Beswick	5	5
J Bonsor	3	5
A Cojocar	4	4
C Donovan	3	5
J Morgan	5	5
I Potter	5	5
K Robertson	1	5
R Williams	4	5
M Dawson	3	5
V Selwood	4	4
G Walls	1	1

The Full Board including Trustees, members and the Executive continued to meet on a number of occasions during the wider shutdown, changing to online in order to manage health & safety requirements. The Executive team also continued to meet more regularly in order to manage the constant changes to regulations and legislation around the pandemic. This allowed closer Trust performance and management of risk assessments across all areas.

# GFM Education

## Governance Statement

Governance (continued)

### Conflicts of interest:

- An up-to-date register of interest is maintained by the clerk.
- At the commencement of each trustees meeting, attendees are asked to declare any conflicts of interests.
- If any conflicts are identified, the Trustee is asked to leave the meeting to avoid being involved in any decision making.
- Senior management are required to complete annual declaration forms.

### Governance reviews:

There has been significant improvement in the effectiveness of key areas of Governance over the course of the year, in particular:

- Robust risk management through frequent monitoring and evaluation of the risk register;
- A clear strategy for CEO succession planning and potential merger with another Multi-Academy Trust; and
- Regular updates by Executive and the Interim CEO to the Board on the implementation and impact of school improvement strategies across the Trust.

Looking at how the Board works, there is high focus on:

- A culture of trust and respect in the boardroom;
- Meetings being run efficiently and effectively;
- An explicit agreement held between the Board and Executive on their respective roles; and
- Trustees seeking out relevant information beyond that provided by Executive, to deepen their knowledge.

The Board of Trustees need to maintain a continued focus on the following aspects of governance:

- Regular engagement in formal evaluations (i.e. Board self-evaluation and/or individual skills self-evaluations);
- Ensuring a clear transition plan for governance in light of potential merger with another Trust; and
- Developing a comprehensive induction training for new Local Governing Body Committee members and Trustees.

# GFM Education

## Governance Statement

### Governance (continued)

The finance and resources committee is a sub-committee of the main Board of Trustees. Its purpose is to review, and where applicable approve, the financial performance of the Trust including budgets and forecasts. During the year, the committee also reviewed and authorised (through delegated powers) several large capital additions and service contracts ensuring value for money and adherence to policy and procedures of the Trust. Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Adrian Cojocar (Trustee & Member)	2	2
Chris Donovan (Trustee & Chair of Committee)	2	3
Elodie Gardner (Primary Phase representative)	1	3
Susan Hamilton (Executive Finance Director)	2	2
Jean Morgan (Trustee)	3	3
Ian Potter (Trustee & Chief Executive)	2	3
Andrew Jacobs (Head of Finance)	1	1
Ryan Peet (Executive Head)	1	1
Geoff Walls (Trustee & Interim Chief Executive)	1	1

The audit and risk committee is a sub-committee of the main Board of Trustees. Its purpose is to review the risk register and direct internal audit to ensure appropriate cover of identified areas of risk, and to make recommendations to the Board on all audit and risk matters. Attendance at meetings in the year was as follows:

<u>Trustee</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Kirstie Andrew-Power (Executive)	1	3
Jenny Bonsor (Trustee)	2	3
Susan Hamilton (Executive Finance Director)	2	2
Ian Potter (Trustee & Chief Executive)	1	3
Kirsty Robertson (Trustee)	2	3
Ruth Williams (Trustee & Chair of Committee)	3	3
Adrian Bell (Trustee)	1	1
Andrew Jacobs (Head of Finance)	1	1
Ryan Peet (Executive Head)	1	1
Geoff Walls (Trustee & Interim Chief Executive)	1	1
Michelle Dawson (Trustee)	1	3

# GFM Education

## Governance Statement

### Review of Value for Money

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

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

- Joining one of the DfE's approved frameworks for the supply of utilities (gas and electric) across the Trust. This should mean we will benefit from a shared reduction in cost with other schools and academies that are also members of the framework.
- The introduction of 'smart meters' in key areas of the schools to monitor the usage of gas and electricity.
- The roll out of a HR portal, giving employees and line managers instant access to key information.
- Monitor the usage of printing and photocopying and putting measures in to avoid unnecessary wastage.
- Regular site walk arounds to ensure we maintain Health and Safety compliant and any necessary repairs are carried out effectively with minimal loss to the school day.
- Continued roll out plan of classroom space refurbishments to ensure pupils have a comfortable space to learn and feel safe.
- Looking at using sustainable resources where possible and improving on the Trusts carbon footprint.

### 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 GFM Education for the period 1 September 2022 to 31 August 2023 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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

# GFM Education

## Governance Statement

### The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to buy-in a focused internal audit service from TIAA.

The various internal audits performed focused on giving advice on financial and specific high-risk areas through performing a range of checks on the Academy Trust's financial and other systems. During the academic year, these included:

- Leadership & Governance Arrangements.
- Core Financial Controls - Budgetary & Purchasing controls
- Safeguarding.

All reports were presented and scrutinised by the Audit and Risk Committee. From the reviews undertaken there was nothing requiring urgent attention or material control risks. Key actions being addressed include:

- A structured approach to agreeing on Key Performance Indicators across the Trust so these can be monitored and any underperformance can be identified and actioned appropriately.
- Although the budget is approved by the Trustees and Accounting Officer and Finance & Resource Committee, this should also be included on the minutes of the nearest Board meeting.
- For the current termly safeguard summary report that is published across the primary phase to be rolled out to the rest of the schools within the Trust.

# GFM Education

## Governance Statement

### Review of Effectiveness

As Accounting Officer the Chief Executive 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/advisers
- the work of the external auditor
- the school resource management self-assessment tool
- 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 and 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 12 December 2023 and signed on its behalf by:



C Beswick  
Chair of Trustees



G Walls  
Accounting Officer

# GFM Education

## Statement of Regularity, Propriety and Compliance

As Accounting Officer of GFM Education I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 2022, including responsibilities for estates safety and management.

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 2022.

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.



G Walls  
Accounting Officer  
12 December 2023



# GFM Education

## Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2023 and signed on its behalf by:



C Beswick  
Chair of Trustees

# GFM Education

## Independent Auditor's Report on the Financial Statements to the Members of GFM Education

### Opinion

We have audited the financial statements of GFM Education ('the charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

### Basis for opinion

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

### Conclusions relating to going concern

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 charitable company'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.

# GFM Education

## Independent Auditor's Report on the Financial Statements to the Members of GFM Education

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

# GFM Education

## Independent Auditor's Report on the Financial Statements to the Members of GFM Education

### Responsibilities of the Trustees

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

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

### Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, 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, the Academy Trust Handbook 2022, and the Academies Accounts Direction 2022 to 2023.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

# GFM Education

## Independent Auditor's Report on the Financial Statements to the Members of GFM Education

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Independent Auditor's Report.

### Use of our report

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



G Brown FCCA (Senior statutory auditor)  
For and on behalf of Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date ..... 19 Dec 2023 .....

# GFM Education

## Independent Reporting Accountant's Assurance Report on Regularity to GFM Education and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by GFM Education during the period 1 September 2022 to 31 August 2023 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 GFM Education and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to GFM Education and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the GFM Education and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of GFM Education's Accounting Officer and the reporting accountant  
The Accounting Officer is responsible, under the requirements of GFM Education's funding agreement with the Secretary of State for Education dated 28 March 2017 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

# GFM Education

## Independent Reporting Accountant's Assurance Report on Regularity to GFM Education and the Education & Skills Funding Agency

### Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academy Trust Handbook (effective from 1 September 2022) (ATH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the ATH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the ATH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the ATH.
- Review of governance arrangements to determine whether the requirements of the ATH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

# GFM Education

## Independent Reporting Accountant’s Assurance Report on Regularity to GFM Education and the Education & Skills Funding Agency

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



G Brown FCCA  
Reporting Accountant  
Hopper Williams & Bell Limited  
Chartered Accountants  
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

Date ..... 19 Dec 2023 .....



# GFM Education

## Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2022/23 Total £	2021/22 Total £
Income and endowments from:							
Donations and capital grants	2	-	4,556	-	1,532,165	1,536,721	2,061,842
Other trading activities	4	292,047	-	-	-	292,047	251,805
Investments	5	17,127	-	-	-	17,127	1,533
Charitable activities:							
Funding for the academy trust's educational operations	3	-	28,512,831	-	-	28,512,831	25,954,452
<b>Total</b>		<b>309,174</b>	<b>28,517,387</b>	<b>-</b>	<b>1,532,165</b>	<b>30,358,726</b>	<b>28,269,632</b>
Expenditure on:							
Charitable activities:							
Academy trust educational operations	7	-	30,624,895	328,000	2,183,825	33,136,720	29,720,556
Net income / (expenditure)		309,174	(2,107,508)	(328,000)	(651,660)	(2,777,994)	(1,450,924)
Transfers between funds	16	(855,512)	80,309	-	775,203	-	-
Other recognised gains / (losses):							
Actuarial gains on defined benefit pension schemes	25	-	-	1,722,000	-	1,722,000	11,823,000
Net movement in funds		(546,338)	(2,027,199)	1,394,000	123,543	(1,055,994)	10,372,076
Reconciliation of funds							
Total funds brought forward		2,671,373	2,027,199	(1,578,000)	77,097,076	80,217,648	69,845,572
Total funds carried forward		2,125,035	-	(184,000)	77,220,619	79,161,654	80,217,648

The notes on pages 42 to 67 form part of these financial statements.

# GFM Education

## Balance Sheet as at 31 August 2023

Company Number 07834711

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	12		72,578,481		71,154,437
Current assets					
Debtors	13	1,124,946		774,483	
Investments	14	2,000,000		-	
Cash at bank and in hand		5,569,158		11,777,386	
		<u>8,694,104</u>		<u>12,551,869</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(1,926,931)</u>		<u>(1,910,658)</u>	
Net current assets			<u>6,767,173</u>		<u>10,641,211</u>
Total assets less current liabilities			79,345,654		81,795,648
Defined benefit pension scheme liability	25		(184,000)		(1,578,000)
Total net assets			<u>79,161,654</u>		<u>80,217,648</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	77,220,619		77,097,076	
Restricted income fund	16	-		2,027,199	
Pension reserve	16	<u>(184,000)</u>		<u>(1,578,000)</u>	
Total restricted funds			77,036,619		77,546,275
Unrestricted income funds	16		2,125,035		2,671,373
Total funds			<u>79,161,654</u>		<u>80,217,648</u>

The financial statements on pages 39 to 67 were approved by the Trustees and authorised for issue on 12 December 2023 and are signed on their behalf by:

*Cris Beswick*

C Beswick  
Chair of Trustees

The notes on pages 42 to 67 form part of these financial statements.

# GFM Education

## Statement of Cash Flows for the year ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	(2,143,974)	846,152
Cash flows from investing activities	21	(4,064,254)	517,285
Change in cash and cash equivalents in the reporting period		<u>(6,208,228)</u>	<u>1,363,437</u>
Cash and cash equivalents at 1 September 2022		11,777,386	10,413,949
Cash and cash equivalents at 31 August 2023	22	<u>5,569,158</u>	<u>11,777,386</u>

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 1 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and are rounded to the nearest £1.

#### 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.

- 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.

- 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.

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Income (continued)

- Other Income

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

- Donated goods, facilities and services

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

### Expenditure

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

- Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 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.

Depreciation is provided on all tangible fixed assets other than 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 Land and Buildings	2%-10% straight line or 15% reducing balance
Leasehold Land and Buildings	2%-10% straight line or 15% reducing balance
Furniture and Equipment	15% reducing balance or 10% straight line
Computer Equipment	20% straight line
Motor Vehicles	25% reducing balance

No depreciation has been provided on long leasehold land as it is similar to freehold land, which does not require depreciation.

Where the Academy Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Academy Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Academy Trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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.

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 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.

### Current asset investments

Current asset investments comprise fixed term bank deposits. These investments are classified as a basic financial instrument and are measured at amortised cost.

### 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 cost. Prepayments are not financial instruments.

#### *Cash at bank*

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

#### *Financial liabilities*

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 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. 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.

### 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.



# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 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 estimates 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 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

The assumptions used are disclosed in note 25.

### *Critical areas of judgement*

There are no other critical areas of judgement.

### Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the 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 the notes to the financial statements.

## 2 Donations and capital grants

	Unrestricted funds	Restricted funds	2022/23 Total	2021/22 Total
	£	£	£	£
Capital grants	-	1,532,165	1,532,165	1,992,317
Other donations	-	4,556	4,556	69,525
	-	1,536,721	1,536,721	2,061,842
<i>Total 2022</i>	-	2,061,842	2,061,842	

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	22,735,562	22,735,562	21,958,870
Pupil Premium	-	1,159,914	1,159,914	1,112,042
Rates reclaim	-	104,650	104,650	101,338
PE and sports grant	-	36,490	36,490	36,610
Teachers' pay grant	-	-	-	46,294
Teachers' pension grant	-	135,945	135,945	131,118
Other DfE grants	-	1,420,858	1,420,858	597,811
	-	25,593,419	25,593,419	23,984,083
Other government grants				
Local authority grants	-	1,012,710	1,012,710	837,392
COVID-19 additional funding (non-DfE/ESFA)				
Other Coronavirus funding	-	-	-	115,880
Other income from the Academy Trust's educational operations				
Trip income	-	596,163	596,163	174,394
Tuition fee income	-	47,800	47,800	42,133
Other income	-	1,262,739	1,262,739	800,570
	-	1,906,702	1,906,702	1,017,097
	-	28,512,831	28,512,831	25,954,452
<i>Total 2022</i>	-	25,954,452	25,954,452	

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Hire of facilities	292,047	-	292,047	251,805
<i>Total 2022</i>	251,805	-	251,805	

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 5 Investment income

	Unrestricted funds	Restricted funds	2022/23 Total	2021/22 Total
	£	£	£	£
Short term deposits	17,127	-	17,127	1,533
<i>Total 2022</i>	<i>1,533</i>	<i>-</i>	<i>1,533</i>	

### 6 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other	2022/23	2021/22
	£	£	£	£	£
Academy's educational operations:					
Direct costs	20,376,857	-	2,457,155	22,834,012	19,754,665
Allocated support costs	3,590,953	2,986,516	3,725,239	10,302,708	9,965,891
	<u>23,967,810</u>	<u>2,986,516</u>	<u>6,182,394</u>	<u>33,136,720</u>	<u>29,720,556</u>
<i>Total 2022</i>	<i>22,648,119</i>	<i>1,986,887</i>	<i>5,085,550</i>	<i>29,720,556</i>	

Net income/(expenditure) for the period includes:

	2022/23	2021/22
	£	£
Operating lease rentals	276,215	256,663
Depreciation	1,988,243	1,966,034
Fees payable to auditor for:		
Audit	18,725	16,850
Other services	<u>4,975</u>	<u>5,525</u>

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
		Amount	Reason
	£	£	
Compensation payments	9,500	9,500	Settlement claim, paid by RPA

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 7 Charitable activities

	2022/23	2021/22
	Total	Total
	£	£
Direct costs – educational operations	22,834,012	19,754,665
Support costs – educational operations	10,302,708	9,965,891
	<u>33,136,720</u>	<u>29,720,556</u>

#### Analysis of support costs:

	Educational operations	2022/23	2021/22
		Total	Total
	£	£	£
Support staff costs	3,590,953	3,590,953	4,498,685
Depreciation	1,988,243	1,988,243	1,966,034
Technology costs	198,700	198,700	202,501
Premises costs	2,986,516	2,986,516	1,986,887
Other support costs	1,507,276	1,507,276	1,284,026
Governance costs	31,020	31,020	27,758
Total support costs	<u>10,302,708</u>	<u>10,302,708</u>	<u>9,965,891</u>
<i>Total 2022</i>		<u>9,965,891</u>	<u>9,965,891</u>

Premises costs includes £195,582 (2022: £nil) in respect of expenditure on capital projects, which were funded by capital grants from the ESFA.

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 8 Staff

#### a) Staff costs

Staff costs during the period were:

	2022/23	2021/22
	£	£
Wages and salaries	17,649,920	15,853,386
Social security costs	1,742,109	1,569,928
Pension costs	3,875,239	4,961,897
	<u>23,267,268</u>	<u>22,385,211</u>
Agency staff costs	636,399	259,688
Staff restructuring costs	64,143	3,220
	<u>23,967,810</u>	<u>22,648,119</u>

Staff restructuring costs comprise:

Severance payments	26,604	3,220
Other restructuring costs	37,539	-
	<u>64,143</u>	<u>3,220</u>

#### b) Severance payments

The Academy Trust paid one severance payment in the year, disclosed in the following bands:

	No.
£25,001 - £50,000	<u>1</u>

#### c) Special staff severance payments

Included in staff restructuring costs is a special staff severance payments totalling £26,604 (2022: £3,220).

#### d) Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2022/23	2021/22
	No.	No.
Teachers	318	286
Administration and support	347	288
Management	56	46
	<u>721</u>	<u>620</u>

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### e) Higher paid staff

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

	2022/23	2021/22
	No.	No.
£60,001 - £70,000	6	8
£70,001 - £80,000	3	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£150,001 - £160,000	-	1
£190,001 - £200,000	1	-

### f) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. 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 £1,197,996 (2022: £1,217,266).

## 9 Related Party Transactions – Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

		2022/23	2021/22
		£000	£000
I Potter	Remuneration	195-200	140-145
(CEO and Trustee to July 2023)	Employer's pension contributions paid	10-15	15-20
G Walls	Remuneration	40-45	-
(Interim CEO and Trustee from April 2023)	Employer's pension contributions paid	5-10	-

During the period ended 31 August 2023, travel and subsistence expenses totalling £1,137 were reimbursed or paid directly to one Trustee (2022: £1,248 to one Trustee).

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 10 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 £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

### 11 Central Services

The Academy Trust has provided the following central services to its academies during the year:

- Human resources
- Insurance
- Governance costs
- Other support costs

The Academy Trust charges for these services based upon fixed percentages. The actual amounts charged during the year were as follows:

	2022/23	2021/22	2022/23	2021/22
	%	%	£	£
Bay House School	53.0%	52.5%	1,809,826	1,580,294
Brune Park Community School	35.6%	35.7%	1,214,292	1,076,408
Gomer Junior School	4.5%	4.6%	154,854	139,976
LWS Academy	2.6%	2.6%	87,019	79,600
Rowner Junior	4.3%	4.6%	145,103	139,976
			<u>3,411,094</u>	<u>3,016,254</u>

Although central services are charged out for financial purposes based on the size of each school, in reality, services are designed to support the Trust operate as a campus with facilities and services supporting phases and whole Trust development and improvement.

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 12 Tangible fixed assets

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>						
At 1 September 2022	67,682,608	12,504,496	1,583,747	1,633,637	173,851	83,578,339
Acquisitions	3,128,628	68,191	71,319	132,449	11,700	3,412,287
Disposals	-	-	-	(684,404)	-	(684,404)
At 31 August 2023	<u>70,811,236</u>	<u>12,572,687</u>	<u>1,655,066</u>	<u>1,081,682</u>	<u>185,551</u>	<u>86,306,222</u>
<b>Depreciation</b>						
At 1 September 2022	8,997,440	1,187,947	927,754	1,153,772	156,989	12,423,902
Charged in year	1,452,816	285,656	101,953	142,140	5,678	1,988,243
Disposals	-	-	-	(684,404)	-	(684,404)
At 31 August 2023	<u>10,450,256</u>	<u>1,473,603</u>	<u>1,029,707</u>	<u>611,508</u>	<u>162,667</u>	<u>13,727,741</u>
<b>Net book values</b>						
At 31 August 2022	58,685,168	11,316,549	655,993	479,865	16,862	71,154,437
At 31 August 2023	<u>60,360,980</u>	<u>11,099,084</u>	<u>625,359</u>	<u>470,174</u>	<u>22,884</u>	<u>72,578,481</u>

### 13 Debtors

	2022/23 £	2021/22 £
Trade debtors	57,392	40,234
VAT recoverable	225,955	90,093
Prepayments and accrued income	841,599	644,156
	<u>1,124,946</u>	<u>774,483</u>

### 14 Current asset investments

	2022/23 £	2021/22 £
Bank deposits	<u>2,000,000</u>	-



# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 15 Creditors: amounts falling due within one year

	2022/23	2021/22
	£	£
Trade creditors	489,606	334,151
Other taxation and social security	404,644	351,443
Other creditors falling due within one year	437,825	400,467
Accruals and deferred income	594,856	824,597
	<u>1,926,931</u>	<u>1,910,658</u>

	2022/23	2021/22
	£	£
Deferred income at 1 September 2022	327,303	67,774
Released from previous years	(327,303)	(67,774)
Resources deferred in the year	449,952	327,303
Deferred income at 31 August 2023	<u>449,952</u>	<u>327,303</u>

At the balance sheet date the academy trust was holding funds received in advance for trips, sixth form bus passes, locker deposits, and other income in relation to the forthcoming term.

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 16 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2023 £
Restricted general funds						
General Annual Grant (GAG)	2,027,199	22,735,562	(24,843,070)	80,309	-	-
Pupil premium	-	1,159,914	(1,159,914)	-	-	-
Rates reclaim	-	104,650	(104,650)	-	-	-
PE and sports grant	-	36,490	(36,490)	-	-	-
Teachers' pension grant	-	135,945	(135,945)	-	-	-
Other DfE grants	-	1,420,858	(1,420,858)	-	-	-
Local authority grants	-	1,012,710	(1,012,710)	-	-	-
Other educational activities	-	1,911,258	(1,911,258)	-	-	-
	<u>2,027,199</u>	<u>28,517,387</u>	<u>(30,624,895)</u>	<u>80,309</u>	<u>-</u>	<u>-</u>
Pension reserve	(1,578,000)	-	(328,000)	-	1,722,000	(184,000)
	<u>449,199</u>	<u>28,517,387</u>	<u>(30,952,895)</u>	<u>80,309</u>	<u>1,722,000</u>	<u>(184,000)</u>
Restricted fixed asset funds						
Fixed asset fund	71,154,437	-	(1,988,243)	3,412,287	-	72,578,481
ESFA capital grants (DFC)	29,278	263,711	-	(129,029)	-	163,960
School Condition Allocation	5,913,361	1,268,454	(195,582)	(2,508,055)	-	4,478,178
	<u>77,097,076</u>	<u>1,532,165</u>	<u>(2,183,825)</u>	<u>775,203</u>	<u>-</u>	<u>77,220,619</u>
Total restricted funds	<u>77,546,275</u>	<u>30,049,552</u>	<u>(33,136,720)</u>	<u>855,512</u>	<u>1,722,000</u>	<u>77,036,619</u>
Total unrestricted funds	<u>2,671,373</u>	<u>309,174</u>	<u>-</u>	<u>(855,512)</u>	<u>-</u>	<u>2,125,035</u>
Total funds	<u>80,217,648</u>	<u>30,358,726</u>	<u>(33,136,720)</u>	<u>-</u>	<u>1,722,000</u>	<u>79,161,654</u>

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 16 Funds (continued)

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

#### General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre- and post-16 high needs funding streams.

#### Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

#### Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

#### Other educational activities

This includes all other educational income/expenditure.

#### Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the Academy Trust on conversion.

#### Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

#### DfE/ESFA capital grants

This is funding received from the DfE/ESFA specifically for expenditure on capital improvements.

#### Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 16 Funds (continued)

#### Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2022/23	2021/22
	£	£
Bay House School	51,797	542,702
Brune Park Community School	1,771,344	3,403,836
Gomer Junior School	384,739	431,030
LWS Academy	(37,639)	(30,508)
Rowner Junior	(45,206)	70,690
Central services	-	280,822
Total before fixed assets and pension reserve	2,125,035	4,698,572
Restricted fixed asset fund	77,220,619	77,097,076
Pension reserve	(184,000)	(1,578,000)
Total	79,161,654	80,217,648

The following academies are carrying a net deficit on their portion of the funds as follows:

	£
LWS Academy	37,639
Rowner Junior	45,206

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

- Deploying staff from within the Trust to support core teaching and leadership to cut down on recruitment and agency costs.
- Reviewing the 23-24 budget across the Trust to cut down on all non-essential spend, which will bring both schools back into a surplus.

#### Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excl. dep- reciation)	2022/23 Total	2021/22 Total
	£	£	£	£	£	£
Bay House School	10,591,163	1,715,794	1,283,271	2,138,359	15,728,587	14,191,644
Brune Park Community School	7,054,329	1,462,267	870,016	1,951,031	11,337,643	9,639,361
Gomer Junior School	959,598	162,855	89,555	193,708	1,405,716	1,307,828
LWS Academy	824,399	84,908	157,507	207,618	1,274,432	1,214,027
Rowner Junior	947,368	165,129	56,806	232,796	1,402,099	1,401,662
	20,376,857	3,590,953	2,457,155	4,723,512	31,148,477	27,754,522

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 16 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2021 £		Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2022 £
Restricted general funds							
General Annual Grant (GAG)	2,079,136	21,958,870	(21,807,415)	(203,392)	-	-	2,027,199
Pupil premium	-	1,112,042	(1,112,042)	-	-	-	-
Rates reclaim	-	101,338	(101,338)	-	-	-	-
PE and sports grant	-	36,610	(36,610)	-	-	-	-
Teachers' pay grant	-	46,294	(46,294)	-	-	-	-
Teachers' pension grant	-	131,118	(131,118)	-	-	-	-
Other DfE grants	-	597,811	(597,811)	-	-	-	-
Local authority grants	-	837,392	(837,392)	-	-	-	-
Other Coronavirus funding	-	115,880	(115,880)	-	-	-	-
RN & RM Charity donation	-	61,600	(61,600)	-	-	-	-
Other educational activities	-	1,025,022	(1,025,022)	-	-	-	-
	2,079,136	26,023,977	(25,872,522)	(203,392)	-	-	2,027,199
Pension reserve	(11,519,000)	-	(1,882,000)	-	11,823,000	-	(1,578,000)
	(9,439,864)	26,023,977	(27,754,522)	(203,392)	11,823,000	-	449,199
Restricted fixed asset funds							
Fixed asset fund	71,643,906	-	(1,966,034)	1,476,565	-	-	71,154,437
ESFA capital grants (DFC)	9,307	89,636	-	(69,665)	-	-	29,278
School Condition Allocation	4,926,766	1,902,681	-	(916,086)	-	-	5,913,361
Other capital grants	287,422	-	-	(287,422)	-	-	-
	76,867,401	1,992,317	(1,966,034)	203,392	-	-	77,097,076
Total restricted funds	67,427,537	28,016,294	(29,720,556)	-	11,823,000	-	77,546,275
Total unrestricted funds	2,418,035	253,338	-	-	-	-	2,671,373
Total funds	69,845,572	28,269,632	(29,720,556)	-	11,823,000	-	80,217,648

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 17 Analysis of net assets between funds

	Un- restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	72,578,481	72,578,481
Current assets	2,125,035	1,926,931	-	4,642,138	8,694,104
Current liabilities	-	(1,926,931)	-	-	(1,926,931)
Pension scheme liability	-	-	(184,000)	-	(184,000)
<b>Total net assets</b>	<b>2,125,035</b>	<b>-</b>	<b>(184,000)</b>	<b>77,220,619</b>	<b>79,161,654</b>

Comparative information in respect of the preceding period is as follows:

	Un- restricted funds	Restricted general funds	Restricted pension funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	71,154,437	71,154,437
Current assets	2,671,373	3,937,857	-	5,942,639	12,551,869
Current liabilities	-	(1,910,658)	-	-	(1,910,658)
Pension scheme liability	-	-	(1,578,000)	-	(1,578,000)
<b>Total net assets</b>	<b>2,671,373</b>	<b>2,027,199</b>	<b>(1,578,000)</b>	<b>77,097,076</b>	<b>80,217,648</b>

### 18 Capital commitments

	2022/23	2021/22
	£	£
Contracted for, but not provided in the financial statements	69,668	2,313,241

### 19 Long-term commitments, including operating leases

#### Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022/23	2021/22
	£	£
Amounts due within one year	210,734	206,303
Amounts due between one and five years	244,162	174,139
	<b>454,896</b>	<b>380,442</b>

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

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

	2022/23	2021/22
	£	£
Net expenditure for the reporting period	(2,777,994)	(1,450,924)
Adjusted for:		
Depreciation	1,988,243	1,966,034
Capital grants from DfE and other capital income	(1,532,165)	(1,992,317)
Interest receivable	(17,127)	(1,533)
Defined benefit pension scheme cost less contributions payable	258,000	1,693,000
Defined benefit pension scheme finance cost	70,000	189,000
Increase in debtors	(149,204)	(21,499)
Increase in creditors	16,273	464,391
Net cash (used in) / provided by Operating Activities	<u>(2,143,974)</u>	<u>846,152</u>

### 21 Cash flows from investing activities

	2022/23	2021/22
	£	£
Dividends, interest and rents from investments	17,127	1,533
(Increase) / decrease in current asset investments	(2,000,000)	-
Purchase of tangible fixed assets	(3,412,287)	(1,476,565)
Capital grants from DfE Group	1,330,906	1,992,317
Net cash (used in) / provided by investing activities	<u>(4,064,254)</u>	<u>517,285</u>

### 22 Analysis of cash and cash equivalents

	2022/23	2021/22
	£	£
Cash at bank and in hand	<u>5,569,158</u>	<u>11,777,386</u>

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 23 Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2023 £
Cash	11,777,386	(6,208,228)	-	-	-	5,569,158
Total	<u>11,777,386</u>	<u>(6,208,228)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,569,158</u>

### 24 Member 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.



# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 25 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 Hampshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £416,906 were payable to the schemes at 31 August 2023 (2022: £369,208) and are included within creditors.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 25 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £2,643,172 (2022: £2,437,960).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was as follows:

	2023	2022
	£	£
Employer's contributions	974,000	820,000
Employees' contributions	305,000	255,000
	<u>1,279,000</u>	<u>1,075,000</u>

The agreed contribution rates for future years are 17.9% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

#### Principal actuarial assumptions

	2023	2022
Rate of increase in salaries	4.0%	3.7%
Rate of increase for pensions in payment/inflation	3.0%	2.7%
Discount rate for scheme liabilities	5.2%	4.1%
Inflation assumption (CPI)	3.0%	2.7%
Commutation of pensions to lump sums	<u>70.0%</u>	<u>70.0%</u>

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

	2023	2022
<i>Retiring today</i>		
Males	22.1	22.9
Females	<u>24.7</u>	<u>25.4</u>
<i>Retiring in 20 years</i>		
Males	22.6	24.7
Females	<u>25.7</u>	<u>27.1</u>

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 25 Pension and similar obligations (continued)

#### Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2023	2022
	£	£
Discount rate +0.1%	(350,000)	(419,000)
Discount rate -0.1%	350,000	434,000
Mortality assumption – 1 year increase	594,000	419,000
Mortality assumption – 1 year decrease	(594,000)	(419,000)
CPI rate +0.1%	338,000	388,000
CPI rate -0.1%	(338,000)	(372,000)

The Academy Trust's share of the assets in the scheme were:

	2023	2022
	£	£
Equities	8,658,000	8,061,000
Gilts	4,696,000	2,116,000
Property	880,000	1,086,000
Cash and other liquid assets	440,000	125,000
Other	-	2,535,000
Total market value of assets	<u>14,674,000</u>	<u>13,923,000</u>

The actual return on scheme assets was a loss of £302,000 (2022: £905,000).

Amount recognised in the Statement of Financial Activities

	2022/23	2021/22
	£	£
Current service cost	1,232,000	2,513,000
Interest income	(592,000)	(244,000)
Interest cost	662,000	433,000
Total amount recognised in the SOFA	<u>1,302,000</u>	<u>2,702,000</u>

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 25 Pension and similar obligations (continued)

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

	2022/23	2021/22
	£	£
At 1 September	15,501,000	25,425,000
Current service cost	1,232,000	2,513,000
Interest cost	662,000	433,000
Employee contributions	305,000	255,000
Actuarial gain	(2,616,000)	(12,972,000)
Benefits paid	(226,000)	(153,000)
At 31 August	<u>14,858,000</u>	<u>15,501,000</u>

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

	2022/23	2021/22
	£	£
At 1 September	13,923,000	13,906,000
Interest income	592,000	244,000
Actuarial loss	(894,000)	(1,149,000)
Employer contributions	974,000	820,000
Employee contributions	305,000	255,000
Benefits paid	(226,000)	(153,000)
At 31 August	<u>14,674,000</u>	<u>13,923,000</u>

# GFM Education

## Notes to the Financial Statements for the Year Ended 31 August 2023

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

#### Expenditure Related Party Transactions:

##### J Bonsor (trustee and member)

- The Academy Trust purchased services from J Bonsor totalling £1,045 (2022: £1,976) during the period. There were no amounts outstanding at 31 August 2023 (2022: £nil).
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which J Bonsor neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academy Trust Handbook 2022.

##### BELMAS (a company in which I Potter (trustee to 20 July 2023 and CEO) is a Director)

- The Academy Trust paid for services for BELMAS totalling £2,807 (2022: £nil) during the period which are then to be reimbursed by BELMAS. An amount of £103 was still outstanding to the Trust at 31 August 2023 (2022: £nil).

### 27 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2023 the Academy Trust received £15,153 and disbursed £15,153 from the fund. An amount of £nil is included in other creditors relating to undistributed funds that are repayable to ESFA. Comparatives for the accounting period ended 31 August 2022 are £50,650 received, £50,650 disbursed and £nil included in other creditors.