

GFM Education
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2022

Company Registration Number:
07834711 (England and Wales)

GFM Education

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GFM Education

Reference and Administrative Details

Members

R Allen (to 25 April 2022)
J Bonsor (to 25 October 2021)
A Cojocar
N Duncan
G Godliman

Trustees

C Beswick
J Bonsor
A Cojocar
M Dawson (appointed 21 September 2022)
C Donovan
G Hicks (to 4 November 2021)
J Morgan
I Potter
K Robertson
V Selwood (appointed 11 July 2022)
R Williams

Senior Management Team

K Andrew-Power	Executive Principal
S Hamilton	Executive Finance Director
N Matthias	Executive Headteacher
G Mulhall	Executive Headteacher
S Parker-Tyreman	Executive Director
K Payne	Executive Headteacher
R Peet	Executive Headteacher
I Potter	Chief Executive Officer
M Smith	Director of Human Resources
G Walls	Director of Schooling
C Willis	Executive Headteacher

Company Name

GFM Education

Principal and Registered Office

Gomer Lane
Alverstoke
Gosport
Hampshire
PO12 2QP

Company Registration Number

07834711 (England and Wales)

GFM Education

Reference and Administrative Details

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, which includes the strategic report together with the audited financial statements of GFM Education ('GFM' or 'the Trust') for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

GFM Education comprises five schools in the Gosport and Fareham area of Hampshire formed on 1st 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 4,013 as at 31 August 2022.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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). The Trustees of GFM Education are also the directors of the charitable company for the purposes of company law.

Funding for educational activities is governed by master funding agreements between the Trust and the Secretary of State for Education. The Trust website contains copies of all the master funding agreements and details of which academies each of the agreements refer to.

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.

GFM Education

Trustees' Report

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.

Organisational Structure

The Trustees have delegated the day to day management of the Trust to the Chief Executive Officer 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 has 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 Committees 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 with the Executive Director of Schooling (who line manages the school leaders) and 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, Director of Schooling and the connected Trustee. A third group, 'Community and Inclusion' is being set up in the new academic year.

GFM Education

Trustees' Report

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.

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.

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Trustees' Report

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%	-
1%-50%	2
51%-99%	1
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£53,664
Total pay bill	£22.6m
Percentage of the total pay bill spent on facility time	0.2%

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 2022, who is a connected member of the Trust. The value of the services amounted to £2k.

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.

GFM Education

Trustees' Report

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

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.	<p>The GFM is committed to the belief that every member of our community has the right to achieve their full and utmost potential.</p> <p>The principle underpinning the Community Strategy is that exceptional schooling is only sustainable within happy and healthy communities.</p>	Enabling change by ensuring a voice for all. The strategy will be achieved when all, especially those who have not 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.

There are all underpinned by seven guiding principles of:

- 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 and teaching and a clear focus on developing Gosport Futures and Engineering Habits of Mind.
- Colleagues' teaching of a project based curriculum is sound, aligned to local, national and global careers and evidences pupils progress.
- To establish a range of wrap around services in partnership with community organisations across the town through which Gosport Children and Youth 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, bring new capacity within the local system, through a proactive and innovative approach.
- To build a community that actively attracts and engages diverse, talented individuals from many heritages and lifestyles, and promotes respect and inclusion of staff 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 learning away from the classroom. Learners are fully engaged with an immersive curriculum of learning.
- 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.

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Trustees' Report

Strategic Report

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.

Achievements and Performance

The JCQ and Ofqual have acknowledged that the last two years have been challenging for pupils and students. The Trust put in place an unprecedented package of support to make the path back to pre-pandemic arrangements as smooth as possible.

Results will look different to summer 2021, because the nature of the assessment is different (with a return to examinations rather than teacher assessments). The exam board approach to grading reflects a midpoint between summer 2019 and 2021.

Primary Phase

These are the first key stage 2 attainment statistics since 2019, after assessments were cancelled in 2020 and 2021 due to the pandemic.

These statistics cover the attainment of year 6 pupils who took assessments in summer 2022. These pupils experienced disruption to their learning during the pandemic, particularly at the end of year 4 and in year 5. These outcomes are therefore a result of 4 years learning - with two of those not being fully on-site. Highlights are:

- Scores for Reading at expected standard and Maths at greater depth have improved this year across the phase.
- 71% of pupils (77% at Gomer Junior; 65% at Rowner Junior) met the expected standard in Reading against a national average of 74%.
- 73% of pupils (90% at Gomer Junior; 55% at Rowner Junior) met the expected standard in Maths against a national average of 71%.
- 69% of pupils (70% at Gomer Junior; 68% at Rowner Junior) met the expected standard in Writing matching the national average for the year. Attainment in writing is not directly comparable to some earlier years (2016 and 2017) because of changes to writing teacher assessment frameworks in 2018.
- 66% of pupils (72% at Gomer Junior; 60% at Rowner Junior) met the expected standard in grammar, punctuation and spelling against a national average of 72%.

Secondary Phase

It is more meaningful to make comparisons with 2019 results, because this is when exams were last sat. GCSEs, AS and A levels are also not norm-referenced. There is no quota for the number of students that can get a particular grade – and there never has been. Grade boundaries are never set until after students have sat the assessments and they have been marked.

GFM Education

Trustees' Report

Achievements and Performance (continued)

Results in summer 2022 will be higher than when summer exams were last sat, but lower than in 2021, when grades were awarded by teacher assessment. Schools' and colleges' results are highly likely to be lower than in 2021 when exams did not go ahead. Very few schools or colleges, if any, will get higher results than in 2021. Highlights are:

- English and mathematics GCSE performance improved at Brune Park School (10% and 9% respectively) but remains behind national progress benchmarks.
- English performance was maintained at Bay House (with multiple attempt logic) and was consistent in mathematics. English performance is above national progress benchmarks with mathematics in-line.
- Progress 8 scores should be considered with caution this year (see below for context) but were broadly consistent within the 3yr average at Bay House (+0.1) and Brune Park (-0.27).
- The gap between expected and actual performance in the EBacc pillar at Brune Park School shows improvement but remains a key improvement metric going forward.
- Performance at A Level in the Bay House Sixth Form was consistent with 2019 (the last examined year). A* - E PASS RATE = 99%, A* - C PASS RATE = 88%, A* - B PASS RATE = 68%.
- There was an increase in the percentage of A* GRADES = 16% (2020 CAGS 12%) which bucked the national trend which saw a huge decline in the same metric.
- Provisional analysis of VA+ performance suggests this is identical to 2019.
- Performance in L3 Applied General qualifications in the Sixth Form was consistent with previous years.

Special Phase

LWS has been judged by Ofsted to require improvement in its last two section 5 inspections (May 2017 and September 2019). Since the last section 5 inspection there have been two section 8 monitoring visits by Ofsted (March 2021 and July 2021). In July inspectors found that "leaders and those responsible for governance are taking effective action for the school to become a good school."

At the current stage, Leaders judge the current provision to be good in all areas and a monitoring visit was commissioned June 2022 to understand further progress made since the last section 5 inspection. The adviser found that there is "clear, demonstrable evidence of improvement in the behaviour of the students and in the outcomes that they achieve". Key points from a review of the quality of teaching include:

- The strategy for improvement to literacy, and in particular, reading, is well considered and the key components planned out sensibly. The strategy is valued by students as they report feeling more confident in their ability.
- Support from educational psychologists and the GFM diagnostic tool provide strategies for use by class teams and information to make decisions on which therapies to deploy to support each student. Leaders produce student overview documents and work with tutors to ensure strategies are fully understood.
- A provision mapping tool will be introduced in the coming academic year to strengthen the tracking and monitoring of all support provided for the students.

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Trustees' Report

Achievements and Performance (continued)

It was also noted that the behaviour observed during the visit was very good. Students were almost all courteous and polite and clearly had strong, positive relationships with the staff. Leaders are admirably aiming for a 'no physical intervention' approach.

The advisor concluded that "students talk very warmly of their time and of the staff at LWS. They communicated confidently with the local authority team at a level rarely seen in SEMH settings. All have experienced difficulties at school at some point in their past. One student described how he had attended six different primary schools and was able to explain how LWS had helped them. "The staff understand me. I can talk to them, and they give me space, trust and a chance to change my attitude," explained one Year 11 student who went on to explain how the school's reading programme had made big changes to his confidence from a Year 7 who struggled to read to a Year 11 who is now ready to go FE college next year."

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.

Progress this year includes:

- Establishment of the Gosport Community Sports Foundation with a significant number of local Sports clubs wanting to be a part of the network which brings capacity and experiences to our young people Community Arts provision offered via St Johns Church with families engaged in Arts programmes throughout the Summer (Jubilee Pageant) and the launch of Community Theatre Company in collaboration with Titchfield Festival Theatre on the Brune Park site.
- SME Funding initiative launched in partnership with Abri Housing with 2 SMEs having applied for start-up funding.
- Joint appointment of Gosport Youth and Community Projects lead with the local churches now focused on developing Youth Work across the town.
- Successes during the year include:
- Over £600k external funding secured over the last 3 years linked to Community Strategy with a further £200k tentatively approved for the next 3 years.
- GFM Income Innovator of the Year Award 2021.
- Official opening of the Gosport Community Hub by HRH Princess Royal.
- Community Impact Award for Gosport School Pastors 2021/22.
- Community Kitchen launched over the summer feeding significant numbers of family's across Gosport.
- Launch of the Andy Mans Mental Health support via the Community Hub supporting over 30 men with their mental health in Gosport on a weekly basis.

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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 2021-22, we have:

- Engaged with 4,045 students, adults and families across our community;
- Supported more than 1,300 students through our tutoring provision;
- Worked with 27 individuals coming through the Kickstart COVID employment fund programme with 75% moving into long-term employment bringing social value of £1.15m;
- Developed seven local service level agreements for support including specialist therapies, support and interventions;
- Commissioned direct support for 94 parents/carers;
- Opened a new 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:
- 96% of students enjoy their Tutoring experience. 83% Teachers believe Tutoring is impacting positively on their learning.
- "She's found herself again, working hard, engaged with the tasks of Y11, and doing well. She is exercising and is happier and less anxious. It was really successful; you've been a shining light in the depths of our despair." Parent's reflection of the value of our care team - October 2021.
- "It's impacting on me positively and building my confidence up." Year 10 Student on tutoring experience.
- Winner of the 2022 TES award 'Community Engagement Initiative of the Year - COVID recovery strategy.

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Trustees' Report

Achievements and Performance (continued)

Research

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:

- 27 colleagues have now signed up for - and are currently engaged in - Research Training linked to either the University of Portsmouth or University of Southampton.
- Cohort One have now finished Day One and have submitted publications to the GFM Research Hub. Day Two ("Research Intervention") is scheduled for the Autumn Term.
- The GFM is now a member of the University of Southampton's prestigious LEEP group (the only MAT to have this status).

STEM

STEM matters. 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 successes include:

- Being shortlisted for a TES technology award.
- Resourced STEM teaching and learning classrooms with significant LEGO Education resource to engage our learners.
- Enabled 1,200 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.

Learning & Development

We believe through education, leadership, lifelong learning and social equality that individuals can exceed their potential and benefit society; our purpose is to enable each individual, and every team in the GFM community to have a disposition and thirst for learning and development. Successes this year include:

- GFM Staff Conference brought all staff together to celebrate the values and vision of the GFM and the role we each play in GFM improvement.
- The initial Young Leader SAAG conferences are leading to stakeholders having a clear and active role in GFM improvement for example, students presenting at staff conference and leading next stage development with a range of policies that impact culture.
- Audits of Safeguarding practices in the five GFM schools indicate that children feel safe, cared for and confident that they have adults to which they can talk. Staff report to feeling support and empowered in fulfilling their safeguarding responsibilities.

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 collaboration of staff and learners.
- Blended learning techniques have been explored by many. This learning is being shared and supporting learning and teaching.
- Asynchronous learning in the sixth form has supported and extended learning beyond the timetabled curriculum to enhance the students experience.

Key Performance Indicators

1. Pupil Numbers

Number on roll vs maximum:

Bay House School:	1,713 v 1,750 (2021: 1,727 v 1,750)
Bay House Sixth Form:	465 v 460 (2021: 470 v 460)
Brune Park Community School:	1,330 v 1,650 (2021: 1,301 v 1,650)
Gomer Junior School:	242 v 240 (2021: 242 v 240)
LWS Academy:	56 v 55 (2021: 56 v 55)
Rowner Junior School:	207 v 240 (2021: 215 v 240)

2. Financial Performance Indicators

Income KPIs	2021-22	2020-21	2019-20
Total Revenue Income per Pupil	£6,537	£6,254	£5,908
GAG Income per Pupil	£5,472	£5,095	£5,149
GAG Income as % of Total Revenue Income	84%	81%	87%

Expenditure KPIs	2021-22	2020-21	2019-20
Staff Costs as % of Total Revenue Expenditure	82%	84%	83%
Teaching Staff Costs as % of Total Expenditure	70%	72%	71%
Teaching Staff Costs as % of Total Staff Costs	85%	86%	86%
Premises Costs as % of Total Revenue Expenditure	7%	8%	8%
Total Expenditure as % of Total Revenue Income	98%	97%	100%

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.

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Trustees' Report

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 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.
- 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 is 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

Financial Performance & Operations

Despite the continuing higher costs from inflationary pressures, including higher staff salaries and pension contributions, the Trust made an in-year operating surplus of £404k (combination of unrestricted and restricted revenue funds). This surplus includes grant income received to support additional grants received towards the end of the last terms to support higher costs such as an increase to national insurance. This also provides a small buffer for some of the surge in costs in the new academic year such as energy charges which have inevitably impacted on budgeting.

An additional £203k was spent from this surplus 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 results in a net increase in general reserves of £201k.

The Trust received an additional £1,902k 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. £916k of these funds were spent during the year on improvements including fire and security upgrades and roof and window replacements to improve the efficiency and sustainability of buildings.

A total of £2,313k, including brought forward funds, is currently committed to completing work in progress developments over the next 12 months. This includes the first stage of development of a new Innovation Hub at Brune Park Community School. Providing replacement classroom and studio space for flexible and blended learning, this also provides space for supporting young entrepreneurs alongside small business incubation.

A Trust-wide decarbonisation plan was commissioned with Salix grants received under the Public Sector Decarbonisation Scheme, evaluating the assets of the Trust and adding to our Asset Management Plans for improving energy efficiency and heat decarbonisation.

School building plans have been commissioned to provide strategic design options for high impact refurbishment of Brune Park School and LWS Academy considering not only condition but also best use of the site layout for ensuring appropriate amount of space for teaching and learning activities. Funding to support improvements will be supported through SCA funding received from the DfE.

The Gosport Community Hub (funded by the Royal Navy and Royal Marines Charity) was completed and opened by HRH Princess Royal providing space for service children and families as well as the wider community. Activities such as Talking Teens and Nurture Programmes are provided free of charge for our armed forces families and the team at the Hub work together with other community organisations to host events, workshops and groups to support Gosport residents.

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 the development of a new 3G sports pitch at Brune Park School.

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

Investment Policy

The objective is to maximise investment on any long term accrued balances in order to protect those balances against inflation. The Trust also aims to invest any other surplus cash fund on a short-term basis. All investments will be made ensuring there is no tangible risk to the loss of those funds. Where a short-term surplus is identified, these funds will be invested through the Treasury Deposit mechanism using the Trust's bankers, Lloyds Bank. Investments are made with regards to the Charity Commission guidance in relation to investments.

The investment policy is being revised to include money being placed into short-term cash deposit accounts in order to improve the returns.

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 impact negatively on Trust performance.
- Shortfalls in funding which have not been anticipated due to wider national changes in funding formulas.
- 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.
- Increasing staffing costs, including increased pension contribution rates and unfunded pay awards.
- Competing demands on available capital funds for improvements to older and inefficient buildings across the various sites.
- Significantly higher costs of energy across our campus.

GFM Education

Trustees' Report

Principal Risks and Uncertainties (continued)

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.

Fundraising

As part of its work within the community, GFM Education undertakes fundraising activities, for example through fetes, cake sales, non-uniform days etc. GFM Education 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	2020/21
Mandatory requirements:		
Gas	4,338,394	5,066,307
Purchased electricity from the grid	1,513,264	1,388,031
Transport fuel	64,650	27,540
Total energy (mandatory)	5,916,308	6,481,878

GFM Education

Trustees' Report

Streamlined Energy and Carbon Reporting (continued)

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

Emission source	2021/22	2020/21
<u>Mandatory requirements:</u>		
<u>Scope 1</u>		
Natural gas	791.90	927.90
Transport - Company owned vehicles (mini-buses)	12.20	4.40
<u>Scope 2</u>		
Purchased electricity (location-based)	292.60	294.70
<u>Scope 3</u>		
Transport – Business travel in employee-owned vehicles	3.40	2.20
Total gross emissions (mandatory)	1,100.10	1,229.20
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ e per pupil	0.274	0.308
Tonnes of CO ₂ e per square meter floor area	0.03	0.035

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2021 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

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:

- There was a partial window replacement programme this year upgrading to new more efficient double-glazed units at Brune Park's science blocks and Rowner Junior School's main building.
- Rowner Junior School had internal ceiling, lighting replacement and roof refurbishment works carried out this year, improving insulation, energy efficiency and reducing maintenance.
- Various kitchen equipment has been upgraded as part of an energy efficiency programme across sites.
- LED lighting was installed across the Trust in a rolling programme.
- A heat decarbonisation plan has been commissioned under the Public Sector Heat Decarbonisation Scheme launched by Salix. This was carried out by Briar Consulting Engineers Limited and gives a high-level plan for reducing carbon emissions across the Trust in order to meet strategic and Government targets. The energy reductions identified are largely a result of moving to low carbon heating (88%), replacement of lighting with LED fittings (6%), building fabric improvements (5%), replacement of lighting with LED fittings (13%) and replacement of kitchen equipment (1%). In total 49 energy projects were identified, with the majority (33) for Bay House School and Brune Park School.

GFM Education

Trustees' Report

Plans for Future Periods

Key activities planned include:

- Working with the DfE School Rebuilding Programme team to finalise plans 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.
- Development and completion of the GFM Innovation Hub supporting a wider range of options for routes to employment and supporting SMEs and young entrepreneurs. The building is planned to be the first net zero building in the Trust.
- 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 6 December 2022 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:

Trustee	Meetings attended	Out of a possible
C Beswick	4	5
J Bonsor	5	5
A Cojocar	5	5
C Donovan	3	5
G Hicks	1	5
J Morgan	5	5
I Potter	5	5
K Robertson	2	5
R Williams	5	5

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:

In accordance with the Trust's Declarations of Interests Policy, persons involved in governance decisions (i.e. Members, Trustees and Senior Employees) are required annually to disclose (in writing) any other relationship they have with the Academy Trust (or could potentially have) including: under a contract of employment or a contract for goods or services; trusteeships and governorships at other educational institutions/ charities; any family members which might be employed and/or contract with the Academy Trust; and details of any company or firm with which they or a family member are connected that does or may have dealings with the Academy Trust.

All governance meetings include a standing agenda item which asks attendees to declare any interest they might have in connection with the agenda items in advance. Individuals presented with a conflict of interest are removed from the decision-making process by:

- 'Conflicted individuals' absenting themselves from any discussion relating to the matter, unless expressly invited to remain in order to provide information only.
- 'Conflicted individuals' not taking part in any vote on the matter.
- 'Conflicted individuals' not being counted in the quorum in relation to that decision.

All decisions made following the declaration of conflict of interest will be entered in the meeting's minutes, recording the nature of the conflict, an outline of the discussion and the actions taken to manage the conflict.

Governance reviews:

As part of the continuous review of governance practice, the Trust commissioned an assessment of Board effectiveness and an enquiry into the morale climate. This commenced at the end of the academic year and was completed in the first term of the new academic year. The focus of this review was not assessing Trustees as individuals but how they worked together as one team in order to effectively govern. The objectives were to:

- Identify areas of board functioning that are working well and those that may need improvement;
- Stimulate an open and candid discussion about the Board and Trustees responsibilities, the Trustees' interests and desires for the Trust;
- Gain an increased appreciation for and understanding of their fellow Trustees and the values that personally drive the Trustees; and
- Initiate a process that could lead to defining a common purpose, the desired values and direction the Board of Trustees want to take.

The evaluation included structured interviews with the Trustees, an online Values & Behaviours survey, an online Effectiveness survey, and an online focus group listening to the 'Voice of the Customer/Stakeholder' including the Executive leadership team. Areas where the Board responsibilities were felt to be effective and carried high or critical importance as a high performing Board were:

- Setting the overall strategic framework for the company;
- Analysing, debating and formally approving strategy as proposed by Executive;
- Ensuring that the Executive reviews MAT's financial performance measures; and
- Ensuring that the Executive reviews MAT's performance.

GFM Education

Governance Statement

Governance (continued)

The main areas identified as critical but with a low level of current effectiveness are:

- Ensuring robust risk management (a key driver for the Board over the next 12 months);
- Senior leadership succession; and
- Playing an active role in monitoring organisational culture.

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 Management on their respective roles; and
- Trustees seeking out relevant information beyond what management provides, to deepen their knowledge.

It was also acknowledged that there is a need to improve on:

- Regular engagement in formal evaluations (i.e. board self-evaluation and/or individual skills self-evaluations);
- Ensuring a clear succession plan for itself over time; and
- Developing a comprehensive induction training for new Trustees,

The outcome of this assessment is being further developed into development plans for the Board over the next academic year.

In addition to the above work, a development programme developed and supported by People Academy was undertaken by the Executive team which included 'climate interviews' to understand the culture of the GFM as it is experienced day to day and to get an insight into what really matters to each individual and their performance. The programme then focused on building a high performing team culture. Key findings included:

- An impressive and inspiring commitment to the Trusts ambition and purpose to improve life & opportunities for the young people of Gosport;
- A powerful learner centric approach by all;
- The desire to have an open environment to ensure each other is held to account;
- A valued non-conventional approach to progress but recognising a need to understand its implications on the team and wider staff; and
- A need to accelerate leadership and team development below the Executive level of management.

GFM Education

Governance Statement

Governance (continued)

Finance and resources committee

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:

Committee Members	Meetings attended	Out of a possible
A Cojocar (Trustee & Member)	2	5
C Donovan (Trustee & Chair of Committee)	4	5
E Gardner (Primary Phase representative)	4	5
S Hamilton (Executive Finance Director)	5	5
G Hicks (Trustee)	2	5
J Morgan (Trustee)	5	5
I Potter (Trustee & Chief Executive)	4	5

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:

Committee Members	Meetings attended	Out of a possible
K Andrew-Power (Executive)	2	3
J Bonsor (Trustee)	2	3
S Hamilton (Executive Finance Director)	3	3
I Potter (Trustee & Chief Executive)	2	3
K Robertson (Trustee)	2	3
R Williams (Trustee & Chair of Committee)	3	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 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:

- Changing management information systems across the Trust, consolidating services and providing an improvement to functionality for staff, consistency of systems and a more cost-effective service through economies of scale.
- Implementation of a new payroll platform improving capacity and ensuring sustainability of services.
- Bringing catering services in-house at Rowner Junior to align the primary phase provision focusing on a longer-term strategy of cost efficiency and improved levels of services.

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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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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 decided on a number of different activities to provide a higher level of assurance. It was agreed to:

- buy-in a focused internal audit service from TIAA
- take part in the revisit under the DfE Capital Advisers Pilot programmes

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, this included:

- assurance on the adequacy and effectiveness of the key financial controls in place that the systems are operating in accordance with the Academies requirements.
- invoice payment controls and compliance with tendering and quotation.
- a cyber security maturity assessment.
- a review of asset management practices and policies in line with the Good Estate Management for Schools (GEMS).
- testing of compliance with the Academy Trust Handbook

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:

- Internal and external penetration testing must take place annually, with the results fed into remediation plans for resolution.
- Role-based access controls must be in place, with password policy requirements documented and adhering to current guidance.
- Backup integrity and recovery testing must take place annually to ensure that they can be recovered as expected during an incident.

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 financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit 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 6 December 2022 and signed on its behalf by:



C Beswick
Chair of Trustees



I Potter
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 received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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



I Potter
Accounting Officer
6 December 2022

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 2021 to 2022
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 6 December 2022 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 2022 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 2021 to 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2021 to 2022.

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 to 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 2021, and the Academies Accounts Direction 2021 to 2022.
- 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. 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 12/12/2022

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 2021 to 2022, 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 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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 2021) (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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date 12/12/2022

GFM Education

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

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2021/22 Total £	2020/21 Total £
Income and endowments from:							
Donations and capital grants	2	-	69,525	-	1,992,317	2,061,842	3,284,229
Other trading activities	4	251,805	-	-	-	251,805	115,088
Investments	5	1,533	-	-	-	1,533	1,428
Charitable activities:							
Funding for the academy trust's educational operations	3	-	25,954,452	-	-	25,954,452	24,944,573
Total		253,338	26,023,977	-	1,992,317	28,269,632	28,345,318
Expenditure on:							
Charitable activities:							
Academy trust educational operations	7	-	25,872,522	1,882,000	1,966,034	29,720,556	27,653,963
Net income / (expenditure)		253,338	151,455	(1,882,000)	26,283	(1,450,924)	691,355
Transfers between funds	15	-	(203,392)	-	203,392	-	-
Other recognised gains / (losses):							
Actuarial gains / (losses) on defined benefit pension schemes	24	-	-	11,823,000	-	11,823,000	(478,000)
Net movement in funds		253,338	(51,937)	9,941,000	229,675	10,372,076	213,355
Reconciliation of funds							
Total funds brought forward		2,418,035	2,079,136	(11,519,000)	76,867,401	69,845,572	69,632,217
Total funds carried forward		2,671,373	2,027,199	(1,578,000)	77,097,076	80,217,648	69,845,572

The notes on pages 41 to 64 form part of these financial statements.

GFM Education

Balance Sheet as at 31 August 2022

Company Number 07834711

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	12		71,154,437		71,643,906
Current assets					
Debtors	13	774,483		752,984	
Cash at bank and in hand		<u>11,777,386</u>		<u>10,413,949</u>	
		12,551,869		11,166,933	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(1,910,658)</u>		<u>(1,446,267)</u>	
Net current assets			<u>10,641,211</u>		<u>9,720,666</u>
Total assets less current liabilities			81,795,648		81,364,572
Defined benefit pension scheme liability	24		(1,578,000)		(11,519,000)
Total net assets			<u>80,217,648</u>		<u>69,845,572</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	77,097,076		76,867,401	
Restricted income fund	15	2,027,199		2,079,136	
Pension reserve	15	<u>(1,578,000)</u>		<u>(11,519,000)</u>	
Total restricted funds			77,546,275		67,427,537
Unrestricted income funds	15		2,671,373		2,418,035
Total funds			<u>80,217,648</u>		<u>69,845,572</u>

The financial statements on pages 38 to 64 were approved by the trustees and authorised for issue on 6 December 2022 and are signed on their behalf by:



C Beswick
Chair of Trustees

The notes on pages 41 to 64 form part of these financial statements.

GFM Education

Statement of Cash Flows for the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	846,152	484,041
Cash flows from investing activities	20	517,285	285,686
Change in cash and cash equivalents in the reporting period		<u>1,363,437</u>	<u>769,727</u>
Cash and cash equivalents at 1 September 2021		10,413,949	9,644,222
Cash and cash equivalents at 31 August 2022	21	<u>11,777,386</u>	<u>10,413,949</u>

GFM Education

Notes to the Financial Statements for the Year Ended 31 August 2022

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 2021 to 2022 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 2022

Income (continued)

- Government Grants

The following government grants have been received during the prior year:

Coronavirus Job Retention Scheme - relating to 2020/21

The accrual model has been used to recognise the grant on a systematic basis over the periods in which the related staff costs are incurred.

- 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 2022

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 2022

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.

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 2022

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.

A defined benefit plan asset is recognised only to the extent that the Academy Trust expects to be able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

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 2022

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The assumptions used are disclosed in note 24.

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 £	2021/22 Total £	2020/21 Total £
Capital grants	-	1,992,317	1,992,317	3,260,956
Other donations	-	69,525	69,525	23,273
	-	2,061,842	2,061,842	3,284,229
Total 2021	-	3,284,229	3,284,229	

GFM Education

Notes to the Financial Statements for the Year Ended 31 August 2022

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	21,958,870	21,958,870	20,435,784
Pupil Premium	-	1,112,042	1,112,042	1,207,388
Rates reclaim	-	101,338	101,338	100,776
PE and sports grant	-	36,610	36,610	36,600
Teachers' pay grant	-	46,294	46,294	279,275
Teachers' pension grant	-	131,118	131,118	791,007
Other DfE grants	-	597,811	597,811	49,178
	-	23,984,083	23,984,083	22,900,008
Other government grants				
Local authority grants	-	837,392	837,392	727,106
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	-	-	-	294,080
Summer schools programme fund	-	-	-	110,420
Other DfE/ESFA Coronavirus funding	-	-	-	48,083
	-	-	-	452,583
COVID-19 additional funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	-	-	24,133
Other Coronavirus funding	-	115,880	115,880	267,466
	-	115,880	115,880	291,599
Other income from the Academy Trust's educational operations				
Trip income	-	174,394	174,394	22,591
Tuition fee income	-	42,133	42,133	61,768
Other income	-	800,570	800,570	488,918
	-	1,017,097	1,017,097	573,277
	-	25,954,452	25,954,452	24,944,573
Total 2021	-	24,944,573	24,944,573	

GFM Education

Notes to the Financial Statements for the Year Ended 31 August 2022

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Hire of facilities	251,805	-	251,805	115,088
Total 2021	115,088	-	115,088	

5 Investment income

	Unrestricted funds £	Restricted funds £	2021/22 Total £	2020/21 Total £
Short term deposits	1,533	-	1,533	1,428
Total 2021	1,428	-	1,428	

6 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2021/22 £	Total 2020/21 £
		Premises £	Other £		
Academy's educational operations:					
Direct costs	18,149,434	-	1,605,231	19,754,665	18,805,507
Allocated support costs	4,498,685	1,986,887	3,480,319	9,965,891	8,848,456
	22,648,119	1,986,887	5,085,550	29,720,556	27,653,963
Total 2021	21,402,917	1,991,321	4,259,725	27,653,963	

Net income/(expenditure) for the period includes:

	2021/22 £	2020/21 £
Operating lease rentals	256,663	161,743
Depreciation	1,966,034	1,823,680
Fees payable to auditor for:		
Audit	16,850	13,080
Other services	5,525	8,520

GFM Education

Notes to the Financial Statements for the Year Ended 31 August 2022

7 Charitable activities

	2021/22	2020/21
	Total	Total
	£	£
Direct costs – educational operations	19,754,665	18,805,507
Support costs – educational operations	9,965,891	8,848,456
	<u>29,720,556</u>	<u>27,653,963</u>

Analysis of support costs:

	Educational operations	2021/22	2020/21
		Total	Total
	£	£	£
Support staff costs	4,498,685	4,498,685	3,691,157
Depreciation	1,966,034	1,966,034	1,823,680
Technology costs	202,501	202,501	225,743
Premises costs	1,986,887	1,986,887	1,991,321
Other support costs	1,284,026	1,284,026	1,093,714
Governance costs	27,758	27,758	22,841
Total support costs	<u>9,965,891</u>	<u>9,965,891</u>	<u>8,848,456</u>
Total 2021		<u>8,848,456</u>	<u>8,848,456</u>

Premises costs includes £nil (2021: £125,747) 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 2022

8 Staff

a) Staff costs

Staff costs during the period were:

	2021/22	2020/21
	£	£
Wages and salaries	15,853,386	15,318,959
Social security costs	1,569,928	1,461,259
Pension costs	4,961,897	4,377,068
	<u>22,385,211</u>	<u>21,157,286</u>
Agency staff costs	259,688	240,984
Staff restructuring costs	3,220	4,647
	<u>22,648,119</u>	<u>21,402,917</u>

Staff restructuring costs comprise:

Severance payments	3,220	4,647
	<u>3,220</u>	<u>4,647</u>

b) Severance payments

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

£0 - £25,000	No.
	<u>1</u>

c) Special staff severance payments

Included in staff restructuring costs are special staff severance payments totalling £3,220 (2021: £4,647). Individually, the payments were: £3,220.

d) Staff numbers

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

	2021/22	2020/21
	No.	No.
Teachers	286	282
Administration and support	288	292
Management	46	43
	<u>620</u>	<u>617</u>

e) Higher paid staff

The number of employees whose employee benefits (including death in service premiums paid in lieu of employer's pension contribution, but excluding employer pension costs and employer national insurance contributions) exceeded £60,000 was:

	2021/22	2020/21
	No.	No.
£60,001 - £70,000	8	3
£70,001 - £80,000	2	3
£80,001 - £90,000	1	1
£150,001 - £160,000	1	1

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Notes to the Financial Statements for the Year Ended 31 August 2022

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 £1,202,247 (2021: £1,169,474).

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:

		2021/22	2020/21
		£000	£000
I Potter	Remuneration	140-145	140-145
(Principal and trustee)	Death in service paid in lieu of employer’s pension contribution	15-20	15-20

During the period ended 31 August 2022, travel and subsistence expenses totalling £1,248 were reimbursed or paid directly to one trustee (2021: £410 to one trustee).

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.

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Notes to the Financial Statements for the Year Ended 31 August 2022

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:

	2021/22	2020/21	2021/22	2020/21
	%	%	£	£
Bay House School	52.5%	51.2%	1,580,294	1,265,012
Brune Park Community School	35.7%	34.7%	1,076,408	859,176
Gomer Junior School	4.6%	4.6%	139,976	114,783
LWS Academy	2.6%	4.7%	79,600	117,555
Rowner Junior	4.6%	4.8%	139,976	119,568
			<u>3,016,254</u>	<u>2,476,094</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.

12 Tangible fixed assets

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2021	66,583,625	12,387,858	1,427,951	1,528,489	173,851	82,101,774
Acquisitions	1,098,983	116,638	155,796	105,148	-	1,476,565
At 31 August 2022	<u>67,682,608</u>	<u>12,504,496</u>	<u>1,583,747</u>	<u>1,633,637</u>	<u>173,851</u>	<u>83,578,339</u>
Depreciation						
At 1 September 2021	7,553,552	908,223	827,143	1,017,582	151,368	10,457,868
Charged in year	1,443,888	279,724	100,611	136,190	5,621	1,966,034
At 31 August 2022	<u>8,997,440</u>	<u>1,187,947</u>	<u>927,754</u>	<u>1,153,772</u>	<u>156,989</u>	<u>12,423,902</u>
Net book values						
At 31 August 2021	59,030,073	11,479,635	600,808	510,907	22,483	71,643,906
At 31 August 2022	<u>58,685,168</u>	<u>11,316,549</u>	<u>655,993</u>	<u>479,865</u>	<u>16,862</u>	<u>71,154,437</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022

13 Debtors

	2021/22	2020/21
	£	£
Trade debtors	40,234	28,775
VAT recoverable	90,093	95,367
Prepayments and accrued income	644,156	628,842
	<u>774,483</u>	<u>752,984</u>

14 Creditors: amounts falling due within one year

	2021/22	2020/21
	£	£
Trade creditors	334,151	444,535
Other taxation and social security	351,443	335,099
Other creditors falling due within one year	400,467	383,358
Accruals and deferred income	824,597	283,275
	<u>1,910,658</u>	<u>1,446,267</u>

	2021/22	2020/21
	£	£
Deferred income at 1 September 2021	67,774	138,545
Released from previous years	(67,774)	(138,545)
Resources deferred in the year	327,303	67,774
Deferred income at 31 August 2022	<u>327,303</u>	<u>67,774</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.

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Notes to the Financial Statements for the Year Ended 31 August 2022

15 Funds

	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)	-	-	-
	<u>2,079,136</u>	<u>26,023,977</u>	<u>(25,872,522)</u>	<u>(203,392)</u>	<u>-</u>	<u>2,027,199</u>
Pension reserve	(11,519,000)	-	(1,882,000)	-	11,823,000	(1,578,000)
	<u>(9,439,864)</u>	<u>26,023,977</u>	<u>(27,754,522)</u>	<u>(203,392)</u>	<u>11,823,000</u>	<u>449,199</u>
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)	-	-
	<u>76,867,401</u>	<u>1,992,317</u>	<u>(1,966,034)</u>	<u>203,392</u>	<u>-</u>	<u>77,097,076</u>
Total restricted funds	<u>67,427,537</u>	<u>28,016,294</u>	<u>(29,720,556)</u>	<u>-</u>	<u>11,823,000</u>	<u>77,546,275</u>
Total unrestricted funds	<u>2,418,035</u>	<u>253,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,671,373</u>
Total funds	<u>69,845,572</u>	<u>28,269,632</u>	<u>(29,720,556)</u>	<u>-</u>	<u>11,823,000</u>	<u>80,217,648</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022

15 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 tangible fixed assets.

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 2022.

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Notes to the Financial Statements for the Year Ended 31 August 2022

15 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2021/22	2020/21
	£	£
Bay House School	542,702	840,251
Brune Park Community School	3,403,836	3,183,293
Gomer Junior School	431,030	364,127
LWS Academy	(30,508)	2,890
Rowner Junior	70,690	106,610
Central services	280,822	-
Total before fixed assets and pension reserve	4,698,572	4,497,171
Restricted fixed asset fund	77,097,076	76,867,401
Pension reserve	(1,578,000)	(11,519,000)
Total	80,217,648	69,845,572

The following academy is carrying a net deficit on its portion of the funds as follows:

LWS Academy	£
	<u>30,508</u>

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

- Focus on continuing to strengthen the leadership and core teaching team in order to reduce reliance on agency support; and
- Assistance from Trust reserves and capital grants in order to improve building efficiency and reduce long-term running costs.

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. depreciation)	2021/22 Total	2020/21 Total
	£	£	£	£	£	£
Bay House School	9,532,616	2,230,027	833,303	1,595,698	14,191,644	12,978,453
Brune Park Community School	6,058,160	1,709,251	526,504	1,345,446	9,639,361	9,082,196
Gomer Junior School	839,383	218,282	79,474	170,689	1,307,828	1,175,736
LWS Academy	827,063	139,992	99,264	147,708	1,214,027	1,286,915
Rowner Junior	892,212	201,133	66,686	241,631	1,401,662	1,306,983
	<u>18,149,434</u>	<u>4,498,685</u>	<u>1,605,231</u>	<u>3,501,172</u>	<u>27,754,522</u>	<u>25,830,283</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022

15 Funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2021 £
Restricted general funds						
General Annual Grant (GAG)	1,850,565	20,435,784	(19,783,474)	(423,739)	-	2,079,136
Pupil premium	-	1,207,388	(1,207,388)	-	-	-
Rates reclaim	-	100,776	(100,776)	-	-	-
PE and sports grant	-	36,600	(36,600)	-	-	-
Teachers' pay grant	-	279,275	(279,275)	-	-	-
Teachers' pension grant	-	791,007	(791,007)	-	-	-
Other DfE grants	-	49,178	(49,178)	-	-	-
Local authority grants	-	727,106	(727,106)	-	-	-
Catch-up premium	-	294,080	(294,080)	-	-	-
Summer schools programme	-	110,420	(110,420)	-	-	-
Other DfE/ESFA C-19 funding	-	48,083	(48,083)	-	-	-
Coronavirus Job Retention Sch.	-	24,133	(24,133)	-	-	-
Other Coronavirus funding	-	267,466	(267,466)	-	-	-
Other educational activities	-	596,550	(596,550)	-	-	-
	<u>1,850,565</u>	<u>24,967,846</u>	<u>(24,315,536)</u>	<u>(423,739)</u>	<u>-</u>	<u>2,079,136</u>
Pension reserve	(9,652,000)	-	(1,389,000)	-	(478,000)	(11,519,000)
	<u>(7,801,435)</u>	<u>24,967,846</u>	<u>(25,704,536)</u>	<u>(423,739)</u>	<u>(478,000)</u>	<u>(9,439,864)</u>
Restricted fixed asset funds						
Fixed asset fund	70,490,888	-	(1,823,680)	2,976,698	-	71,643,906
ESFA capital grants (DFC)	27,085	88,755	-	(106,533)	-	9,307
School Condition Allocation	4,365,385	3,126,001	(125,747)	(2,438,873)	-	4,926,766
Other capital grants	248,775	46,200	-	(7,553)	-	287,422
	<u>75,132,133</u>	<u>3,260,956</u>	<u>(1,949,427)</u>	<u>423,739</u>	<u>-</u>	<u>76,867,401</u>
Total restricted funds	<u>67,330,698</u>	<u>28,228,802</u>	<u>(27,653,963)</u>	<u>-</u>	<u>(478,000)</u>	<u>67,427,537</u>
Total unrestricted funds	<u>2,301,519</u>	<u>116,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,418,035</u>
Total funds	<u>69,632,217</u>	<u>28,345,318</u>	<u>(27,653,963)</u>	<u>-</u>	<u>(478,000)</u>	<u>69,845,572</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022

16 Analysis of net assets between funds

	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)
Total net assets	2,671,373	2,027,199	(1,578,000)	77,097,076	80,217,648

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	-	-	-	71,643,906	71,643,906
Current assets	2,418,035	3,525,403	-	5,223,495	11,166,933
Current liabilities	-	(1,446,267)	-	-	(1,446,267)
Pension scheme liability	-	-	(11,519,000)	-	(11,519,000)
Total net assets	2,418,035	2,079,136	(11,519,000)	76,867,401	69,845,572

17 Capital commitments

	2021/22 £	2020/21 £
Contracted for, but not provided in the financial statements	2,313,241	837,456

18 Long-term commitments, including operating leases

Operating leases

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

	2021/22 £	2020/21 £
Amounts due within one year	206,303	213,372
Amounts due between one and five years	174,139	292,488
	380,442	505,860

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Notes to the Financial Statements for the Year Ended 31 August 2022

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

	2021/22	2020/21
	£	£
Net (expenditure) / income for the reporting period	(1,450,924)	691,355
Adjusted for:		
Depreciation	1,966,034	1,823,680
Capital grants from DfE and other capital income	(1,992,317)	(3,260,956)
Interest receivable	(1,533)	(1,428)
Defined benefit pension scheme cost less contributions payable	1,693,000	1,231,000
Defined benefit pension scheme finance cost	189,000	158,000
Decrease in stocks	-	4,546
Increase in debtors	(21,499)	(107,483)
Increase / (decrease) in creditors	464,391	(54,673)
Net cash provided by Operating Activities	<u>846,152</u>	<u>484,041</u>

20 Cash flows from investing activities

	2021/22	2020/21
	£	£
Dividends, interest and rents from investments	1,533	1,428
Purchase of tangible fixed assets	(1,476,565)	(2,976,698)
Capital grants from DfE Group	1,992,317	3,214,756
Capital funding received from sponsors and others	-	46,200
Net cash provided by investing activities	<u>517,285</u>	<u>285,686</u>

21 Analysis of cash and cash equivalents

	2021/22	2020/21
	£	£
Cash at bank and in hand	<u>11,777,386</u>	<u>10,413,949</u>

22 Analysis of changes in net debt

	At 1 September 2021	Cash flows	Acquisition/ disposal of subsidiaries	New finance leases	Other non-cash changes	At 31 August 2022
	£	£	£	£	£	£
Cash	10,413,949	1,363,437	-	-	-	11,777,386
Total	<u>10,413,949</u>	<u>1,363,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,777,386</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022

23 Members liability

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

24 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 2019.

Contributions amounting to £369,208 were payable to the schemes at 31 August 2022 (2021: £356,398) 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 latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- 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%.

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Notes to the Financial Statements for the Year Ended 31 August 2022

24 Pension and similar obligations (continued)

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £2,437,960 (2021: £2,376,452).

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 2022 was as follows:

	2022	2021
	£	£
Employer's contributions	820,000	756,000
Employees' contributions	255,000	236,000
	<u>1,075,000</u>	<u>992,000</u>

The agreed contribution rates for future years are 18.9% 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.

Principal actuarial assumptions

	2022	2021
Rate of increase in salaries	3.7%	3.6%
Rate of increase for pensions in payment/inflation	2.7%	2.6%
Discount rate for scheme liabilities	4.1%	1.7%
Inflation assumption (CPI)	<u>2.7%</u>	<u>2.6%</u>

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

	2022	2021
Retiring today		
Males	22.9	23.1
Females	<u>25.4</u>	<u>25.5</u>
Retiring in 20 years		
Males	24.7	24.8
Females	<u>27.1</u>	<u>27.3</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022

24 Pension and similar obligations (continued)

Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2022	2021
	£	£
Discount rate +0.1%	(419,000)	(686,000)
Discount rate -0.1%	434,000	712,000
Mortality assumption – 1 year increase	419,000	941,000
Mortality assumption – 1 year decrease	(419,000)	(915,000)

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

	2022	2021
	£	£
Equities	8,061,000	8,052,000
Gilts	2,116,000	2,475,000
Property	1,086,000	834,000
Cash and other liquid assets	125,000	111,000
Other	2,535,000	2,434,000
Total market value of assets	<u>13,923,000</u>	<u>13,906,000</u>

The actual return on scheme assets was -£905,000 (2021: £2,059,000).

Amount recognised in the Statement of Financial Activities

	2021/22	2020/21
	£	£
Current service cost	2,513,000	1,987,000
Interest income	(244,000)	(194,000)
Interest cost	433,000	352,000
Total amount recognised in the SOFA	<u>2,702,000</u>	<u>2,145,000</u>

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Notes to the Financial Statements for the Year Ended 31 August 2022

24 Pension and similar obligations (continued)

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

	2021/22	2020/21
	£	£
At 1 September	25,425,000	20,620,000
Current service cost	2,513,000	1,987,000
Interest cost	433,000	352,000
Employee contributions	255,000	236,000
Actuarial (gain) / loss	(12,972,000)	2,343,000
Benefits paid	(153,000)	(113,000)
At 31 August	<u>15,501,000</u>	<u>25,425,000</u>

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

	2021/22	2020/21
	£	£
At 1 September	13,906,000	10,968,000
Interest income	244,000	194,000
Actuarial (loss) / gain	(1,149,000)	1,865,000
Employer contributions	820,000	756,000
Employee contributions	255,000	236,000
Benefits paid	(153,000)	(113,000)
At 31 August	<u>13,923,000</u>	<u>13,906,000</u>

25 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 £1,976 (2021: £2,389) during the period. There were no amounts outstanding at 31 August 2022 (2021: £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 2021.

GFM Education

Notes to the Financial Statements for the Year Ended 31 August 2022

26 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2022 the Academy Trust received and disbursed £50,650 from the fund. There are no undistributed funds repayable to ESFA. Comparatives for the accounting period ending 31 August 2021 are £23,933 received, £31,283 disbursed and £nil was included in other creditors.