

Guildford Education Partnership

**Annual Report
31 August 2018**



Company Limited by Guarantee
Registration Number: 07649091
(England & Wales)

GUILDFORD EDUCATION PARTNERSHIP

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GUILDFORD EDUCATION PARTNERSHIP

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr C Griffin Mr G Hicks Mrs V Johnson Lady M Sharp Dr G Wyss
Trustees	Dr J Cox Mrs P Evans (until 14.11.17) Mr P Gale (CEO & Accounting Officer from 1.9.17 until 31.8.18) Mr C Holyoak Mrs S Millin Mr S Offord (from 12.9.17 until 7.12.18) Prof J Powell Mr F Roche (Chair) Dr G Wyss (Vice-Chair)
Executive Team	Mr P Gale, Chief Executive Officer & Accounting Officer (from 1.9.17 until 31.8.18) Mr C Tweedale, Chief Executive Officer & Accounting Officer (from 1.9.18) Mr A Roach, Director of Education (from 1.9.17) Mrs A Larcombe-Fish, Chief Operating Officer & CFO
School Leadership	<u>Primary</u> Boxgrove Primary School Mrs A Fitch, Co-Headteacher Mrs R Stacey, Co-Headteacher Guildford Grove Primary School Miss R Mackie, Headteacher Loseley Fields Primary School Mrs J Pearce-Haydon, Headteacher (until 30.09.18) Mrs A Pedder, Headteacher (from 1.10.18) Sandfield Primary School Mr J Kirkham, Headteacher <u>Secondary</u> Fullbrook School Mrs K Moore, Principal George Abbot School Mrs K Carriett, Principal Kings College, Guildford Mr A McKenzie, Principal George Abbot Teaching School Mrs K Carriett, Principal; CEO George Abbot SCITT Mr P Gale, CEO (from 1.9.17 until 31.8.18) Mr C Tweedale, CEO (from 1.9.18)
Operational Managers	Mrs J Coles, GEP HR Manager (from 4.9.17) Mr B Sayers, GEP IT Manager (from 4.9.17) Mr R Wiseman, GEP Estates Manager (from 4.9.17) Mrs C Woods, GEP Bursar
Registered Office	c/o George Abbot School Woodruff Avenue, Guildford, Surrey GU1 1XX
Company Registration	Guildford Education Partnership – 07649091
Independent Auditor & Accountants	Moore Stephens LLP 150 Aldersgate Street, London EC1A 4AB
Bankers	HSBC PO Box 160, 12a North Street, Guildford, Surrey GU1 4AF
Solicitors	Browne Jacobson LLP Mowbray House, Castle Meadow Road, Nottingham NG2 1BJ

GEP Academies School Improvement

Trust-wide support and resource sharing

- The Trust provides valuable additional capacity to this small school. Staff benefit from working closely with colleagues across and beyond the Trust to improve aspects of teaching and leadership.
- The Trust provide useful support and challenge to leaders, supporting the school's sustainability and development. They hold leaders effectively to account for the difference their work is making to pupils.

Transformational school leadership

- School leaders work closely with colleagues from other schools across the Trust to facilitate extra help that supports ongoing school improvement.
- Leaders' determined and focused actions promote rapid school improvement. Staff share leaders' commitment to ensuring that pupils' academic and pastoral needs are met well. Staff have transformed the atmosphere in the school.
- Leaders make careful checks on standards in the school. The effective use of training supports whole-school priorities alongside teachers' specific development needs.

Consistently effective teaching, leading to strong pupil progress

- Pupils learn well because of the consistently effective teaching they experience. Their progress is increasingly strong over time.
- Leaders make careful checks to ensure that extra help leads to rapid improvements in attendance and academic achievement. Disadvantaged pupils make better progress than their peers in school, as do those who have SEND and/or other need. Pupils' reading and spelling ages... improve faster than their chronological age.
- Pupils report that they feel safe at school. They feel that their school is a place where people are accepted, regardless of their differences.

GEP's cross-phase approach: University of Surrey and the Royal Grammar School Partnerships

- Close partnership work with the University of Surrey enables pupils to be well informed about future career paths. This motivates them to strive for the educational standards they will need to achieve in order to access appropriate further or higher education.
- GEP has also supported schools in forming a working partnership with the Royal Grammar School (RGS), Guildford.

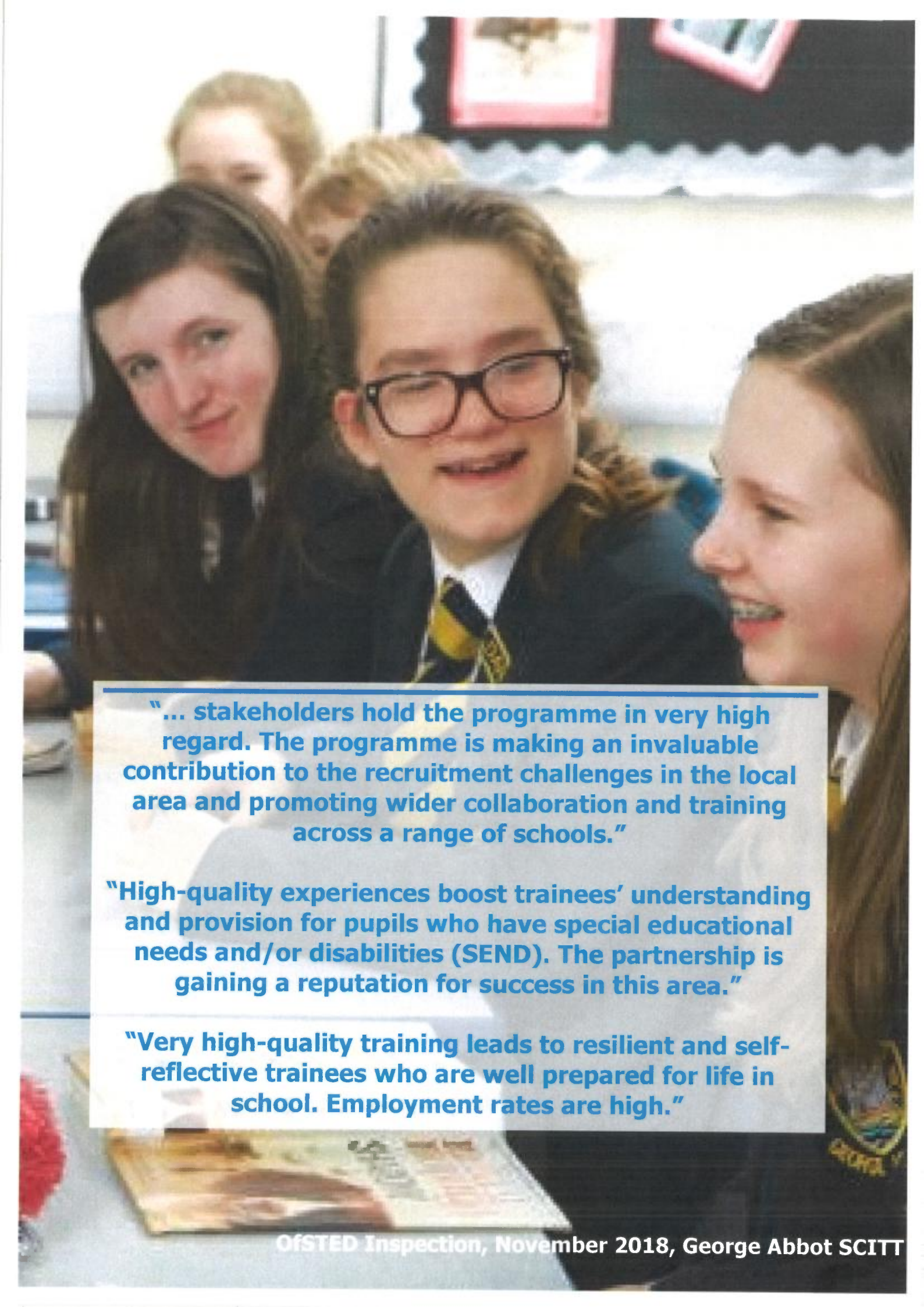
Skilled, effective and aspirational governance

- The executive working group... assumes responsibility for governance of the school and is accountable to the GEP Trust.
- Members are suitably skilled and experienced in their role. They hold senior leaders effectively to account for the impact of their work on pupils' outcomes, attendance and behaviour. They share leaders' high aspirations for the school.



“The Trust... hold leaders effectively to account for the difference their work is making to pupils.”



A photograph of three students in school uniforms. A boy with glasses and a yellow tie is in the center, smiling. To his left is a girl with long dark hair, also smiling. To his right is another girl with long brown hair, looking towards the boy. They are all looking down at a book or document on a table. The background is slightly blurred, showing a classroom setting with a bulletin board.

"... stakeholders hold the programme in very high regard. The programme is making an invaluable contribution to the recruitment challenges in the local area and promoting wider collaboration and training across a range of schools."

"High-quality experiences boost trainees' understanding and provision for pupils who have special educational needs and/or disabilities (SEND). The partnership is gaining a reputation for success in this area."

"Very high-quality training leads to resilient and self-reflective trainees who are well prepared for life in school. Employment rates are high."


As a Trust of over 5 academies, we benefit from direct capital funding – receiving £2.3m per annum (circa £400/pupil), for the past three years. Our school buildings have vastly improved in condition since academisation. Headteachers have additionally improved targeted teaching and learning facilities to help support their school development.

We jointly procure supplies and services as a Trust. Last year we made new savings in the areas of IT software, primary catering (up to £57k per annum), energy and professional services.

The Trust supports schools in generating income to alleviate national funding shortages. We have worked on a trust-wide income generation strategy and developed links with local partners to enable us to derive income from our estate and plough money back into education.

The educational landscape develops at a fast pace: GDPR, government targets, Local Authority changes, technological developments. As well as working closely together, schools have access to a centralised operational team, providing specialised business support services when needed. Small primaries and large secondaries have benefited from the rollout of Trust-wide initiatives.

We have collectively saved our schools an estimated £93k over 2017-18, by pooling our Local Government Pension Scheme Liabilities, thereby allowing us to set an internal rate lower than the Local Authority.



As a Trust of seven schools we have received over £400 per pupil in additional capital funding per annum.

1 INTRODUCTION

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Guildford Education Partnership (hereinafter referred to as "GEP Academies" or "the Trust"), is a multi-academy trust, comprising a cross-phase family of schools. Founded in 2013 by George Abbot School and Boxgrove Primary School, the Trust now operates seven academy schools for pupils aged 2 to 18 in Guildford, Godalming and West Byfleet and had a combined pupil roll of 5,369 in the schools' census in January 2018.

Our shared aim is continuous school improvement through challenge, collaboration and support. To achieve our aims, we are working in close partnership with the University of Surrey and the Royal Grammar School Guildford.

2 REFERENCE AND ADMINISTRATIVE DETAILS

All reference and administrative details are given in the previous section of this annual report.

3 STRUCTURE, GOVERNANCE AND MANAGEMENT

3.1 Constitution

Guildford Education Partnership, trading as GEP Academies (the Trust), is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of GEP Academies are also the Directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as otherwise noted, are included in the Reference and Administrative Details in the first section of this annual report.

3.2 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.

3.3 Trustees professional indemnity insurance

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

3.4 Method of recruitment, appointment and election of Trustees

The Members may appoint up to five Trustees to the Board, which shall include one person nominated by each of the founding schools, George Abbot School and Boxgrove Primary School. The remaining Trustees are co-opted by the Board.

Trustees complete a proforma outline of their skills, experience and interests to enable regular reviews of the mix of skills that should be available to the Board. New Trustees are recruited to fill any gaps in the portfolio of skills available to the Board, either as additional Trustees, or replacements when existing Trustees stand down.

During the previous year the Trust moved to a skills-based Board to include educational representatives from The Royal Grammar School, Guildford and the University of Surrey, as well as broader business-skilled members, with the most recent Trustee appointed through Academy Ambassadors in autumn 2017.

3.5 Policies and procedures adopted for the induction and training of Trustees

New Trustees are provided with an induction pack containing key documentation and are invited to meet with the Chief Executive Officer (hereinafter referred to as the "CEO") and the Chair of the GEP Academies Board. The induction process then continues with meetings with the CEO, other members of the Board and Executive Team as appropriate and visits to some of our schools. All information relevant to Trustees is available on a dedicated GEP Academies website where they can access all agendas, previous minutes, related papers and the GEP Academies calendar. Individual Trustees may attend training courses and conferences organised by appropriate bodies in order to ensure that their knowledge and understanding is fully up to date and are welcome to attend all committee meetings as observers in order to gain a deeper understanding of the organisation.

3.6 Organisational structure

The Board of Trustees (along with its subcommittees covering education, resources and audit), governs the activities of the Trust and oversees the work of the GEP Local Academy Committees (hereinafter referred to as the "GLACs"). The Board of Trustees is also ultimately responsible for the strategic direction of the Trust and its overarching policies. Each GLAC governs the work and outcomes of its assigned academy, as outlined in the Scheme of Delegation.

The senior managers of the Trust are the CEO, Director of Education and Chief Operating Officer. They lead and manage the Trust, setting strategy and implementing policy in conjunction with the Board. Headteachers and Principals lead and manage the individual schools.

In 2016-17 and again in 2017-18, we successfully ran a recruitment process for a Chief Executive Officer, to address retirement and changes necessary for a growing organisation.

3.7 Arrangements for setting pay and remuneration of key management personnel

Performance management/appraisal procedures follow a timeline throughout the year for both the CEO and the Executive Team. Performance is assessed against targets set for the school year. A pay review is undertaken as part of the performance management annual review. The Chairman has undertaken the CEO's performance management/target setting review. Agreed targets and, if appropriate, any recommendation for a review of pay is submitted to the full Board of Trustees for final approval. The CEO undertakes the review for all Executive Team members and the performance management and target setting of Headteachers with representative Governors of each school.

3.8 Trade union facility time

As an employer of over 49 full-time equivalent employees, in accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust advises that there were 4 employees who were relevant union officials during the relevant period, equating to 4 full-time equivalent employees. These officials all spent between 1-50% of their time on facility time (time off from their job to enable the representative to carry out their Trade Union role), costing £2,480. This represents 0.01% of the total pay bill for this period. Additionally, these relevant union officials spent 100% of their paid facility time on paid trade union activities.

3.9 Related parties and other connected charities and organisations

No Trustee (apart from the 2017-18 CEO, who was an employee of GEP Academies), receives any remuneration in respect of their services during the year, nor for any other work undertaken on behalf of the Trust.

Schools within the Trust work with the Guildford Schools' Confederation and the Guildford 11-19 Partnership for which GEP Academies provides a financial service.

The Trust is related to Fullbrook Sports Centre Limited (Company No: 07834828), a company incorporated in England and Wales. Fullbrook Sports Centre Limited is a private company limited by shares and a 100% subsidiary undertaking of the Trust. The Board of Directors of Fullbrook Sports Centre Limited comprises three of Fullbrook School's Governors. The subsidiary operates Fullbrook's

TRUSTEES' REPORT (Continued)

sports facilities on a commercial basis with a view to generating a profit from which Gift Aid donations can be made to the school.

The Trust is connected to Sandfield School Fund (Charity No: 1106381) by virtue of GEP Academies employees deployed to Sandfield Primary School (the Headteacher and the Data and Finance Officer), holding positions for this charity. The charity is used to raise funds for the benefit of the students in the school community.

The Trust is an Academy Sponsor of Sandfield Primary School and Kings College Guildford, both of which have been supported from a governance, educational and operational perspective since conversion to GEP Academies in 2014.

The Trust undertook an open and fair value for money exercise for the procurement of educational information services in autumn 2017, independent of any related parties. The Education Skills and Funding Agency (ESFA) were consulted for approval of a related party transaction to renew services with 'The Key', for which GEP Academies' Chair of the Board of Trustees was also Chief Executive. A three-year arrangement was agreed, meeting the 'at cost' and 'value for money' requirement for related party transactions.

3.10 Responsible employer - employee consultation and disabled employees

As an employer of over 500 professionals, we value the contribution of our staff at GEP Academies.

We have systems and processes in place that enable us to consult and inform employees on matters affecting them. Where appropriate, for example employment policies, the Trust and/or individual schools consult employees on policy changes. GEP Academies' staff are informed of major changes to the Trust through a communications strategy, which involves a termly newsletter to all employees.

The policy of the Trust is to support the employment of disabled persons both in recruitment and by retention of employees who become disabled whilst in the employment of the Trust, as well as generally through training and career development.

4 OBJECTIVES AND ACTIVITIES

4.1 Objects and aims

Charitable objectives

GEP Academies' primary charitable objectives are to seek:

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

Vision

We bring together a group of schools where we take joint responsibility for all the pupils in all our communities. We are using our expertise, our passion, our education partnerships and our resources to deliver the very best for every individual.

By uniting the talent and the energy of a diverse group of people, we can achieve something significant and lasting for all our pupils.

Aims

To do this we will:

- Promote excellence, personal achievement and the realisation of each and every pupil's potential, irrespective of their gender, race, ability or background.
- Ensure that pupils' learning, both academic and social, are at the centre of everything we do.
- Structure ourselves to deliver the maximum possible resource to impact positively on pupils' learning; leading, over time, to all our schools becoming outstanding.

Mission

We seek to be a network of schools where every pupil receives the best possible education. To deliver our aims we design our organisation to:

- Relentlessly focus on pupils' learning.
- Maximise the communication, team work and problem solving skills of our pupils.
- Put the work of teachers and teaching at the heart of all we do.
- Underpin our approach with the latest educational research.
- Put a high value on developing the subject knowledge of our pupils and teachers.
- Provide multiple pathways for success for staff and pupils.
- Provide time, world class professional development opportunities and supportive challenge to staff.
- Utilise links with the independent sector, especially by working closely with the Royal Grammar School Guildford, industry, further education and the University of Surrey to enhance the aspirations and social and professional networks of our pupils and staff.
- Expect the very best from our community of pupils, staff and parents.

Ethos

GEP Academies believe that all schools are more effective when they work in partnership than when they stand alone. We value and embrace each school's uniqueness and the community it serves, while seeking to learn from and share with each other so that we spread excellence effectively.

Our parents and staff expect us to produce, through an inclusive approach:

- Kind, tolerant learners with aspiration, resilience and a life-long passion for learning.
- Excellent academic achievement for all.
- Learners with the communication, team work and problem solving skills for life.

4.2 Objectives, strategies and activities

Key objectives for the year are outlined below:

GEP 2017-18	OBJECTIVE	STRATEGY	ACTIVITIES
Pupil Achievement	Improve progress of disadvantaged pupils, particularly at secondary level.	Ensure detailed understanding of the performance of each school and to develop systems to support this understanding.	Conducted Trust-wide reviews, focussing on disadvantaged pupils, post-16 provision and safeguarding. Developed Trust-wide data tracking tool. Deployed school improvement team for targeted support in maths and writing.
		Action plans for Kings College Guildford and Loseley Fields Primary School, with trust-wide support.	Deployed trust-wide and external resources. Provided focused financial support.
Governance	Improve effectiveness of governance.	Bring GLACs on board with strategic plan.	Strategic direction further developed with Trustees and GLAC Chairs.
		Develop improved Trustee information systems.	Improved educational and financial reporting to Trustees. Rolled out real-time data dashboard tool to school leadership teams.
Staffing	Realise further benefits from multi-academy Trust freedoms.	Build capacity at Trust level to improve educational effectiveness and drive back-office efficiency.	Lead Practitioners and Operational Managers effectively deployed to support schools and develop the Trust.
Operations	Generate savings whilst mitigating risks.	Harmonise processes across schools associated with risk, financial planning and control, estates management, HR and IT.	Generated further savings through joint procurement. Piloted new system, enabling real-time visibility of finances. Developing long-term income partnerships in context of Trust-wide long-term cash flow plan. Rolled out harmonised H&S audits; produced Trust-wide estates condition plans. Developed policies and trained employees on GDPR compliance. Developed common contingency and disaster recovery plans.

4.3 Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. The principal activity of GEP Academies is to offer an outstanding education to all the pupils in all of its schools. The vision and values of GEP Academies underpins all that the Trust does.

5 STRATEGIC REPORT

5.1 Achievements and performance

Schools

By July 2018, all seven GEP Academies' schools were either categorised as OfSTED 'good' or 'outstanding'. Both our sponsored academies have improved their OfSTED category since being under guidance of the Trust.

GEP SCHOOL	CONVERSION DATE	CONVERSION CATEGORY	PAN ¹	OFSTED CATEGORY
PRIMARY				
Boxgrove Primary School	1.9.13	Converter	90	Good (2018)
Guildford Grove Primary School	1.11.16	Converter	60	Good (2018)
Loseley Fields Primary School	1.11.16	Converter	30 YR 26 Y3	Requires Improvement (2018) Coasting schools definition notification, based on pre- conversion data (2017)
Sandfield Primary School	1.9.14	Sponsored	30	Good (2017) Requires Improvement (2013, pre-conversion)
SECONDARY				
Fullbrook School	1.9.15 ²	Converter	240	Good (2017)
George Abbot School	1.9.13	Converter	300	Outstanding (2006) School
				Outstanding (2018) SCITT ³
Kings College Guildford	1.9.14	Sponsored	180	Good (2018) Requires Improvement (2012, pre-conversion)

¹ Loseley Fields Primary School has two intakes of pupils: The Published Admissions Number (PAN), for Reception is 30, and the PAN for Year 3 is 26 pupils. The PAN of this school is currently under consultation.

² Fullbrook School joined GEP Academies on 1.9.15, having previously converted as a single academy trust on 1.9.11.

³ School Centred Initial Teacher Training provision.

Following HMI monitoring visits on 6 December 2017 and 20 March 2018 and a full inspection on 17-18 July 2018, our sponsored academy, Kings College, Guildford moved from 'inadequate' to 'good', with the following judgements made:

Effectiveness of leadership and management	Good
Quality of teaching, learning and assessment	Good
Personal development, behaviour & welfare	Good
Outcomes for pupils	Requires Improvement
Overall effectiveness of the school	Good

TRUSTEES' REPORT (Continued)

The final report talks of 'rapid school improvement', and that 'pupils learn well because of the consistently effective teaching they experience' and that 'pupils now make strong progress across a range of subjects'.

In a press release in September 2018, Chris Tweedale, CEO of GEP Academies said "To go from being rated 'inadequate' to 'good' by OfSTED in less than 18 months is a wonderful achievement and across the country only a tiny number of schools each year make this level of change. We are very proud that one of our GEP schools has made this rapid improvement. It is a reflection of the hard work from the whole team at Kings College."

Significant support has been provided throughout 2017-18, as follows :

- Additional capacity to the Senior Leadership Team was established through secondments from other schools.
- School Improvement support has been deployed from across the Trust, as well as from our partnership with the Royal Grammar School, Guildford and the University of Surrey. Eight Year 11 students attended weekly after school GCSE Physics lessons at RGS to support their GCSE studies.
- Over 93% of Kings College Guildford's pupils have benefited from at least one activity offered during the 2017-18 academic year by the University of Surrey's Widening Participation and Outreach Team, with 59% involved in more than three activities. This resulted in 1,224 pupil activities in total over the year. 65% of pupils have visited a university campus during the year with 52% of parents having a Parents' Evening appointment with the Widening Participation Coordinator. Pupils have had support with reading, exam well-being and mentoring; learned more about their future pathways, researched subjects of interest and attended taster sessions for a variety of degree subjects e.g. criminology and chemical engineering.
- The behaviour system was relaunched, which has positively impacted on pupil attendance and behaviour for learning.
- Recommendations following an external review of Pupil Premium spending have been implemented, enabling more vulnerable pupils to receive improved provision and therefore achieve better outcomes.
- A stronger and more systematic system of governance and monitoring at the school was established, through the introduction of an Executive Working Group (EWG), chaired by a National Leader in Governance; this replaced the Local Governing Body.

GEP Academies will continue to work closely with school leaders at Kings College, Guildford, in order to provide on-going support, to build capacity and to sustain improvements.

In addition to the School Centred Initial Teacher Training provision receiving an 'outstanding' judgement in autumn 2018 (see page 17), three primary school inspections occurred, following the 2017-18 financial year.

- Boxgrove Primary School remained 'good', saying that "The leadership team has maintained the good quality of education in the school since the last inspection. During this time, you have driven improvement, firmly focusing on ensuring Boxgrove is a great place to learn, work and grow."
- Whilst Loseley Fields Primary School received a category of 'requires improvement', this primarily reflected the legacy of poor pupil performance data. Throughout the academic year we worked on supporting and strengthening the leadership of the school and capacity for future improvement, thus leading to 'good' judgements in the following three categories: effectiveness of leadership and management; quality of teaching, learning and assessment; early years provision.
- Guildford Grove Primary School's December 2018 Ofsted report stated that "the school continues to be good". In addition, the inspector noted that "there is a sense of pride, with all staff sharing the vision and purpose of making the school the best it can be. Parents are highly positive and this is reflected in the comment made by one parent, who wrote: 'This is a lovely school and I couldn't be happier'.". In addition, the report stated that "disadvantaged pupils as well as those with SEND are suitably challenged in school and make good progress" and that "teaching is consistently effective across the school allowing pupils to progress well in reading, writing and mathematics".

Professional development

– George Abbot School Centred Initial Teacher Training (SCITT) and Teaching School

Our SCITT, which offers primary and secondary teacher training to a partnership of over 50 schools, is directly governed by GEP Academies. Since 2001, George Abbot SCITT has trained 437 secondary teachers and since 2014 has trained 92 primary phase teachers. During 2017-18, the SCITT trained:

- 29 secondary trainees, including 2 'Researchers in Schools' and 4 part-time trainees
- 8 trainees on the 'Teach Independent' route
- 22 primary trainees

In addition, the SCITT supported 6 teachers through the 'assessment only' route.

In May 2018, the SCITT was subject to Part 1 of the ITT OfSTED Inspection, with Part 2 taking place in October 2018. The six-day inspection involved meetings with the SCITT leadership team; interviews with partnership headteachers and professional tutors; exploration of recruitment, retention and progress data for trainees; a range of school visits and lesson observations of trainee teachers to assess trainee readiness and progress as NQTs.

At the end of the two-part OfSTED inspection, the following judgements were made:

The outcomes for trainees	Outstanding
The quality of training across the partnership	Outstanding
The quality of leadership and management	Outstanding
Overall effectiveness	Outstanding

George Abbot School, one of the founding members of GEP Academies, is a designated Teaching School. Teaching schools are an integral part of a school-led school improvement system. Teaching schools are centres of excellence, taking a focused role that has three priorities:

- (1) Co-ordinating and providing high-quality school-led initial teacher training (ITT).
- (2) Providing high-quality school-to-school support to spread excellent practice, particularly to schools that need it most.
- (3) Providing evidence-based continuing professional and leadership development (CPLD) for teachers and leaders across their network.

As a teaching school we have delivered the following DfE-funded projects in addition to a wide range of bespoke CPLD activities delivered to GEP and local schools:

- Teacher Subject Specialist Training in Maths
- Teacher Subject Specialist Training in Physics
- Teacher Subject Specialist Training in Modern Foreign Languages (Spanish)
- Leadership Diversity programme: Supporting women into school leadership
- 'Next step Headship' course supporting aspiring headteachers
- 'Return to Teaching' programme supporting teachers of EBacc subjects back into the classroom
- 'Paid Internship' programme for undergraduates providing paid school experience

George Abbot Teaching School is an NQT Awarding Body.

As a founding school of the Surrey Teaching Schools Network (STSN), the GEP Director of Education is Lead Facilitator for the National Professional Qualification for Senior Leaders (NPQSL). At a local level, STSN brokers DfE-funded school-to-school support across Surrey and the south.

Leadership development is crucial to GEP Academies' vision. Many of our employees have followed the SCITT and Teaching School programmes, evaluating the professional development programme and offer very highly. New Specialist Leaders in Education (SLEs) have been appointed and accredited by the Teaching School and will be deployed to support schools.

Educational partnership - RGS engagement

GEP Academies has further developed its close links with the Royal Grammar School, Guildford (hereinafter referred to as "RGS"), through the support brokered by Dr Jon Cox (Headmaster and GEP Trustee) and his Assistant Headteacher: Partnerships. A broad range of activities and events, a sample of which is outlined below, celebrates these close links in order to support and enhance provision in all GEP schools:

- **Governance:** The Headmaster of RGS is a GEP Trustee, with the RGS Bursar a member of Sandfield Primary School GLAC and the RGS HR Manager a member of Loseley Fields Primary School GLAC.
- **Staff deployment:** The RGS Head of Physics and other Physics staff provided weekly tuition for Kings College, Guildford pupils to cover the separate science content of the curriculum. The RGS Head of Classics taught Latin GCSE weekly at George Abbot School. Latin tuition was also provided to Boxgrove Primary School each week. RGS-delivered French lessons began at Sandfield Primary School in September 2018.
- **NFER 'Enquiring Teachers' Programme:** RGS colleagues, working alongside GEP teachers and colleagues from St John's Leatherhead, have participated in this NFER R&D programme and worked collaboratively on the leadership of this joint research initiative. RGS generously supported the publication of the Research Journal publication and hosted the celebration dinner. This was the second year of this collaborative project.
- **Staff links:** Links have been developed between Kings College, Guildford and RGS staff for Maths, Geography, Religious Studies, PHSME, Science, Modern Foreign Languages and English. Colleagues from RGS were involved in the Fullbrook 6th Form Review. Subsequently, RGS hosted a visit from the Principal of Fullbrook School to explore further links. RGS staff attended the inaugural George Abbot School TeachMeet, the Head of Spanish delivered the 'Teacher Subject Specialist Training in Modern Foreign Languages (Spanish)' offered by the Teaching School.
- **String Scheme:** The RGS String Scheme is well established and is delivered at Sandfield Primary School and at Boxgrove Primary School, supported by the Community Foundation for Surrey (CFS) through the Investec International Music Festival (IIMF). Sandfield Primary School pupils performed at G-Live alongside Southern Pro Musica orchestra at their Family Concert and at the end of year RGS concert. Boxgrove Primary School pupils involved in the String Scheme were visited by Anne Milton MP and the local press, after their third weekly lesson of violin and cello.
- **Chess Project:** In conjunction with 'Chess in Schools & Communities' organised through RGS, curriculum chess classes were held for Year 5 pupils at Boxgrove, Sandfield and Guildford Grove Primary Schools during the summer term 2018.

Educational partnership - University of Surrey engagement

In addition to the support provided by the University of Surrey through the Widening Participation activities for Kings College, Guildford (see page 16), the University of Surrey provided the following activities for our GEP schools:

- Key Stage 4 students attended 'Catastrophe on Campus' events. This is a six-month sustained programme of campus visits and on-line mentoring. The programme also offers students the chance to visit other universities in order to build a picture of their possible future options and university choices.
- A-level students from Fullbrook and George Abbot Schools took part in a Gothic Writing Day run by the English Faculty.
- A-level students from George Abbot School took part in a day exploring Behavioural Economics in association with the Economics Faculty.
- Undergraduate student ambassadors have talked about their experiences at university and the different Health Science courses on offer with a 'Getting into Medicine' theme.

TRUSTEES' REPORT (Continued)

5.2 Key performance indicators – educational

Effective collaboration and work between the Headteachers and staff across all GEP schools remains a high priority. The Trust works together in primary, secondary cross-phase groupings.

Education Improvement work is undertaken by the following GEP team members who work for GEP in a range of capacities: CEO, Director of Education/Director of George Abbot Teaching School, Primary School Improvement Partners, Headteacher/Deputy Network Lead, GEP SEN Lead (& Headteacher at The Ridgeway School), Primary Practice Development Lead, Secondary/Maths Practice Development Lead.

Pupil attendance data

GEP SCHOOL	% ATTENDANCE (Year ending JULY 2018)
PRIMARY	
Boxgrove Primary School	96.5
Guildford Grove Primary School	94.2
Loseley Fields Primary School	95.7
Sandfield Primary School	96.0
SECONDARY	
Fullbrook School	94.9
George Abbot School	95.1
Kings College, Guildford	94.6

Source: Internal school data

The national average is 96.0% for primary and 94.6% for secondary (2016-17 figure).

Primary school outcomes 2018

The national median progress is 0.

GEP PRIMARY SCHOOL	SCHOOL PROGRESS SCORES		
	Reading	Writing	Maths
Boxgrove Primary School	+0.17	-1.29	0.00
Guildford Grove Primary School	+0.94	-0.12	+1.96
Loseley Fields Primary School	-0.6	-4.1	-1.6
Sandfield Primary School	+1.5	+1.6	-0.7

Source: Internal school data

Focus for the Trust remains on ensuring that pupil progress is strong in all schools. Intense support from the GEP school improvement team, alongside the work of Boxgrove's Maths Mastery Hub Specialist Leader has brought about improvements in Maths progress at Boxgrove (from -1.74 to 0.00). Focus at Guildford Grove has brought about significant improvements in all progress measures, with Reading increasing from -2.17 to +0.94, writing from -1.94 to -0.12 and Maths from +0.51 to +1.96. At Sandfield Primary School, end of year outcomes were positive overall with the gap at Key Stage 1 narrowing.

Significant leadership support in order to build leadership capacity was a Trust priority during the summer term 2018 at Loseley Fields Primary School. School leadership has now been strengthened and the school is in a strong position to be able to address school priorities.

Pupils with multiple vulnerabilities and needs, often linked to lower attendance, remains a high priority for our schools. In addition, areas of progress below the national median and variation in the performance between schools continues to be a high priority for the Trust.

Secondary school outcomes 2018

SCHOOL OUTCOMES	GEP SECONDARY SCHOOL		
	Fullbrook	George Abbot	Kings College
Progress 8 score	-0.04	+0.43	-0.71
Grade 5 above in English & Maths	50%	61%	11%
Entering EBacc	44.75%	17%	10.71%
Achieving EBacc Grade 5 and above	19%	14%	3.57%
A Level: Grades A*-A	17%	33%	N/A
A Level: Grades A*-B	41%	62.1%	
A Level: Grades A*-C	77.0%	82.6%	

Source: Internal school data.

At Fullbrook School, the performance gap between 'pure' Pupil Premium and non-Pupil Premium at GCSE has been significantly narrowed. English, Maths, French, German and PE produced strong GCSE performances, with further success in music, technology, PE, psychology, the sciences and sociology in AS examinations. The focus of the school on techniques of flipped learning and inter-leaving, as well as reinforcing the principles of learning and teaching, is having a positive impact.

At Key Stage 4, progress at George Abbot has risen in line with a three-year upward trend. Progress in Maths and Science is particularly strong, with English and Humanities also being significantly above the national average. Strong Grade 9-7 performance was particularly evident in Art, Biology, French, German, History, PE, Photography and Physics. At Key Stage 5, progress outcomes are higher than they have been for a number of years. We estimate that level 3 value-added for A Levels will be 0.37 with an average grade of B+. The school's focus on strong leadership and ambition continues to pay dividends.

Whilst overall attainment at Kings College, Guildford remains low, improvement is significant in all year groups for 2018-19, and particularly improved in Key Stage 3. Significant improvement in progress and outcomes for boys, SEN students and for students in receipt of pupil premium was also notable. Students are now largely on course for FFTB¹ targets in all Key Stages. All Year 11 students from Kings College, Guildford have places in further education or apprenticeships.

¹ Fischer Family Trust Type B targets - for similar pupils in similar schools.

6 FINANCIAL REVIEW

6.1 Financial performance

Most of the Trust's income is obtained from the Department for Education (DfE), in the form of recurring grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2018, the total expenditure of £36.0m (2017: £37.0m) was more than the total of incoming resources of £34.2m (2017: £52.2m including fixed asset acquisitions), resulting in a net loss of less than 5%, not including actuarial gains or losses. The Trust continued to carry forward capital fund balances for planned condition and improvement works and revenue fund balances for utilisation in future years, as deemed necessary according to our long-term financial plans.

Movements in tangible fixed assets are shown in more detail in the notes to the financial statements. These assets were exclusively those used for our charitable aims, providing education and the associated support services to the students of the schools within the Trust. When these assets are not in use for educational purposes, they are available for community use and for generating sundry lettings income. In the year ended 31 August 2018, £0.5m of income was self-generated from use of the facilities (2017: £0.5m).

From the actuarial valuations for the year ended 31 August 2018, the Financial Reporting Standard 102 pension deficit on the Trust's proportion of the Surrey Local Government Pension Scheme decreased and at 31 August 2018 stood at £9.2m (2017: £10.2m).

During the year the Trust received £2.5m in capital funding, which included the third consecutive annual award of £2.3m for capital improvement works from the DfE School Condition Allocation. A condition survey has been undertaken at all seven schools and funds are allocated according to: our estates strategy; condition-driven need; formulaic-basis; and a ranked bid-based approach. All school sites have benefited from improvements to their teaching spaces, including roof repairs, window replacements, boiler works and upgrades to specialist teaching rooms. A programme of identified priority works will be finalised by March 2019, with a new review of capital needs being conducted next academic year.

6.2 Reserves policy

The Trustees have agreed a reserves policy for the Trust which will be reviewed annually. The review encompasses the nature of income and expenditure streams and the need to match income with commitments. In autumn 2018, it was agreed that school budgets will be set with no in-year deficit, thereby no longer using reserves on a planned basis.

The Trustees are confident that the majority of schools have sufficient working reserves to cover delays between spending and receipt of grants and to provide a cushion to cover the financial risks facing the Trust such as reductions in funding formula and pupil numbers. The exception to this is Kings College, Guildford. The Trust has agreed a Pupil Number Adjustment repayment plan with the ESFA and continues to be in conversation with the Regional Schools Commissioner and Local Authority, around the funding for Kings College Guildford, to ensure financial solvency as it moves forward with lower than Local Authority forecast pupil numbers.

As at 31 August 2018, free reserves amounted to £1.7m (2017: £1.4m). It is anticipated that this free reserve balance will be utilised over the course of the following academic years, as our cost base rises with income remaining relatively flat, and as the Trust continues to support its schools.

The Trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the Trust and to fund future projects. The Trustees intend to review the reserves policy annually to ensure that this aim can be achieved.

6.3 Investment policy

The Trustees' investment powers are defined in the charitable company's Articles of Association which permit the investment of monies of GEP Academies that are not immediately required for its purposes in such investments, securities or property as may be thought fit, subject to any restrictions which may from time to time be imposed or required by law.

The Trust's current policy is to invest surplus funds in a short-term cash deposit account.

6.4 Principal risks and uncertainties

The major risks to which the Trust is exposed are related to financial uncertainties:

- (1) Shortfalls due to government policy change leading to rises in staffing costs and/or changes in the introduction of a national funding formula.
- (2) Reduction in school roll, especially at Kings College Guildford, leading to reduced funding.

As a Trust we are mitigating financial risk through a trust-wide rather than school-centric approach, robust financial planning and control and exploring alternative avenues of income by utilising the assets in our estate.

The Trust has a rolling programme of risk assessment and management through which risks across all areas of the Trust's operations are identified and managed. The risk register is reviewed regularly by Trustees, Governors and the schools' Senior Leadership Teams. The Trustees have overall responsibility for ensuring that GEP Academies has an appropriate and effective system of control, both financial and operational.

The system is designed to manage risk so to provide as high a level of assurance as is reasonably practical without unduly constraining the Trustees' wish to be an innovative organisation that leads by example. An element of risk is always present when treading new ground. The Trustees recognise that risk cannot be completely eliminated, but it can be understood, managed and controlled.

The Trustees' attitude to risk is conservative. Activities are undertaken with a clear understanding of the risk involved and no activity would be undertaken that risked the viability of our operations. All major decisions are taken with extensive discussion between Trustees, officers and staff and where appropriate other stakeholders are involved.

6.5 Fundraising

Approach to fundraising

Our schools strive to follow best fundraising practice, ensuring that the school community and other supporters are treated fairly and with respect. Our schools adopt an open and transparent approach to fundraising, where supporters can 'opt in' to relevant activities.

- All schools seek voluntary contributions from students' parents/carers towards the cost of educational trips/other contributions. The seeking of these contributions is covered by the schools' charging and remissions policies.
- Most schools have a Parent Teacher Association ("PTA"), offering fundraising events, such as a Christmas or Summer fair. A sub-set of these are set up as registered charities.
- Some schools seek general voluntary parental donations, for example at induction – without coercion and with minimal follow-up communication. Gift Aid is set-up accordingly.

Professional fundraiser or commercial participators

Fullbrook School, let some of their facilities via a trading company, Fullbrook Sports Centre Limited. The annual profits of this company are passed to the school as a Gift Aid donation. No schools work with any other professional fundraisers. Regarding commercial participators, some schools have received small donations for specific activities or where there is a staff/parent/ex-pupil link, for example: Loseley Fields Primary School have recently secured volunteering assistance for reading, with support from a local law firm; GEP Academies received a donation from a local IT company,

which funded school improvement activity at Kings College, Guildford; some schools' PTAs receive gifts in kind to offer as prizes in their fundraising events.

Fundraising standards and complaints

Communications regarding fundraising conform to recognised standards. Some of our schools have gained parental consent to pass on contact details to our PTAs, whilst others have gained consent from parents to receive fundraising direct marketing. Staff and Parent Teacher Associations have undergone GDPR training, and are required to adhere to the GEP Data Protection and Information policy.

At GEP Academies we interact with supporters through a wide range of channels including events, newsletters, social media, face-to-face, over the telephone and on our collective websites. We value our relationship with supporters and welcome feedback as an important means of providing us with insight and improving their experience. We have a complaints procedure that is accessible, open and transparent. Any concerns raised by the school community, public or others are addressed in a timely manner. We have received no complaints regarding our fundraising in 2017-18, or since this date.

Monitoring of fundraising carried out on its behalf

We have active PTAs that raise funds on behalf of our schools by organising events and receiving cash or in-kind donations. These associations provide an important means of engaging our school communities with schools and raising funds. There is a close working relationship between the schools' leadership/governors and these associations, with regular dialogue to establish fundraising priorities, planning for joint fundraising strategies, training and monitoring of fundraising activities.

The operations of Fullbrook Sports Centre Limited are monitored by a member of the school's Senior Leadership Team and its performance is reported to governors.

Protection from intrusive fundraising practices

Other than the letting of school facilities and provision of PTA-initiated community events, our schools do not participate in fundraising activities directed at the general public. Fundraising communications directed at parents/carers are carefully controlled and standardised in line with schools' charging and remission policies. The complaints policy provides a suitable methodology for anyone seeking redress if necessary. GEP Academies does not therefore participate in any unreasonable intrusive or persistent fundraising approaches, pressuring vulnerable people or the public to donate.

6.6 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust 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.

7 PLANS FOR FUTURE PERIODS

The Trust's future plans are focused on five priority areas:

- (1) Where appropriate, and recognising clearly that each school is unique and serves a specific and different community, review our curriculum and pupil assessment systems to ensure there is good curriculum progression and alignment to improve pupil outcomes and reduce teacher workload.
- (2) Maximise the advantages of the tight geographical spacing of our schools to collaborate effectively across the Trust, sharing and retaining staff, utilising our 'outstanding' School Centred Initial Teacher Training provider to 'grow our own teachers' and seizing the opportunity of the George Abbot Teaching School being at the heart of our school improvement and teacher development programmes.
- (3) Consolidate the Trust's operations, infrastructure, policies and processes to ensure they are fit for purpose now and in the future, protect against risk, and provide value for money, particularly by aligning back office arrangements across the Trust.
- (4) Strengthen the Trust's financial position by increasing the number of pupils attending our schools and increasing income through further utilisation of the considerable assets at our disposal.
- (5) Without losing focus on our existing schools' continuous improvement, grow the Trust through new academies who wish to join GEP Academies, within the existing geographical area in which we operate.

8 FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Although the Trust maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors and other funders, GEP Academies does not hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party. There are no funds held as custodian Trustee on behalf of others.

9 AUDITOR


9.1 Statement as to disclosure of information to the auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

9.2 Auditor appointment

Moore Stephens LLP have been appointed to provide an external audit service, covering three financial years, to year ending 2018, subject to an annual review of performance. The Trustees will be reviewing the appointment (or reappointment), of an independent auditor, for the financial year starting 1 September 2018.

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees in their capacity as the Directors of the charitable company at their meeting on 13 December 2018 and signed on its behalf by:



Mr F Roche
13 December 2018

Chair

GOVERNANCE STATEMENT

1 SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between GEP Academies and the Secretary of State for Education. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

2 GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

2.1 Composition of the Board

In the previous year, GEP Academies moved to a newly composed Board of Trustees, where S Offord filled the one remaining vacancy created by the resignation of P Evans in the previous year. Following his resignation in December 2018, this post is now vacant.

C Tweedale assumed the post of CEO and Accounting Officer from 1.9.18, replacing P Gale (Trustee ex-officio from 1.9.17), but elected not to join the Board of Trustees, such that there is clear separation in duty between Trustees holding the Executive to account.

2.2 Performance of the Board

In the spirit of continuous improvement, the Trust will continue its cycle of external reviews of the Board, with the next independent evaluation in 2018-19. The most recent self-evaluation of the multi-Academy Trust was conducted in autumn 2017.

2.3 Meetings of the Board

The Board of Trustees has formally met seven times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Cox	4	7
P Evans (until 14.11.17)	1	2
P Gale (CEO until 31.1.18)	7	7
C Holyoak	7	7
S Millin	5	7
S Offord (from 12.9.17 until 7.12.18)	3	6
J Powell	4	7
F Roche (Chair)	6	7
G Wyss (Vice-Chair)	6	7

GUILDFORD EDUCATION PARTNERSHIP

GOVERNANCE STATEMENT (Continued)

The Board held a Strategy Day in April 2018, with Trustees, GLAC Chairs and school senior leaders, to focus on strategic leadership and the future of the Trust.

Audit Committee

The Trustees have an established Audit Committee to focus on risk management, financial controls and audit arrangements and held 5 formal meetings during the year.

Audit Committee members	Meetings attended	Out of a possible
C Holyoak (Audit Committee Chair)	5	5
J C Wijnja	4	5
G Wyss	5	5

Education Committee

The Education Committee held its first formal meeting on 6 October 2017 with a focus on standards of education. 6 formal meetings were held during the year.

Education Committee members	Meetings attended	Out of a possible
P Gale	6	6
M Michell	6	6
S Millin (Education Committee Chair)	6	6
F Roche	4	6

Resources Committee

The Resources Committee focuses on matters of finance, administration, personnel and property and held 15 formal meetings during the year, of which 4 focused on a single agenda item, Kings College Guildford.

Resources Committee members	Meetings attended	Out of a possible
C Holyoak	14	15
F Roche	11	15
G Wyss (Resources Committee Chair)	15	15

3 REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer 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'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 has delivered improved value for money during through the provision of central services as follows:

- Professional administrative support targeting complex activities – providing GDPR compliance policy development and training, freedom of information response service, disaster recovery planning, systems implementations, long-term budget planning, internal and external audit support, income generation strategies, human resource case management, senior leader recruitment, health and safety auditing, capital improvement planning.
- Central buying of educational supplies and services – for example primary catering (saving our schools collectively an estimated £57k per annum), energy, accountancy and audit services, insurance, legal support, professional service level agreements and software licenses (for governance, leadership, education, finance and administration).
- Educational services through exceptional internal practitioners, rather than external consultants – providing targeted and sustained school improvement, Ofsted support, primary and secondary practitioner planning and intervention support. The Trust continues to use the most talented members of its teaching force to support school-to-school improvement and relies less on external

consultancy. The Trust has access to a range of school improvement experts who are regularly deployed for the benefit of Trust members.

Links with the Royal Grammar School, Guildford and the University of Surrey, (as outlined on page 18) have also enabled us to deploy resources to a number of activities across the Trust, from Board-level governance, to targeted school improvement initiatives and teacher collaboration.

4 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 and as such it can 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 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 GEP Academies for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

5 CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees considers that there is an appropriate formal on-going process for identifying, evaluating and managing the Trust's significant risks on an on-going basis. This process is regularly reviewed by the Board of Trustees.

6 THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget set within the context of a five-year budget plan and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Resources and Audit Committees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

Additionally, a central risk register is proactively managed at each school and across the Trust, which is reviewed on a regular basis by the schools' Senior Leadership Teams, Governors and Trustees. The process of risk management is reviewed by the Audit Committee on an ongoing basis.

7 REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive Officer 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 audit function;
- The work of the external auditor;
- The financial management and governance self-assessment process; and
- The work of the Audit Committee within the Trust who have responsibility for the oversight of the internal control framework.

GUILDFORD EDUCATION PARTNERSHIP

GOVERNANCE STATEMENT (Continued)

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the Audit Committee. As with all reviews, action plans are in place when any weaknesses are found, plans are monitored for completion and processes are adapted to ensure continuous improvement of the system.

Trustees have considered the need for a specific internal audit function and have decided to appoint Moore Stephens LLP, the external auditor, to perform additional checks, on an independent basis, instead of appointing a GEP Academies employee as internal auditor. This role includes performing a range of checks on the Trust's financial systems and providing recommendations to inform management. In particular, checks carried out this academic year included credit card usage and cash in schools. The appointee reports to the Board of Trustees via the Audit Committee, on the operation of controls and in the discharge of the Board of Trustees' financial responsibilities. In the year ending 31 August 2018, no significant weaknesses were reported.

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on its behalf by:



Mr F Roche

13 December 2018

Chair



Mr C Tweedale

13 December 2018

Chief Executive Officer

GUILDFORD EDUCATION PARTNERSHIP

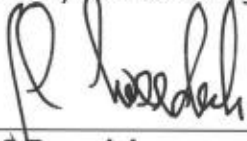
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of GEP Academies, I have considered my responsibility to notify the Board of Trustees and the Education Skills and Funding Agency (ESFA), of any material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that no instances of material irregular, 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.

Signed by the Accounting Officer:



Chief Executive Officer

Mr C Tweedale

13 December 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust 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 Statement of Recommended Practice 2015 (SORP 2015) and the Academies Accounts Direction 2017-18;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards, Financial Reporting Standard 102 (FRS 102), have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust 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 Trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 Trust'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 13 December 2018 and signed on its behalf by:

 _____ Chair
Mr F Roche
13 December 2018

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS

1 OPINION

We have audited the financial statements of Guildford Education Partnership (the 'Academy Trust') for the year ended 31 August 2018 which comprise the consolidated statement of financial activities, the group and charitable company balance sheet, the consolidated statement of cash flows, and the related 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- Give a true and fair view of the state of the group and the parent charitable company's affairs as at 31 August 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

2 BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

3 CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- The Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- The Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

4 OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

5 OPINIONS 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, including the incorporated strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' report, including the incorporated strategic report, has been prepared in accordance with applicable legal requirements.

6 MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

7 RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Trustees' responsibilities statement set out on page 30, the Trustees (who are also the Directors of the charitable company for the purposes of the company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

8 AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

GUILDFORD EDUCATION PARTNERSHIP

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
TO THE MEMBERS (Continued)**

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

9 USE OF OUR REPORT

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

For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street, London. EC1A 4AB

Moore Stephens LLP. Senior Statutory Auditor
Mrs Heather Wheelhouse
17 December 2018

GUILDFORD EDUCATION PARTNERSHIP

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GUILDFORD EDUCATION PARTNERSHIP AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9 May 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Guildford Education Partnership during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Guildford Education Partnership and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Guildford Education Partnership and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Guildford Education Partnership and ESFA, for our work, for this report, or for the conclusion we have formed.

1 RESPECTIVE RESPONSIBILITIES OF GUILDFORD EDUCATION PARTNERSHIP'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Guildford Education Partnership's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

2 APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, reviewing for any indication of purchase for personal use by staff, Heads or Trustees;
- Reviewing the procedures for identifying and declaring related parties and other business interests;

GUILDFORD EDUCATION PARTNERSHIP

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GUILDFORD EDUCATION PARTNERSHIP AND THE EDUCATION AND SKILLS FUNDING AGENCY (Continued)

- Obtaining formal representation from the Board of Trustees and Accounting Officer acknowledging their responsibilities;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the Trust; and
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

3 CONCLUSION

In the course of work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Stephens LLP, Chartered Accountants and Statutory Auditor
150 Aldersgate Street, London. EC1A 4AB

Moore Stephens LLP
17 December 2018

GUILDFORD EDUCATION PARTNERSHIP

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 AUGUST 2018**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total 2018 £000	Total 2017 £000
Income from:						
Donations & capital grants	2	194		2,543	2,737	4,003
Transfer from local authority on conversion	3	-	-	-	-	16,644
Charitable activities:						
Funding for the Academy Trust's educational operations	4	832	29,971	-	30,803	30,775
Other trading activities	5	490	-	-	490	539
Teaching School			216		216	284
Investments	6	3	-	-	3	-
Total		1,519	30,187	2,543	34,249	52,245
Expenditure on:						
Raising funds	7	102	-	-	102	103
Charitable activities:						
Funding for the Academy Trust's educational operations	7	225	32,560	2,636	35,421	36,849
Teaching School	7	-	464	-	464	18
Total	7	327	33,024	2,636	35,987	36,970
Net income		1,192	(2,837)	(93)	(1,738)	15,275
Transfers between funds	16	(845)	(1,728)	2,573	-	-
Other recognised gains / (losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	2,320	-	2,320	2,022
Net movement in funds		347	(2,245)	2,480	582	17,297
Reconciliation of funds						
Total funds brought forward		1,380	(6,448)	81,268	76,200	58,903
Total funds carried forward		1,727	(8,693)	83,748	76,782	76,200

All of the Academy Trust's activities derive from continuing operations during the above financial period.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The net movement in funds for the year arises from the Trust's continuing operations (see note 16).

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

GUILDFORD EDUCATION PARTNERSHIP

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 AUGUST 2017**

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total 2017 £000	Total 2016 £000
Income from:					
Donations & capital grants	265	3,738	-	4,003	2,763
Transfer from local authority on conversion	-	(1,152)	17,796	16,644	15,297
Charitable activities:					
Funding for the Academy Trust's educational operations	1,177	29,598	-	30,775	27,542
Other trading activities	539	-	-	539	490
Teaching School	-	284	-	284	5
Investments	-	-	-	-	-
Total	1,981	32,468	17,796	52,245	46,097
Expenditure on:					
Raising funds	103	-	-	103	106
Charitable activities:					
Funding for the Academy Trust's educational operations	1,478	32,971	2,400	36,849	30,601
Teaching School	-	18	-	18	226
Total	1,581	32,989	2,400	36,970	30,707
Net income	400	(521)	15,396	15,275	15,390
Transfers between funds	(1,452)	(399)	1,851	-	-
Other recognised gains / (losses):					
Actuarial gains/(losses) on defined benefit pension schemes	-	2,022	-	2,022	(2,063)
Net movement in funds	(1,052)	1,102	17,247	17,297	13,327
Reconciliation of funds					
Total funds brought forward	2,432	(7,550)	64,021	58,903	45,576
Total funds carried forward	1,380	(6,448)	81,268	76,200	58,903

The net movement in funds for the year arises from the Trust's continuing and acquired operations.

GUILDFORD EDUCATION PARTNERSHIP

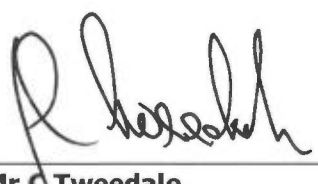
CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2018

Company Number: 07649091

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	12		81,057		81,268
Current assets					
Debtors	14	911		1,236	
Cash at bank and in hand		5,804		7,757	
		6,715		8,993	
Liabilities					
Creditors: Amounts falling due within one year	15	(1,709)		(3,802)	
		(1,709)		(3,802)	
Net current assets			5,006		5,191
Total assets less current liabilities			86,063		86,459
Creditors: Amounts falling due after one year	15		(7)		(35)
Net assets excluding pension scheme liability			86,056		86,424
Defined benefit pension scheme liability	25		(9,274)		(10,224)
Total net assets			76,782		76,200
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	16	83,748		81,268	
Restricted income fund	16	581		3,776	
Pension reserve	16	(9,274)		(10,224)	
Total restricted funds			75,055		74,820
Unrestricted income funds	16		1,727		1,380
Total funds			76,782		76,200

The financial statements were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:


 _____ Chair
Mr F Roche
 13 December 2018


 _____ Chief Executive Officer
Mr C Tweedale
 13 December 2018

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

GUILDFORD EDUCATION PARTNERSHIP

COMPANY BALANCE SHEET AS AT 31 AUGUST 2018

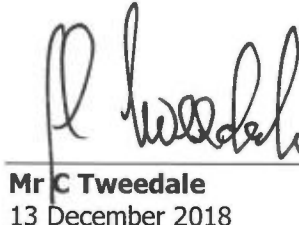
Company Number: 07649091

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	12		81,057		81,268
Current assets					
Debtors	14	907		1,231	
Cash at bank and in hand		5,801		7,691	
		6,708		8,922	
Liabilities					
Creditors: Amounts falling due within one year	15	(1,779)		(3,731)	
		(1,779)		(3,731)	
Net current assets			4,929		5,191
Total assets less current liabilities			85,986		86,459
Creditors: Amounts falling due after one year	15		(7)		(35)
Net assets excluding pension scheme liability			85,979		86,424
Defined benefit pension scheme liability	25		(9,274)		(10,224)
Total net assets			76,705		76,200
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	16	83,748		81,268	
Restricted income fund	16	581		3,776	
Pension reserve	16	(9,274)		(10,224)	
Total restricted funds			75,055		74,820
Unrestricted income funds	16		1,650		1,380
Total funds			76,705		76,200

The financial statements were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:


Mr F Roche
 13 December 2018

Chair


Mr C Tweedale
 13 December 2018

Chief Executive Officer

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

GUILDFORD EDUCATION PARTNERSHIP**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	(2,046)	767
Cash flows from financing activities	21	(28)	(14)
Cash flows from investing activities	22	121	2,581
Change in cash and cash equivalents in the reporting period		(1,953)	3,334
Cash and cash equivalents at 1 September 2017		7,757	4,423
Cash and cash equivalents at 31 August 2018	23	5,804	7,757

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 STATEMENT OF ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Trust and its wholly owned subsidiary, Fullbrook Sports Centre Limited, on a line by line basis.

No separate statement of financial activities has been presented for the Trust alone, as permitted by Section 408 of the Companies Act 2006 and paragraph section 24 of SORP 2015.

1.2 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. Having considered the factors highlighted in the Trustees' Report, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Refer to the Trustees' Report for further information.

1.3 Income

All income is recognised when the Academies Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Sponsorship income

Sponsorship income provided to the Academies Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

School trips and activities

These transactions are included in unrestricted funds. Income is recognised when received and expenditure is recognised when paid, any surpluses being carried forward as deferred within restricted funds until the trip or activity is completed.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

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

Donated goods, facilities and services

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

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

Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party and 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. Depreciation charges are allocated on the portion of the asset's use.

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

1.5 Tangible fixed assets

Assets costing £2,000 or more (for GEP Primary Schools), or £5,000 or more (for GEP Secondary schools), 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of fixed assets on a straight-line basis over their expected useful lives as follows:

Freehold building	Over 125 years
Long leasehold land	Over 125 years
Long leasehold building	Over 8 to 50 years
Fixtures, fittings and equipment	Over 4 to 15 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

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 the related grants require the asset to be held for a specific purpose and continued use they are credited to a restricted fixed asset fund with the related depreciation then being charged to that same fund.

1.6 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 as 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.

1.7 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the statement of financial activities in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

1.8 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pension benefits

Retirement benefits for employees of the Academy Trust are provided by the Teachers' Pension Scheme (TPS), and the Local Government Pension Scheme (LGPS). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Local Government Pension Scheme

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

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

1.10 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

1.11 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Critical accounting estimates and assumptions:

- (1) 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.
- (2) The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income), for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- (3) On conversion to the Academy Trust, the assets and liabilities of a school are measured at fair value. This includes any land and buildings. The valuation of the land and buildings involves a significant degree of estimation. Refer to note 12 for further details on this estimation.

1.12 Conversion to an academy

The conversion from a local authority school to an academy involves the transfer of identifiable assets and liabilities and the operations of a school for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred upon conversion have been valued at their fair value being a reasonable estimate of the current value that the Trustees would expect to pay in an open market for an equivalent item. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the Statement of Financial Activities and analysed under unrestricted, restricted general and restricted fixed asset funds.

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

2 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Capital grants (DfE / ESFA)	-	2,543	2,543	3,738
Other donations	194	-	194	265
	<u>194</u>	<u>2,543</u>	<u>2,737</u>	<u>4,003</u>

3 FUND TRANSFERRED FROM LOCAL AUTHORITY ON CONVERSION

	Unrestricted Funds £000	Restricted Fund £000	Total 2018 £000	Total 2017 £000
Agreed (deficits) / surpluses	-	-	-	694
Fixed assets	-	-	-	17,796
LGP scheme deficit	-	-	-	(1,846)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,644</u>

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	24,386	24,386	24,771
Start up	-	-	-	50
Rates and insurance	-	121	121	109
Universal infant free school meals	-	230	230	211
Pupil premium	-	893	893	868
Scheme income	-	55	55	25
16-18 Bursary income	-	12	12	13
	<u>-</u>	<u>25,697</u>	<u>25,697</u>	<u>26,047</u>
Other Government grants				
Special educational projects	-	987	987	915
	<u>-</u>	<u>987</u>	<u>987</u>	<u>915</u>
Other income from the Academy Trust's educational operations				
East Guildford Confederation	-	156	156	211
11-19 Partnership income	-	112	112	224
Graduate teacher programme	-	902	902	981
Children's Centre early years	-	158	158	159
Growing school income	-	-	-	156
Other educational income	832	1,959	2,791	2,082
	<u>832</u>	<u>3,287</u>	<u>4,119</u>	<u>3,813</u>
Total funding	<u>832</u>	<u>29,971</u>	<u>30,803</u>	<u>30,775</u>

Other educational income includes £1,074,882 (2017: £696,790) relating to school fund activities.

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Letting and hire of facilities	490	-	490	539
	<u>490</u>	<u>-</u>	<u>490</u>	<u>539</u>

6 INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Interest receivable	3	-	3	-
	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>

7 EXPENDITURE

	Non Pay Expenditure				
	Staff Costs £000	Premises £000	Other £000	Total 2018 £000	Total 2017 £000
Expenditure on raising funds:					
Direct costs	-	-	102	102	103
Academy's educational operations:					
Direct costs	22,197	2,636	4,244	29,077	30,260
Allocated support costs	3,579	-	2,765	6,344	6,589
Teaching School	-	-	464	464	18
	25,776	2,636	7,575	35,987	36,970

Net income/(expenditure) for the period includes:

	2018 £000	2017 £000
Operating lease rentals	53	67
Depreciation	2,636	2,400
Fees payable to auditor for:		
Audit	30	25
Other services	22	10

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

7.1 Expenditure on raising funds

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Other expenditure	102	-	102	103
	<u>102</u>	<u>-</u>	<u>102</u>	<u>103</u>

7.2 Expenditure on charitable activities

	Total 2018 £000	Total 2017 £000
Academy's educational operations - direct costs		
Teaching and educational support staff costs	22,197	21,712
Depreciation	2,636	2,400
Educational supplies	1,188	1,852
Technology costs	356	346
Examination fees	357	402
Staff development	646	629
Other direct costs	1,697	2,919
	<u>29,077</u>	<u>30,260</u>
	Total 2018 £000	Total 2017 £000
Academy's educational operations - allocated support costs		
Support staff costs	3,579	3,495
Pension finance costs	269	248
Maintenance of premises & equipment	667	540
Cleaning	618	584
Rent and rates	280	245
Energy costs	379	393
Insurance	124	128
Bank interest and charges	17	12
Other support costs	206	288
Technology costs	23	40
Governance costs	646	616
	<u>6,808</u>	<u>6,589</u>
Total expenditure on charitable activities	<u>35,885</u>	<u>36,849</u>

The Trust analyses expenditure as direct costs when transactions are being processed; thereafter, the Trust allocates support costs on the basis of estimated staff time involved and/or the nature of the cost.

There are no amounts, included in resources expended above, that relate to ex-gratia/compensation payments, fixed asset losses, stock losses, unrecoverable debts or cash losses.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

8 STAFF COSTS

8.1 Staff costs

Staff costs during the period were:

	2018	2017
	£000	£000
Wages and salaries	19,171	19,267
Social security costs	1,817	1,770
Operating costs of defined benefit pension schemes	4,366	3,918
	25,354	24,955
Supply staff costs	364	220
Staff restructuring costs	58	32
	25,776	25,207
Staff restructuring costs comprise:		
Redundancy payments	13	-
Severance payments	45	32
	58	32

8.2 Non statutory/non-contractual staff severance payments

Staff restructuring costs comprise redundancy payments of £12,717 (2017: £nil) to several members of staff at Guildford Grove Primary School and non-statutory/non-contractual severance payments totalling £45,000 (2017: £31,650). Individually, the payments were £5,000 and £40,000 made to two individuals (2017: £30,000 and £1,650 made to two individuals).

8.3 Staff numbers

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

	2018	2017
	No.	No.
Teachers	368	353
Administration and support ¹	420	359
Management	21	34
	809	746

¹ Note that this category covers all support staff who are not management and therefore includes education support staff, as well as administrative and operational staff.

8.4 Higher paid staff

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

	2018	2017
	No.	No.
£60,001 - £70,000	8	7
£70,001 - £80,000	3	1
£80,001 - £90,000	1	2
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£150,001 - £160,000	1	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

8.5 Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the Executive Team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £382,436 (2017: £292,317).

9 CENTRAL SERVICES

The Trust has provided the following central services to its academy schools during the current year:

- Educational services – focussed on targeted and sustained school improvement, Ofsted support, primary and secondary practitioner planning and intervention support.
- Administrative support targeting complex activities – providing GDPR compliance policy development and training, freedom of information response service, disaster recovery planning, systems implementations, long-term budget planning, internal and external audit support, income generation strategies, human resource case management, senior leader recruitment, health and safety auditing, capital improvement planning.
- Central buying of educational supplies and services – including primary catering (saving our schools collectively an estimated £57k per annum), energy, accountancy and audit services, insurance, legal support, professional service level agreements and software licenses (for governance, leadership, education, finance and administration).

The Trust modified its charging structure in 2017-18, to a top slice of 1.75% from each of its academy schools and a fixed fee of £28,000.

The actual amounts charged during the year were as follows:

	2018	2017
	£000	£000
Boxgrove Primary School	67	44
Fullbrook School	151	117
George Abbot School	185	137
Guildford Grove Primary School	66	72
Kings College, Guildford	67	116
Loseley Fields Primary School	56	51
Sandfield Primary School	42	35
	635	572

10 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees was paid remuneration or received other benefits from an employment with GEP Academies. The Chief Executive Officer only received remuneration in respect of services provided, undertaking the role of Chief Executive Officer under his contract of employment, and not in respect of his role as Trustee. The value of governors' remuneration and other benefits was as follows:

Mr P A Gale (Chief Executive Officer and Trustee)
 Remuneration £150,000 - £160,000
 Employer's pension contributions £10,000 - £20,000

During the year ended 31 August 2018, travel and subsistence expenses totalling £nil (2017: £712 to two trustees) were reimbursed.

Other related party transactions involving the trustees are set out in note 26.

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

11 TRUSTEES' AND OFFICERS' INSURANCE

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

12 TANGIBLE FIXED ASSETS – GROUP AND ACADEMIES TRUST

	Freehold Land & Buildings £000	Leasehold Land & Buildings £000	Plant & Machinery £000	Property under construction £000	Total £000
Cost					
At 1 September 2017	40,265	47,601	4,061	634	92,561
Additions	736	1,247	373	70	2,426
Transfers	29	407	(29)	(407)	-
At 31 August 2018	41,030	49,255	4,405	297	94,987
Depreciation					
At 1 September 2017	3,528	5,393	2,373	-	11,293
Charged in year	982	1,296	358	-	2,636
Transfers	7	-	(7)	-	-
At 31 August 2018	4,517	6,689	2,724	-	13,930
Net book values					
At 31 August 2018	36,513	42,566	1,681	297	81,057
At 31 August 2017	36,736	42,210	1,688	634	81,268

The freehold and long leasehold land and buildings transferred to the Trust upon conversion were valued at £63,201,895 (2017: £45,406,088) on an existing value basis and a depreciated replacement costs basis by DVS Property Specialists.

Leasehold property is owned by the Local Authority and leased to the Trust.
The cost of the above tangible assets was funded by:

	2018 £000	2017 £000
Fixed assets transferred upon conversion	84,071	84,071
General Annual Grant funded	707	707
Capital grant funded	10,194	7,768
Special Educational Needs funded	6	6
Funded from unrestricted resources	9	9
	94,987	92,561

When not used for educational purposes, land and building assets are leased on a short term basis for community use and to generate sundry lettings income.

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

13 INVESTMENT IN SUBSIDIARY

The Trust has a subsidiary company, Fullbrook Sports Centre Limited (registered number 07834828), which is wholly owned and incorporated in Great Britain. The principal activity of the company is to generate income through lettings. It was incorporated, and also commenced trading, on 3 November 2011.

The following is a summary of the financial statements of Fullbrook Sports Centre Limited for the period ended 31 August 2018, which have been included in the consolidated financial statements:

	2018	2017
	£000	£000
Turnover	179	170
Administrative expenses	(102)	(170)
Net profit for the period	77	-
Retained profit at 1 September 2016	-	-
Retained profit at 31 August 2017	77	-

14 DEBTORS

	Group		Academies Trust	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade debtors	88	122	87	119
VAT recoverable	308	441	308	441
Prepayments and accrued income	512	654	511	652
Other debtors	3	19	1	19
	911	1,236	907	1,231

15 CREDITORS

15.1 Amounts falling due within one year

	Group		Academies Trust	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade creditors	24	1,188	24	1,188
Other taxation and social security	654	-	654	-
Other creditors	23	157	23	157
Amounts owed to subsidiary undertaking	-	-	75	-
Abatement of GAG	425	691	425	691
Accruals and deferred income	583	1,766	578	1,695
	1,709	3,802	1,779	3,731
Deferred income at 1 September 2017	821	383	821	383
Amounts released in the year	(821)	(383)	(821)	(383)
Resources deferred in the year	257	821	257	821
Deferred income at 31 August 2018	257	821	257	821

Deferred income includes funding relating to the Trust's educational operations for the 2018/19 academic year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

15 CREDITORS (CONTINUED)

15.1 Amounts falling due within one year (continued)

Included within creditors is a loan agreement entered into by Fullbrook School with the government's Salix loan provider to obtain funding for energy efficient lighting and boilers. The Salix loan is interest free and is repayable by instalments every six months.

15.2 Amounts falling due after one year

	Group		Academies Trust	
	2018	2017	2018	2017
	£000	£000	£000	£000
Other creditors	7	35	7	35
	7	35	7	35

Included within creditors due after more than one year is a loan agreement entered into by Fullbrook School with the government's Salix loan provider to obtain funding for energy efficient lighting and boilers. The Salix loan is interest free and is repayable by instalments every six months.

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

16 FUNDS – GROUP

	Balance Brought forward at 1.9.17 £000	Income £000	Expenditure £000	Gains, losses & transfers £000	Balance Carried forward as at 31.8.18 £000
Restricted general funds					
General Annual Grant (i)	-	24,386	(25,231)	845	-
Rates and Insurance fund (ii)	-	121	(121)	-	-
Capital Grants fund (iii)	2,573	-	-	(2,573)	-
Academy Start-up Grant fund (iv)	-	-	-	-	-
SCITT fund (v)	148	902	(901)	-	149
PE Teacher Release Scheme fund (vi)	34	55	(89)	-	-
Special Educational Needs fund (vii)	-	987	(987)	-	-
16 -19 Bursary fund (viii)	44	12	(56)	-	-
Teaching School fund (ix)	430	216	(464)	-	182
East Guildford Confederation fund (x)	132	156	(189)	-	99
11- 19 Partnership fund (xi)	222	138	(209)	-	151
Kings College fund (xii)	131	-	(131)	-	-
Sponsor Capacity fund (xiii)	11	-	(11)	-	-
Children's Centre Early Years fund (xiv)	-	158	(158)	-	-
Universal Free School Meals	-	230	(230)	-	-
Donation from Local Authority	-	-	-	-	-
Other grants	-	2,826	(2,826)	-	-
Growing Schools fund (xv)	51	-	(51)	-	-
LGPS deficit fund	(10,224)	-	(1,370)	2,320	(9,274)
- pension reserve (xvi)					
	(6,448)	30,187	(33,024)	592	(8,693)
Restricted fixed asset funds					
Transfer on Conversion (xvii)	75,836	-	(2,636)	-	73,200
GAG Fixed Asset fund (xviii)	1,964	-	-	2,573	4,537
Capital Grant fund (xix)	3,462	2,543	-	-	6,005
SEN Fixed Asset fund (xx)	6	-	-	-	6
	81,268	2,543	(2,636)	2,573	83,748
Total restricted funds	74,820	32,730	(35,660)	3,165	75,055
Total unrestricted funds (xxi)	1,380	1,519	(327)	(845)	1,727
Total funds	76,200	34,249	(35,987)	2,320	76,782

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

- i. The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Trust by the Department for Education, via the Education and Skills Funding Agency. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2018.
- ii. The Rates and Insurance fund has been created to recognise the restricted funding received from the Department for Education to cover the cost to the Trust of rates and insurance.

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued) **FOR THE YEAR ENDED 31 AUGUST 2018**

- iii. The Capital Grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure projects undertaken throughout the Trust. Transfers are made to the Capital Grants Fixed Asset fund for expenditure incurred that is in respect of tangible fixed assets.
- iv. The Academy Start-Up Grant fund has been created to recognise the restricted funding received from the Department of Education for Kings College, Guildford and Sandfield Primary School, as sponsored academies (which has been used on conversion and to improve standards) and for the conversion of Guildford Grove Primary School and Loseley Fields Primary School to the Trust.
- v. The School Centred Initial Teacher Training (SCITT) fund has been created to recognise the restricted funding received, including funding from the National College of Teaching and Leadership, to cover the operating costs of running the teacher training schemes.
- vi. The PE Teacher Release Scheme fund has been created to recognise restricted funding received by way of compensation to the Trust for allowing a PE teacher to spend part of his or her time working with local infant and primary schools. This funding is ring-fenced and covers the salary costs of those relevant PE teachers.
- vii. The Special Educational Needs (Local Authority) fund has been created to recognise all restricted income from various sources that is intended to be used to partially fund the costs incurred by the Trust in meeting the additional educational needs of some of its pupils. The relevant restricted expenditure is then also recorded through this fund with any overspend being covered by a transfer from the General Annual Grant fund.
- viii. The 16-19 Bursary fund has been created to recognise restricted funding which enables the Trust to provide mandatory bursaries under the Department for Education scheme for certain categories of qualifying student as well as discretionary payments awarded by the governors to other students in need of support.
- ix. The Teaching School fund has been created to recognise the restricted funding received from the Department for Education to cover the operating costs associated with the running of the Teaching School.
- x. The East Guildford Confederation fund has been created to recognise the restricted funding received from Surrey County Council, the Local Authority, to cover the operating costs associated with the running of the East Guildford Confederation fund.
- xi. The 11-19 Partnership fund has been created to recognise the restricted funding received from Surrey County Council, the Local Authority, and local schools within the Partnership to cover the operating costs associated with the running of the 11-19 Partnership.
- xii. The Kings College, Guildford fund has been created to recognise the restricted funding received from Surrey County Council to cover the operating costs associated with initial support of Kings College, Guildford by the CEO of GEP Academies.
- xiii. The Sponsor Capacity fund has been created to recognise the restricted funding received from the DfE to cover the set up costs associated with the creation and expansion of the multi-Academy Trust structure.
- xiv. The Children's Centre fund has been used for our Sure Start Children's Centres, which provide free or heavily subsidised activities both for children under 4 and their parent/carer.
- xv. The Growing Schools fund has been created to recognise the funding received from Surrey County Council to cover the costs of school expansion (an additional 30 pupils per year). The existing ESFA grant is based on the January census and as Boxgrove Primary School was expanding to 3 classes per year until September 2016, the Growing schools' grant was paid

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

until the end of August 2017. The same applies to Loseley Fields Primary School, following their acquisition in the previous year.

- xvi. The Local Government Pension Scheme (LGPS) deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.
- xvii. The Transfer on Conversion Fixed Asset fund has been set up to recognise the tangible assets gifted to the Trust upon conversion of each school to academy status and represents the value of the school sites including the land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.
- xviii. The General Annual Grant Fixed Asset fund has been set up to recognise the tangible assets purchased by the Trust that have been funded from the General Annual Grant. This fund has been created by a transfer from the General Annual Grant fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.
- xix. The Capital Grant Fixed Asset fund has been set up to recognise the tangible assets purchased by the Trust that have been funded from capital grants. This fund has been created by a transfer from the Capital Grant Fixed Asset fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.
- xx. The Special Educational Needs (SEN) Fixed Asset fund has been set up to recognise the tangible assets purchased by the Trust that have been funded from Special Educational Needs income. This fund has been created by a transfer from the Special Educational Needs fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.
- xxi. Funds include income generated from sponsorship, hire of facilities, etc.

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

16 FUNDS – GROUP (CONTINUED)

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

	Balance Brought forward at 1.9.16 £000	Income £000	Expenditure £000	Gains, losses & transfers £000	Balance Carried forward as at 31.8.17 £000
Restricted general funds					
General Annual Grant (i)	(1,125)	24,771	(24,588)	942	-
Rates and Insurance fund (ii)	(20)	109	(296)	207	-
Capital Grants fund (iii)	2,478	3,738	(1,792)	(1,851)	2,573
Academy Start-up Grant fund (iv)	3	50	(53)	-	-
SCITT fund (v)	56	981	(889)	-	148
PE Teacher Release Scheme fund (vi)	9	25	-	-	34
Special Educational Needs fund (vii)	-	1,783	(1,783)	-	-
16 -19 Bursary fund (viii)	62	13	(31)	-	44
Teaching School fund (ix)	164	284	(18)	-	430
East Guildford Confederation fund (x)	122	211	(201)	-	132
11- 19 Partnership fund (xi)	144	224	(146)	-	222
Kings College fund (xii)	70	117	(56)	-	131
Sponsor Capacity fund (xiii)	11	-	-	-	11
Children's Centre Early Years fund (xiv)	16	159	(478)	303	-
Universal Free School Meals	-	211	(211)	-	-
Donation from Local Authority	-	694	(694)	-	-
Other grants	-	706	(706)	-	-
Growing Schools fund (xv)	15	238	(202)	-	51
LGPS deficit fund - pension reserve (xvi)	(9,555)	(1,846)	(845)	2,022	(10,224)
	<u>(7,550)</u>	<u>32,468</u>	<u>(32,989)</u>	<u>1,623</u>	<u>(6,448)</u>
Restricted fixed asset funds					
Transfer on Conversion (xvii)	60,440	17,796	(2,400)	-	75,836
GAG Fixed Asset fund (xviii)	113	-	-	1,851	1,964
Capital Grant fund (xix)	3,462	-	-	-	3,462
SEN Fixed Asset fund (xx)	6	-	-	-	6
	<u>64,021</u>	<u>17,796</u>	<u>(2,400)</u>	<u>1,851</u>	<u>81,268</u>
Total restricted funds	<u>56,471</u>	<u>50,264</u>	<u>(35,389)</u>	<u>3,474</u>	<u>74,820</u>
Total unrestricted funds (xxi)	<u>2,432</u>	<u>1,981</u>	<u>(1,581)</u>	<u>(1,452)</u>	<u>1,380</u>
Total funds	<u>58,903</u>	<u>52,245</u>	<u>(36,970)</u>	<u>2,022</u>	<u>76,200</u>

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

16 FUNDS – GROUP (CONTINUED)

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

	Balance Brought forward at 1.9.16 £000	Income £000	Expenditure £000	Gains, losses & transfers £000	Balance Carried forward as at 31.8.18 £000
Restricted general funds					
General Annual Grant (i)	(1,125)	49,157	(49,819)	1,787	-
Rates and Insurance fund (ii)	(20)	230	(417)	207	-
Capital Grants fund (iii)	2,478	3,738	(1,792)	(4,424)	-
Academy Start-up Grant fund (iv)	3	50	(53)	-	-
SCITT fund (v)	56	1,883	(1,790)	-	149
PE Teacher Release Scheme fund (vi)	9	80	(89)	-	-
Special Educational Needs fund (vii)	-	2,770	(2,770)	-	-
16 -19 Bursary fund (viii)	62	25	(87)	-	-
Teaching School fund (ix)	164	500	(482)	-	182
East Guildford Confederation fund (x)	122	367	(390)	-	99
11- 19 Partnership fund (xi)	144	362	(355)	-	151
Kings College fund (xii)	70	117	(187)	-	-
Sponsor Capacity fund (xiii)	11	-	(11)	-	-
Children's Centre Early Years fund (xiv)	16	317	(636)	303	-
Universal Free School Meals	-	441	(441)	-	-
Donation from Local Authority	-	694	(694)	-	-
Other grants	-	3,532	(3,532)	-	-
Growing Schools fund (xv)	15	238	(253)	-	-
LGPS deficit fund	(9,555)	(1,846)	(2,215)	4,342	(9,274)
- pension reserve (xvi)	(7,550)	62,655	(66,013)	2,215	(8,693)
Restricted fixed asset funds					
Transfer on Conversion (xvii)	60,440	17,796	(5,036)	-	73,200
GAG Fixed Asset fund (xviii)	113	-	-	4,424	4,537
Capital Grant fund (xix)	3,462	2,543	-	-	6,005
SEN Fixed Asset fund (xx)	6	-	-	-	6
	64,021	20,339	(5,036)	4,424	83,748
Total restricted funds	56,471	82,994	(71,049)	6,639	75,055
Total unrestricted funds (xxi)	2,432	3,500	(1,908)	(2,297)	1,727
Total funds	58,903	86,494	(72,957)	4,342	76,782

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

16 FUNDS – ACADEMIES TRUST (CONTINUED)

	Balance Brought forward at 1.9.17 £000	Income £000	Expenditure £000	Gains, losses & transfers £000	Balance Carried forward as at 31.8.18 £000
Restricted general funds					
General Annual Grant (i)	-	24,386	(25,231)	845	-
Rates and Insurance fund (ii)	-	121	(121)	-	-
Capital Grants fund (iii)	2,573	-	-	(2,573)	-
Academy Start-up Grant fund (iv)	-	-	-	-	-
SCITT fund (v)	148	902	(901)	-	149
PE Teacher Release Scheme fund (vi)	34	55	(89)	-	-
Special Educational Needs fund (vii)	-	987	(987)	-	-
16 -19 Bursary fund (viii)	44	12	(56)	-	-
Teaching School fund (ix)	430	216	(464)	-	182
East Guildford Confederation fund (x)	132	156	(189)	-	99
11- 19 Partnership fund (xi)	222	138	(209)	-	151
Kings College fund (xii)	131	-	(131)	-	-
Sponsor Capacity fund (xiii)	11	-	(11)	-	-
Children's Centre Early Years fund (xiv)	-	158	(158)	-	-
Universal Free School Meals	-	230	(230)	-	-
Donation from Local Authority	-	-	-	-	-
Other grants	-	2,826	(2,826)	-	-
Growing Schools fund (xv)	51	-	(51)	-	-
LGPS deficit fund	(10,224)	-	(1,370)	2,320	(9,274)
- pension reserve (xvi)					
	(6,448)	30,187	(33,024)	592	(8,693)
Restricted fixed asset funds					
Transfer on Conversion (xvii)	75,836	-	(2,636)	-	73,200
GAG Fixed Asset fund (xviii)	1,964	-	-	2,573	4,537
Capital Grant fund (xix)	3,462	2,543	-	-	6,005
SEN Fixed Asset fund (xx)	6	-	-	-	6
	81,268	2,543	(2,636)	2,573	83,748
Total restricted funds	74,820	32,730	(35,660)	3,165	75,055
Total unrestricted funds (xxi)	1,380	1,340	(225)	(845)	1,650
Total funds	76,200	34,070	(35,885)	2,320	76,705

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

16 FUNDS – ACADEMIES TRUST (CONTINUED)

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

	Balance Brought forward at 1.9.16 £000	Income £000	Expenditure £000	Gains, losses & transfers £000	Balance Carried forward as at 31.8.17 £000
Restricted general funds					
General Annual Grant (i)	(1,125)	24,771	(24,588)	942	-
Rates and Insurance fund (ii)	(20)	109	(296)	207	-
Capital Grants fund (iii)	2,478	3,738	(1,792)	(1,851)	2,573
Academy Start-up Grant fund (iv)	3	50	(53)	-	-
SCITT fund (v)	56	981	(889)	-	148
PE Teacher Release Scheme fund (vi)	9	25	-	-	34
Special Educational Needs fund (vii)	-	1,783	(1,783)	-	-
16 -19 Bursary fund (viii)	62	13	(31)	-	44
Teaching School fund (ix)	164	284	(18)	-	430
East Guildford Confederation fund (x)	122	211	(201)	-	132
11- 19 Partnership fund (xi)	144	224	(146)	-	222
Kings College fund (xii)	70	117	(56)	-	131
Sponsor Capacity fund (xiii)	11	-	-	-	11
Children's Centre Early Years fund (xiv)	16	159	(478)	303	-
Universal Free School Meals	-	211	(211)	-	-
Donation from Local Authority	-	694	(694)	-	-
Other grants	-	706	(706)	-	-
Growing Schools fund (xv)	15	238	(202)	-	51
LGPS deficit fund	(9,555)	(1,846)	(845)	2,022	(10,224)
- pension reserve (xvi)	(7,550)	32,468	(32,989)	1,623	(6,448)
Restricted fixed asset funds					
Tra Transfer on Conversion (xvii)	60,440	17,796	(2,400)	-	75,836
GAG GAG Fixed Asset fund (xviii)	113	-	-	1,851	1,964
Cap Capital Grant fund (xix)	3,462	-	-	-	3,462
SEN SEN Fixed Asset fund (xx)	6	-	-	-	6
	64,021	17,796	(2,400)	1,851	81,268
Total restricted funds	56,471	50,264	(35,389)	3,474	74,820
Total unrestricted funds (xxi)	2,432	1,981	(1,581)	(1,452)	1,380
Total funds	58,903	52,245	(36,970)	2,022	76,200

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

16 FUNDS – ACADEMIES TRUST (CONTINUED)

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

	Balance Brought forward at 1.9.16 £000	Income £000	Expenditure £000	Gains, losses & transfers £000	Balance Carried forward as at 31.8.18 £000
Restricted general funds					
General Annual Grant (i)	(1,125)	49,157	(49,819)	1,787	-
Rates and Insurance fund (ii)	(20)	230	(417)	207	-
Capital Grants fund (iii)	2,478	3,738	(1,792)	(4,424)	-
Academy Start-up Grant fund (iv)	3	50	(53)	-	-
SCITT fund (v)	56	1,883	(1,790)	-	149
PE Teacher Release Scheme fund (vi)	9	80	(89)	-	-
Special Educational Needs fund (vii)	-	2,770	(2,770)	-	-
16 -19 Bursary fund (viii)	62	25	(87)	-	-
Teaching School fund (ix)	164	500	(482)	-	182
East Guildford Confederation fund (x)	122	367	(390)	-	99
11- 19 Partnership fund (xi)	144	362	(355)	-	151
Kings College fund (xii)	70	117	(187)	-	-
Sponsor Capacity fund (xiii)	11	-	(11)	-	-
Children's Centre Early Years fund (xiv)	16	317	(636)	303	-
Universal Free School Meals	-	441	(441)	-	-
Donation from Local Authority	-	694	(694)	-	-
Other grants	-	3,532	(3,532)	-	-
Growing Schools fund (xv)	15	238	(253)	-	-
LGPS deficit fund					(9,274)
- pension reserve (xvi)	(9,555)	(1,846)	(2,215)	4,342	
	<u>(7,550)</u>	<u>62,655</u>	<u>(66,013)</u>	<u>2,215</u>	<u>(8,693)</u>
Restricted fixed asset funds					
Transfer on Conversion (xvii)	60,440	17,796	(5,036)	-	73,200
GAG Fixed Asset fund (xviii)	113	-	-	4,424	4,537
Capital Grant fund (xix)	3,462	2,543	-	-	6,005
SEN Fixed Asset fund (xx)	6	-	-	-	6
	<u>64,021</u>	<u>20,339</u>	<u>(5,036)</u>	<u>4,424</u>	<u>83,748</u>
Total restricted funds	<u>56,471</u>	<u>82,994</u>	<u>(71,049)</u>	<u>6,639</u>	<u>75,055</u>
Total unrestricted funds (xxi)	2,432	3,321	(1,806)	(2,297)	1,650
Total funds	<u>58,903</u>	<u>86,315</u>	<u>(72,855)</u>	<u>4,342</u>	<u>76,705</u>

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

16 FUNDS (CONTINUED)

16.1 Total funds analysis by academies

Fund balance at 31 August 2018 were allocated as follows:

	2018	2017
	£000	£000
Boxgrove Primary School	409	346
Fullbrook School	116	39
George Abbot School	1,508	1,223
Guildford Grove Primary School	366	329
Kings College, Guildford	(629)	(442)
Loseley Fields Primary School	513	450
Sandfield Primary School	109	137
Central services	2,607	3,073
Total before fixed assets and pension reserve	4,999	5,156
Restricted fixed assets fund	81,057	81,268
Pension reserve	(9,274)	(10,224)
Total	76,782	76,200

The above mentioned balances are comprised, in the majority, of restricted funds, including for example capital grants and school fund balances.

Kings College, Guildford is carrying a net deficit of £629,012 on restricted general funds (excluding pension reserve) plus unrestricted funds because of an abatement of GAG payments from the ESFA.

16.2 Total cost analysis by academy

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

	Teaching & educational support staff costs	Other support staff costs	Educational supplies	Other costs (exc. dep'n)	Total 2018	Total 2017
	£000	£000	£000	£000	£000	£000
Boxgrove Primary School	2,185	359	211	733	3,488	3,191
Fullbrook School	5,803	478	306	1,389	7,976	8,543
George Abbot School	7,518	1,367	475	2,578	11,938	11,545
Guildford Grove Primary School	2,360	395	95	471	3,321	2,702
Kings College, Guildford	1,970	333	27	610	2,940	3,212
Loseley Fields Primary School	1,358	218	33	301	1,910	1,570
Sandfield Primary School	667	161	41	135	1,004	1,105
Central services	336	268	-	170	774	2,702
Total	22,197	3,579	1,188	6,387	33,351	34,570

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

Group

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
Tangible fixed assets	-	-	81,057	81,057
Current assets	1,727	2,297	2,691	6,715
Creditors due within one year	-	(1,709)	-	(1,709)
Creditors due after one year	-	(7)	-	(7)
Pension scheme liability	-	(9,274)	-	(9,274)
	1,727	(8,693)	83,748	76,782

Academies Trust

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
Tangible fixed assets	-	-	81,057	81,057
Current assets	1,650	2,367	2,691	6,708
Creditors due within one year	-	(1,779)	-	(1,779)
Creditors due after one year	-	(7)	-	(7)
Pension scheme liability	-	(9,274)	-	(9,274)
	1,650	(8,693)	83,748	76,705

Fund balances at 31 August 2017 are represented by:

Group

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
Tangible fixed assets	-	-	81,268	81,268
Current assets	1,380	7,613	-	8,993
Creditors due within one year	-	(3,802)	-	(3,802)
Creditors due after one year	-	(35)	-	(35)
Pension scheme liability	-	(10,224)	-	(10,224)
	1,380	(6,448)	81,268	76,200

Academies Trust

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
Tangible fixed assets	-	-	81,268	81,268
Current assets	1,380	7,613	-	8,993
Creditors due within one year	-	(3,802)	-	(3,802)
Creditors due after one year	-	(35)	-	(35)
Pension scheme liability	-	(10,224)	-	(10,224)
	1,380	(6,448)	81,268	76,200

GUILDFORD EDUCATION PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018****18 CAPITAL COMMITMENTS**

	2018	2017
	£000	£000
Contracted for, but not provided in the financial statements	209	762
	209	762

At the balance sheet date, the Trust had capital commitments of £208,667 (2017: £761,846) relating to school improvements at Fullbrook School, refurbishment at Kings College, Guildford & Boxgrove Primary School and condition improvements at Loseley Fields Primary School.

19 COMMITMENTS UNDER OPERATING LEASES

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

	2018	2017
	£000	£000
Amounts due within one year	14	5
Amounts due between one and five years	56	7
Amounts due after five years	-	-
	70	12

20 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,738)	15,275
Adjusted for:		
Transfer of fixed assets on conversion	-	(17,796)
Transfer of cash on conversion	-	(694)
Depreciation	2,636	2,400
Capital grants from DfE and other capital income	(2,543)	(3,738)
Interest receivable (note 6)	(3)	-
Defined benefit pension scheme cost less contributions payable (note 25)	1,101	597
Defined benefit pension scheme finance cost (note 25)	269	248
Defined benefit pension scheme inherited	-	1,846
(Increase)/decrease in debtors	325	716
Increase/(decrease) in creditors	(2,093)	1,913
Net cash provided by / (used in) Operating Activities	(2,046)	767

21 CASH FLOWS FROM FINANCING ACTIVITIES

	2018	2017
	£000	£000
Repayments of borrowing	(28)	(14)
Net cash provided by / (used in) financing activities	(28)	14

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 AUGUST 2018

22 CASH FLOWS FROM INVESTING ACTIVITIES

	2017 £000	2016 £000
Dividends, interest and rents from investments	3	-
Purchase of tangible fixed assets	(2,426)	(1,851)
Capital grants from DfE/ESFA	2,543	3,738
Transfer of cash on conversion	-	694
Net cash provided by / (used in) investing activities	121	2,581

23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £000	2017 £000
Cash in hand and at bank	5,804	7,757
Total cash and cash equivalents	5,804	7,757

24 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 before he / she ceases to be a member.

25 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes:

- Teacher's Pension Scheme England and Wales (TPS) for academic and related staff; and
- Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council.

Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the year ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £298,372 were payable to the scheme at 31 August 2018 (2017: £323,873) and are included within creditors.

25.1 Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. 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. 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2018

March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge) (currently 16.48%);
- Total scheme liabilities (pension currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- An employee cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amount to £1,946,460 (2017: £1,960,679).

A copy of the valuation report and supporting documentation is available on the Teachers' Pension website (www.teacherspensions.co.uk).

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

25.2 Local Government Pension Scheme

Introduction

The Local Government Pension Scheme (LGPS) obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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 2018 was £1,575,000 (2017: £1,794,000), of which employer's contributions totalled £1,341,000 (2017: £1,473,000) and employees' contributions totalled £234,000 (2017: £321,000).

The agreed contribution rates for future years are between 23.5% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions

	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.7%	2.7%
Rate of increase for pensions in payment/inflation	2.4%	2.4%
Discount rate	2.7%	2.5%
Inflation-CPI	2.4%	2.4%

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	22.5	22.5
Females	24.6	24.6
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

The Academy Trust's share of the assets in the scheme and the expected rates of return were:

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities instruments	11,633	10,305
Debt instruments	2,747	2,089
Property	1,131	975
Cash	646	557
Total market value of assets	16,157	13,926
Present value of scheme liabilities	(25,431)	(24,150)
(Deficit)/Surplus in the scheme	(9,274)	(10,224)

The actual return on the scheme assets was £366,000 (2017: £258,000).

The amount recognised in the Statement of Financial Activities is as follows:

	31 August 2018 £000	31 August 2017 £000
Current service cost (net of employer contributions)	1,101	597
Net interest cost	269	248
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	1,370	845

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains recognised in the Statement of Financial Activities is £2,320,000 (2017: 2,022,000).

GUILDFORD EDUCATION PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS (Continued)**
FOR THE YEAR ENDED 31 AUGUST 2018**Changes in the present value of defined benefit obligations were as follows:**

	2018	2017
	£000	£000
At 1 September	24,150	19,324
Upon conversion	-	3,535
Current service cost	2,442	2,070
Interest cost	635	506
Employee contributions	344	321
Actuarial (gain)/loss	(1,900)	(1,410)
Benefits paid	(240)	(196)
At 31 August	25,431	24,150

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

	2018	2017
	£000	£000
At 1 September	13,926	9,769
Upon conversion	-	1,689
Interest income	366	258
Return on plan assets (excluding net interest on the net defined pension liability)	420	612
Employer contributions	1,341	1,473
Employee contributions	344	321
Benefits paid	(240)	(196)
At 31 August	16,157	13,926

26 RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations 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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period:

Expenditure related party transactions:

The Key Ltd – a company in which Mr F Roche (a trustee) had a majority interest:

- The academies trust purchased information support services from The Key Ltd totalling £17,930 (2017: £nil) during the period. There were no amounts outstanding at 31 August 2018 (2017: £nil).
- The academies trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Roche neither participated in, nor influenced.
- In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.
- The element above £2,500 has been provided 'at no more than cost' and The Key Ltd has provided a statement of assurance confirming this.

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

27 TEACHING SCHOOL TRADING ACCOUNT

	2018 £000	2018 £000	2017 £000	2017 £000
Income				
Direct Income	199		245	
Other Income	<u>17</u>		<u>39</u>	
Total income		216		284
Expenditure				
<i>Direct Expenditure:</i>				
Direct staff costs	80		125	
Staff development	<u>51</u>		<u>45</u>	
	131		170	
<i>Other costs:</i>				
Support staff costs	36		41	
Recruitment & support	-		7	
Other support costs	11		32	
Share of governance costs	<u>1</u>		<u>1</u>	
	48		81	
Total Expenditure		(179)		(251)
Surplus/Deficit		37		33
Surplus/(Deficit) b/f at 1 September 2017		146		113
Surplus/(Deficit) c/f at 31 August 2018		183		146

The Statement of Financial Activities for the comparative year shows total teaching school expenditure of £18K, the difference on the above noted expenditure was accounted for within Charitable activities.

GUILDFORD EDUCATION PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 AUGUST 2018

28 SCITT TRADING ACCOUNT

	2018 £000	2018 £000	2017 £000	2017 £000
Income				
Direct Income	901		981	
Other Income	-		-	
Total income		901		981
Expenditure				
<i>Direct Expenditure:</i>				
Direct staff costs	235		215	
Payments to schools & trainees	202		326	
Other direct costs	276		255	
	<u>713</u>		<u>796</u>	
<i>Other costs:</i>				
Support staff costs	25		23	
Recruitment & support	36		55	
Other support costs	12		14	
Share of governance costs	1		1	
	<u>74</u>		<u>93</u>	
Total Expenditure		(787)		(889)
Surplus/Deficit		114		92
Surplus/(Deficit) b/f at 1 September 2017		99		7
Less: Bursaries		(64)		-
Surplus/(Deficit) c/f at 31 August 2018		149		99