

Diocese of Guildford

The Good Shepherd Trust

**A multi-academy trust in partnership with
the Guildford Diocese Educational Trust**

**A charity exempt from registration
A company limited by guarantee, number 8366199**

**First Annual Report and Financial Statements
for the period 18 January to 31 August 2013**

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THE GOOD SHEPHERD TRUST

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the period 18 January 2013 to 31 August 2013

1 REFERENCE AND ADMINISTRATIVE INFORMATION

The Directors are also the Trustees for the purposes of charity law. The following Directors served from the date of incorporation of the company, 18 January 2013 to the date of this report

Mr Bob Arnold (Chairman)	Appointed 18 January 2013
Mrs Carrie Crutcher	Appointed 20 March 2013
Canon Derek Holbird	Appointed 22 May 2013
The Revd Colin Matthews	Appointed 22 May 2013
Mrs Catherine Myers	Appointed 18 January 2013
Lady Louise O'Connor	Appointed 25 September 2013
Mrs Sue Potter	Appointed 29 August 2013
Mr John Swanson	Appointed 18 January 2013
Mr Michael Young	Appointed 18 January 2013

Principal Officers and Advisers

Chief Executive and Accounting Officer	Dr P Simpson
Company Secretary and Principal Finance Officer	Mr S P Collyer
School Development and Project Management Officer	Mr C M Henry

Registered Office The Education Centre, The Cathedral, Guildford, Surrey GU2 7UP

Bankers Lloyds TSB Bank plc, High Street, Guildford, Surrey GU1 3AD

Registered Auditors haysmacintyre, 26 Red Lion Square, London WC1R 4AG

Solicitors Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London SW1P 3JT

2 STRUCTURE, GOVERNANCE AND MANAGEMENT

2.1 Organisational structure

The Trust is a company limited by guarantee and a charity exempt from registration under the Charities Act 2011 by virtue of being regulated as an academy trust by the Secretary of State for Education. It was incorporated on 18 January 2013 and it is governed by its memorandum and articles of Association.

The members of the Trust under the articles consist of the Guildford Diocese Educational Trust (the "GDET") (acting corporately), two members of the GDET appointed by the GDET, the Chairman of the Directors of the Trust and any members appointed by the Secretary of State for Education.

THE GOOD SHEPHERD TRUST

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the period 18 January 2013 to 31 August 2013 (continued)

The Trust is governed by its board of Directors, which operates with the following committees

- Ethos Committee
- Effectiveness Committee
- Efficiency Committee
- Audit Committee

2.2 Trustee recruitment, selection and induction

Directors are appointed by the GDET, having regard to the need for the range of appropriate skills and experience on the board, as well as to commitment to maintain the Christian ethos in our schools. During these early years of the Trust's existence, Directors are given induction and training both as individuals and as a whole board as needs are identified.

2.3 Other organisations with which the Trust co-operates in achieving its objectives

The Right Reverend Christopher Hill, Bishop of Guildford, has expressed the Diocese of Guildford's common purpose as

Spiritual maturity

- resisting superficial and simplistic Christianity in a our secularised culture creating an ethos of commitment to worship, prayer and learning, both corporately and individually, in our churches and our schools
- encouraging lifelong discipleship and attractive, godly living

Numerical growth

- resisting talk of decline as inevitable
- creating an ethos of expectation of new things because nothing is impossible with God
- encouraging all people to hear and respond to the Gospel of salvation

Community engagement

- resisting isolation and inward looking, self-preserving attitudes
- creating an ethos of involvement that seeks to serve the world God has made and loves
- encouraging a practical concern for justice, right living and respect for all in our wider communities

The Diocesan Board of Education, as part of the strategy to implement the diocese's mission in church schools, has incorporated its committee dealing with church academies as The Guildford Diocese Educational Trust (GDET). This company operates principally by agreeing general policy over church academies and by appointing trustees and members of single academy trusts and multi academy trusts. The Good Shepherd Trust is the first of the academy trusts under the umbrella of the GDET.

Although at 31 August 2013 the GST had no staff, going forward staff for its central services will be employed by the Guildford Diocesan Board of Finance (a registered charity and company limited by guarantee), and their costs, along with costs of other services provided for the GST, will be invoiced to the GST by Guildford Diocesan Services Limited, the wholly owned trading subsidiary of the GDBF.

THE GOOD SHEPHERD TRUST

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the period 18 January 2013 to 31 August 2013 (continued)

2.4 Risk assessment

The Directors have begun their review of the major risks to which the Trust is exposed, and are putting in place strategies to mitigate these risks in due course. The major risks at this very early stage in the Trust's existence concern its capacity to govern and improve the education provision in the academies due to convert in the coming year, in line with the Secretary of State's expectations, together with the financial risk of making sufficient educational provision to improve schools at a time when the Trust has no reserves.

2.5 Delegation of day to day delivery

During the period to 31 August 2013 the Directors have delegated day to day responsibility for managing the conversion of schools to academy status under the auspices of the Trust to the Chief Executive and the School Development and Project Management Officer. With effect from 1 September 2013 the Company Secretary and Principal Finance Officer has been engaged to administer the Trust's finance and governance affairs.

3 OBJECTIVES AND ACTIVITIES

The Trust's object is 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 academies which shall offer a broad and balanced curriculum and which shall include

- (i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Relevant Funding Agreement), and having regard to any advice issued by the Diocesan Board of Education, and
- (ii) other academies whether with or without a designated religious character, but in relation to each of the academies to recognise and support their individual character and respect the different background of each and its links to the local community which it serves.

The Trust pursues these objects by developing the capacity to accept converting schools into the Trust, to project-manage the conversion process in schools that are obliged to convert or apply to become academies under the auspices of the Trust, and to operate and improve the education in those schools which have converted, all the while maintaining and developing the Christian ethos of the schools as part of the Church's engagement with local communities.

4 ACHIEVEMENTS AND PERFORMANCE

During the eight months of existence of the Trust the main activities have centred on setting up policies for the future operation of the Trust together with responding to the need for two C of E voluntary aided primary schools and two C of E voluntary controlled primary schools to convert to academy status while maintaining their Christian ethos, and improving their education provision.

THE GOOD SHEPHERD TRUST

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the period 18 January 2013 to 31 August 2013 (continued)

The Directors have made good progress with the approval of policies by which they will in future exercise responsibility for academies. Although by 31 August 2013 none of the four schools had converted successfully to academy status within the Trust, the following academy conversions have occurred since.

1 September 2013	The Holme Church of England Primary School, Headley
1 November 2013	St Mary's Church of England Primary School, Chiddingfold
1 November 2013	St John's Church of England Primary School, Dorking

These are all one-form-entry schools

5 FINANCIAL REVIEW

Financial Performance

The Trust's financial activities during the period 18 January 2013 to 31 August 2013 have been minimal. The main income has been the receipt of a grant of £120,000 from the Education Funding Agency towards the one-off costs of conversion and education improvement at St John's Church of England Primary School, Dorking. As shown in the statement of financial activities on page 15, Trust expenditure against this grant amounted to £27,221.

Balance sheet position

The balance sheet on page 16 shows that £92,795 of this transition grant remained to be expended on the purposes for which it was made as at 31 August 2013. Included in expenditure the Trust has accrued for governance costs of £2,500 at that date.

Reserves policy

The Directors plan to build up appropriate restricted reserves at each academy in order to mitigate future financial risk. It is also intended to build up reserves at academy trust level in due course.

6 PLANS FOR FUTURE PERIODS

At the date of this report the Trust is responsible for three academies, and the Directors are currently planning to build capacity to receive a further four schools during the next accounting year.

7 STATEMENT OF DIRECTORS' 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 issued by the Education Funding Agency (EFA), 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

THE GOOD SHEPHERD TRUST

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the period 18 January 2013 to 31 August 2013 (continued)

satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and, expenditure, for that period. In preparing these financial statements, the trustees are required to

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

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

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

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

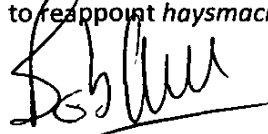
8 STATEMENT OF DISCLOSURE TO THE AUDITORS

So far as the Directors are aware

- a) there is no relevant audit information of which the charitable company's auditors are unaware, and
- b) we have taken all the steps that we ought to have taken as directors and trustees in order to make ourselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

9 APPOINTMENT OF AUDITORS

Haysmacintyre were appointed as first auditors to the Trust in November 2013. A resolution to reappoint *Haysmacintyre* as auditors will be put to the first Annual General Meeting.



Mr Bob Arnold
On behalf of the Directors
Chairman

30 December 2013

THE GOOD SHEPHERD TRUST

GOVERNANCE STATEMENT

For the period 18 January 2013 to 31 August 2013 (continued)

Scope of Responsibility

As directors we acknowledge we have overall responsibility for ensuring that The Good Shepherd Trust 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 has delegated 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 in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Good Shepherd Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

Governance

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

The Board has formally met 7 times during the period. Attendance during the period at meetings of the Board was as follows:

	Meetings attended	Out of a possible
Mr Bob Arnold	7	7
Mrs Carrie Crutcher	4	6
Canon Derek Holbird	3	3
The Revd Colin Matthews	3	3
Mrs Catherine Myers	6	7
Mr John Swanson	7	7
Mr Michael Young	5	7

The **Efficiency Committee** is a sub-committee of the Board set up after the end of the period. Its purpose is to review and advise the Board on the financial performance of the Trust and the safeguarding and use of its assets.

The **Audit Committee** is a sub-committee of the Board set up after the end of the period. Its purpose is to review and advise the Board on the Trust's systems and controls (both financial and otherwise), risk management and compliance with all aspects of the law, relevant regulations and good practice.

The **Effectiveness Committee** is a sub-committee of the Board set up after the end of the period. Its purpose is to review and advise the Board on the educational policies and performance of each school.

The **Local Governing Bodies** of each school will also be sub-committees of the Board. They will be responsible for the regular review of the financial and operating performance of the relevant academy school and making recommendations to the Board, as appropriate.

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

THE GOOD SHEPHERD TRUST

GOVERNANCE STATEMENT

For the period 18 January 2013 to 31 August 2013 (continued)

eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Trust's 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 the Trust for the period from 18 January 2013 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Directors have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Directors are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period from 18 January 2013 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors.

The Risk and Control Framework

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

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board,
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defining purchasing guidelines,
- delegation of authority and segregation of duties;
- identification and management of risks.

The Directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. Upon conversion of each school to an academy the Trust will consider the needs of each school and carry out additional checks using both local governing bodies and the external auditor, Haysmacintyre. The auditors' role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

Review of Effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor,
- the financial management and governance self-assessment process;
- the work of the Principal Finance Officer within the academy trust who have responsibility for the development and maintenance of the internal control framework.

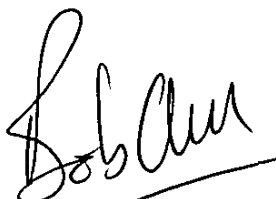
THE GOOD SHEPHERD TRUST

GOVERNANCE STATEMENT

For the period 18 January 2013 to 31 August 2013 (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the compliance and audit committee and a plan to ensure continuous improvement of the system is in place

Approved by order of the Directors on 30 December 2013 and signed on its behalf by:



Mr Bob Arnold
Chair of Trustees



Dr Peter Simpson
Accounting Officer

THE GOOD SHEPHERD TRUST

GOVERNANCE STATEMENT

For the period 18 January 2013 to 31 August 2013 (continued)

As Accounting Officer of The Good Shepherd Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook

I confirm that I and the academy trust board of directors are able to identify any material irregular and improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Dr Peter Simpson
Chief Executive and Accounting Officer

30 December 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GOOD SHEPHERD TRUST

We have audited the financial statements of The Good Shepherd Trust for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2012/13 issued by the Education Funding Agency (EFA).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period 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, and
- have been prepared in accordance with the Accounts Direction 2012/13 issued by the EFA.

**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE TRUSTEES OF
THE GOOD SHEPHERD TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

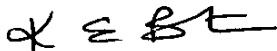
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Kathryn Burton
Senior Statutory Auditor
For and on behalf of *haysmacintyre*
Statutory Auditors
30 December 2013

26 Red Lion Square
London WC1R 4AG

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE TRUSTEES OF THE GOOD SHEPHERD TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 December 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the period from 18 January 2013 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the trustees and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the trustees and the EFA those matters we are required to state to it 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 trustees and the EFA, for our review work, for this report, or for the opinion we have formed

Respective responsibilities of the accounting officer and Auditors

The accounting officer is responsible, under the requirements of The Good Shepherd Trust's master funding agreement with the Secretary of State for Education dated 30 August 2013 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. We report to you whether anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period from 18 January 2013 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. 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 regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw our conclusion includes

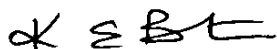
- Assessment of the control environment operated by the Academy.
- Walkthrough testing of controls to ensure operational effectiveness.

**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE TRUSTEES OF
THE GOOD SHEPHERD TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

- Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised.
- Detailed testing on a selection of credit card statements and expense claims
- Review of minutes, bank correspondence and related party declarations provided by Trustees, Governors and senior management.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 18 January 2013 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Kathryn Burton, Senior Statutory Auditor,
For and on behalf of haysmacintyre, Statutory Auditors

30 December 2013

26 Red Lion Square
London
WC1R 4AG

THE GOOD SHEPHERD TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the period 18 January 2013 to 31 August 2013

		Unrestricted funds £	Restricted funds £	Total Funds £
	<i>Note</i>			
Incoming resources - from generated funds				
Interest receivable		-	16	16
Grant from the Education Funding Agency	2	-	120,000	120,000
Total incoming resources		-	120,016	120,016
Resources expended				
Charitable activities				
Project to convert school to academy status,	3	-	12,206	12,206
Educational improvement at converting school	3	-	12,515	12,515
Governance costs	4	-	2,500	2,500
Total resources expended	5	-	27,221	27,221
Net incoming resources		-	92,795	92,795
Transfers between funds		-	-	-
Other recognised gains/(losses)		-	-	-
Net movement in funds		-	92,795	92,795
Total funds at 18 January 2013		-	-	-
Total funds at 31 August 2013	9	£-	£92,795	£92,795

The net surplus/(deficit) of income over expenditure, together with details of income and expenditure required by the Companies Act may be derived from net incoming resources before transfers, excluding movements on endowment funds, in the Statement of Financial Activities above. All incoming resources and resources expended derive from continuing activities.

THE GOOD SHEPHERD TRUST*Company number - 08366199***BALANCE SHEET****As at 31 August 2013**

Company number 8366199

	Note	2013 £
Current assets		
Debtors	10	4,525
Cash at bank		<u>120,010</u>
		124,535
Creditors: amounts falling due within one year	11	<u>(31,740)</u>
Net current assets and net assets		<u><u>£92,795</u></u>
The funds of the charity		
Restricted income funds		92,795
Unrestricted income funds		
General funds		<u>-</u>
Total funds		<u><u>£92,795</u></u>

The notes on pages 17 to 19 form part of these financial statements. These financial statements were approved by the Board of Directors and authorised for issue on 30 December 2013, and signed on their behalf by



BOB ARNOLD
Director

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the period 18 January 2013 to 31 August 2013

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in March 2005, the Companies Act 2006 and applicable accounting standards. The principal accounting policies and estimation techniques adopted by the Trust are as follows:

a) Fund balances

Fund balances are split between unrestricted (general and designated), restricted and endowment funds.

- **Unrestricted funds** are the Trust's corporate funds and are freely available for any purpose within the Trust's objects, at the discretion of the Directors. There are two types of unrestricted funds:
 - **General funds** which the Directors intend to use for the general purposes of the Trust, and
 - **Designated funds** set aside out of unrestricted funds by the Directors for specific purposes.
- **Restricted funds** are income funds subject to conditions imposed by the donor as specific terms of trust.
- **Endowment funds** are those held on trust to be retained for the benefit of the charity as a capital fund. Income arising from assets held as endowment is accounted for within restricted or unrestricted funds as appropriate.

b) Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Trust is legally entitled to them as income or capital respectively, ultimate receipt is reasonably certain and the amount to be recognised can be quantified with reasonable accuracy.

- i) **Interest** is recognised as income when receivable.
- ii) **Grants** receivable which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.

c) Resources expended

Resources expended are included on the accruals basis and have been classified under headings that aggregate all costs related to the SOFA category.

- i) **Charitable expenditure** is analysed into headings appropriate to the charitable activity of the Trust during the period.
- ii) **Governance expenditure** includes the costs of the Trust's committees, preparation of the annual report and financial statements, internal and external audit.

2 GRANT FROM THE EDUCATION FUNDING AGENCY

A grant of £120,000 was received in two instalments for the restricted purpose of funding the transition of St John's Church of England Voluntary Controlled Primary School in Dorking, Surrey to academy status. The Secretary of State's Order for the closure of the old school and the creation of the academy called the St John's Church of England Primary School, Dorking was effective on 1 November 2013.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the period 18 January 2013 to 31 August 2013

3 EXPENDITURE ON CHARITABLE ACTIVITIES

	2013 £
Academy transition project management	12,206
Education improvement	<u>12,515</u>
	<u>£24,721</u>

4 GOVERNANCE COSTS

Governance costs during the period consist of accrued external audit fees

5 SURPLUS ON NET INCOMING RESOURCES

The surplus of incoming resources over expenditure is stated after charging	2013 £
Auditors' remuneration	2,500

6 STAFF COSTS

The Trust had no employees during the period, and therefore there are no accrued pension liabilities at the balance sheet date

7 DIRECTORS AND CONNECTED PERSONS

There were no transactions during the period with directors and connected persons

8 RELATED PARTY TRANSACTIONS

During the period payments amounting to £24,721 were made by the Guildford Diocesan Board of Finance on behalf of the Trust. These have been reimbursed by the Trust since the end of the period.

9 SUMMARY OF FUND MOVEMENTS

All of the Trust's income and expenditure during the period occurred in the St John's, Dorking restricted transition fund

10 DEBTORS

	2013 £
VAT refundable	<u>£4,525</u>

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the period 18 January 2013 to 31 August 2013

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £
Guildford Diocesan Board of Finance – to reimburse transition expenses	29,240
Accrued expenses	<u>2,500</u>
	<u>£31,740</u>

12 SUMMARY OF ASSETS BY FUND

All of the Trust's assets and liabilities at the balance sheet date are allocated to the Trust's only fund at that date, the St John's, Dorking transition fund

13 CAPITAL COMMITMENTS

The Trust had no capital commitments at the balance sheet date

14 POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

Since the balance sheet date three schools have converted to academy status under the auspices of the Trust, as follows.

1 September 2013	The Holme Church of England Primary School, Headley
1 November 2013	St Mary's Church of England Primary School, Chiddingfold
1 November 2013	St John's Church of England Primary School, Dorking

In respect of the first two academies listed above the Trust has received a transition grant from the EFA, and in respect of all three academies the Trust has taken on the employment of all school staff and has been in receipt of monthly general academies grant