

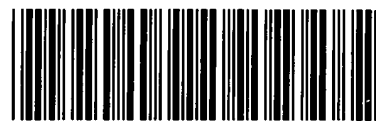
The Good Shepherd Trust

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

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

**Annual Report and Financial Statements
for the year ended 31 August 2015**

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CONTENTS

Trustees' Annual Report and Report of the Directors	2
Governance Statement	13
Statement of Regularity, Propriety and Compliance	16
Independent Auditor's Report to the Members.....	17
Independent Auditor's Report on Regularity.....	19
Statement of Financial Activities	21
Balance Sheet.....	22
Cash Flow Statement	23
Notes to the Financial Statements.....	24

THE GOOD SHEPHERD TRUST

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the year ended 31 August 2015

1 REFERENCE AND ADMINISTRATIVE INFORMATION

The Directors are also the Trustees for the purposes of charity law. The following Directors served from 1 September 2014 to the date of this report except where otherwise stated:

Mr Bob Arnold (Chair till Nov 14)	resigned 7 November 2014
Mrs Carrie Crutcher	resigned 30 September 2014
The Very Reverend Dianna Gwilliams	appointed 9 June 2015
Canon Derek Holbird	
The Reverend Canon Colin Matthews (Acting Chair from Nov 14 to Mar 15)	
Mrs Catherine Myers	
Mrs Sue Potter	
Mr Mark Powell	appointed 22 October 2014
Mr Nigel Stapleton	appointed 22 October 2014
Dr John Swanson	resigned 30 September 2014
Mr Simon Walker (Chair from Mar 15)	appointed 22 October 2014
Mr Michael Young	resigned 31 October 2014

Principal Officers and Advisers

Chief Executive and Accounting Officer	Dr P G Simpson
Company Secretary and Head of Finance	Mr S P Collyer
School Development and Project Management Officer	Mr C M Henry
Academies Operating Officer	Mr T Doyle
Registered Office	The Education Centre, The Cathedral, Guildford, Surrey GU2 7UP

Bankers Lloyds 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 represented by Canon Derek Holbird, two members of the

THE GOOD SHEPHERD TRUST

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the year ended 31 August 2015 (continued)

GDET appointed by the GDET, Mr Peter Coles and the Revd Canon Colin Matthews, the Chairman of the Directors of the Trust, Mr Simon Walker, and any members appointed by the Secretary of State for Education (none appointed). The liability of each of the members of the Trust in the event that it is wound up is limited to £10.

The Trust is governed by its board of Directors, which operates with the following committees, whose purposes are described in the Governance Statement on pages 13 and 14:

Ethos Committee

The Revd Canon Colin Matthews
Canon Derek Holbird
Mrs Jane Whittington (in attendance)

Effectiveness Committee

Mrs Catherine Myers
Mrs Sue Potter
The Revd Canon Colin Matthews
Canon Derek Holbird
Dr Peter Simpson (in attendance)

Efficiency Committee

Mr Simon Walker
Mr Nigel Stapleton
Canon Derek Holbird
Dr Peter Simpson (in attendance)
Mr Stephen Collyer (in attendance)

Audit Committee

Given the small number of Directors the functions of this committee have been absorbed by the Efficiency Committee.

During the period the Board sadly lost from its number Bob Arnold, Carrie Crutcher, John Swanson and Michael Young. We are grateful for their considerable contributions in setting up the Trust and steering us through our first eighteen months of operation. We particularly pay tribute to Bob Arnold for his skilful chairmanship during this time.

The local governing body (LGB) of each academy school within the Trust is constituted as a sub-committee of the Trust. The chairman of each LGB is appointed by the Directors, as are the other members of the LGB. The following LGBs were in existence:

<i>Academy</i>	<i>Date converted</i>	<i>LGB Chair</i>
The Holme C of E Primary School, Headley	1 September 2013	Mr Michael Hall
St John's C of E Primary School, Dorking	1 November 2013	Mr David Draper
St Mary's C of E Primary School, Chiddingfold	1 November 2013	Mrs Caroline Doherty
St Paul's C of E Primary School, Addlestone	1 April 2014	Mrs Julie Patterson
Ashley C of E Primary, Walton on Thames	1 September 2014	Mr Nigel Stapleton
Queen Eleanor's C of E Junior School, Guildford	1 October 2014	Mr Mark Powell

THE GOOD SHEPHERD TRUST

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the year ended 31 August 2015 (continued)

The Weald C of E Primary School, Beare Green	1 September 2015	Canon Peter Bruinvels
Christ's College, Guildford	1 December 2015	Mr Colin Henry

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.

During the year the Directors have received governance training from the Trust's legal advisors, Lee Bolton Monier-Williams, and have devoted two days to the setting of strategic objectives and plan for the next three years.

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

'Common Purpose' was developed during the Episcopate of Bishop Christopher Hill in 2009, who expressed the Diocese of Guildford's Common purpose as

Spiritual maturity

- resisting superficial and simplistic Christianity in 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.

Bishop Andrew Watson, the current Bishop of Guildford, inaugurated in February 2015, is now engaged in reviewing and growing Common Purpose, a process which will report back in 2016.

The Diocesan Board of Education, as part of the strategy to implement the diocese's mission through and 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 for church academies and by appointing trustees and members of single academy trusts and multi academy trusts. The Good Shepherd Trust was the first of the academy trusts under the umbrella of the GDET.

The GST's staff for its central services are employed by the Guildford Diocesan Board of Finance (GDBF) (a registered charity and company limited by guarantee) and are effectively seconded to the Trust. The costs of other services provided by the GDBF are invoiced to the Trust by Guildford Diocesan Services Limited, the wholly-owned trading subsidiary of the GDBF.

2.5 Delegation of day to day delivery

During the period to 31 August 2015 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 Head of Finance has been engaged to administer the Trust's finance and governance affairs. In February 2014 a part time Finance Assistant was engaged and in September 2014 a full time Academies Operating Officer was engaged. Additional staffing is engaged on a project basis to ensure that activities are appropriately serviced.

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.

At the date of this report there are eight schools in the Trust, seven of which are primary schools, and one a secondary school. In addition to the four sponsored academies in the Trust at 31 August 2014, Ashley C of E Primary School, Walton on Thames (OFSTED 'Outstanding') and Queen Eleanor's C of E Junior School (OFSTED 'Good'), Guildford converted to academy status on 1 September and 1 October 2014, respectively. In addition, the Weald C of E Primary School, Beare Green converted on 1 September 2015 (sponsored), and Christ's College, Guildford converted on 1 December 2015 (OFSTED 'Good').

4 STRATEGIC REPORT

4.1 Priorities

In this second full year of the Trust's operation, the Directors' priorities have been to:

- continue to significantly improve pupil achievement and progress across our schools with a focus on the 'closing the gap' for disadvantaged groups of pupils
- secure the leadership of all our schools by appointing high quality headteachers, on a substantive basis
- build the organisational infrastructure of the Trust to deliver high quality and cost effective services, including the deployment of project based staff to service the needs of individual schools and the Trust itself.
- develop and strengthen the Trust's governance, including through training, and where vacancies arise, making strategic and high quality appointments
- develop our partnership networks to secure high quality school improvement support for schools, including through local Teaching Schools which provide access to networks of NLE, SLEs and LLEs and by facilitating support across the improving schools in the Trust.
- develop effective local governing bodies with clear schedules of delegation, which are well chaired and operating effectively.

4.2 Risk assessment

The major risks at this very early stage in the Trust's existence continue to be in the areas of its capacity to govern and improve the educational provision in its academies 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 of austerity when the Trust has limited reserves. Directors also recognise the risks faced by the Trust as it grows from a 'cottage industry' to a medium sized enterprise and are seeking to mitigate those risks by careful performance monitoring and financial management. The risk to the Trust's reputation arising from these circumstances can readily translate to numbers applying to enter our schools, and thence to future funding streams.

Achievement of our aims and objectives entails taking risks. The Directors are satisfied that appropriate internal control systems and risk management processes are in place, and keep these under review. They consider that the following framework provides the Trust with adequate measures to reduce the impact of identified risks:

- The Efficiency and Audit Committees reviews risk and internal controls, approve the annual audit plan, and is putting into place internal audit procedures with regular internal audit reports, progress reports and risk updates.
- The Trust's senior leadership team reviews key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities.
- The Board itself through four full board meetings a year reviews risk relating to academy conversions, academy effectiveness, and academy operational efficiency.

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the year ended 31 August 2015 (continued)

5 ACHIEVEMENTS AND PERFORMANCE

The main activities of the Trust during the period have centred on the operation as academies of four former C of E voluntary aided primary schools and two former C of E voluntary controlled primary schools, while maintaining their Christian ethos and improving their educational provision. Four of these had been sponsored conversions, one being a full sponsored conversion and the other three, fast-track conversions. Two further former C of E voluntary aided schools converted voluntarily to academy status within the Trust during the year, as follows:

Ashley Church of England Primary School, Walton on Thames -	1 September 2014
Queen Eleanor's Church of England Junior School, Guildford	1 October 2014

The Directors have made good progress with the approval of policies by which they exercise responsibility for academies.

One of the four academies has received an OFSTED inspection during the 2014/15 academic year and was judged to 'Require Improvement', a significant improvement from the original Special Measures' judgement which the school held on academy conversion. The inspection recognised the strides made by the school and the effectiveness of the Trust in providing appropriate support and challenge. Other schools in the Trust have not been inspected and recent guidance suggests that initial inspection is likely to be within three years of conversion rather than the two years previously expected. To provide its own quality assurance and to evaluate progress against any individual school action plan the Trust has commissioned its own termly replicated section 8 inspections from a current OFSTED lead inspector, and the resulting reports have enabled directors and officers to monitor progress in each school carefully. These reports are published to the directors, the relevant Local Governing Body, parents and on the individual academy's and the Trust's websites. The reports are also shared with the Local Authority to enable the appropriate Director of Children's Services to exercise his/her statutory duties. These reports which are a subject of public record demonstrate the progress made by each school since its conversion to academy status.

Particular strengths include: improved leadership, stronger teaching, better pupil attainment and progress and an increased rate of school improvement evidenced by improved pupil outcomes and better teaching.

The following table shows the unvalidated 2015 KS2 results (validated RAISE online data was not available in the period to 31 August 2015).

THE GOOD SHEPHERD TRUST

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the year ended 31 August 2015 (continued)

SCHOOL	Cohort	Expected Level						
		Reading		Writing		Maths		RWM
		2014	2015	2014	2015	2014	2015	2015
Ashley	57	96	98	97	93	98	93	91
Queen Eleanor's	60	100	100	88	100	93	100	100
St John's	21	74	91	65	95	74	91	81
St Mary's	27	88	96	85	89	85	78	74
St Paul's	60	80	85	81	87	88	88	78
The Holme	18	92	89	92	83	92	89	78
GST Totals	243		94		92		91	86
National			89		87		87	80

** Floor target for Key Stage 2 attainment is 65% in Reading, Writing and Mathematics combined.

The following numbers of children were admitted to the reception year in September 2014 as follows:

The Holme	19 (PAN 30)
St John's	29 (PAN 30)
St Mary's	30 (PAN 30)
St Paul's	40 (PAN 60)
Ashley	60 (PAN 60)

6 FINANCIAL REVIEW

Financial Performance

The year 1 September 2014 to 31 August 2015 was the second full year of operation for the Trust. These financial statements cover the operation of the six academies open during the year as well as the pre-opening activity concerning their conversion from maintained school status of the two schools which converted during the year. By the end of the year, the seventh academy was also due to open, and so the pre-opening grant for this academy is also covered. A simple analysis of the statement of financial activities on page 21 shows

	As at 1 September 2014 £,000	Incoming Resources £,000	Resources Expended £,000	Gains, Losses and Transfers £,000	As at 31 August 2015 £,000
Valuation of fixed assets on conversion	3,116	343	(38)	2	3,423
Valuation of pension deficit on conversion	(1,139)	-	(561)	(96)	(1,796)
Pre-opening grants	71	165	(103)	(12)	121
Capital grants	190	1,943	(377)	-	1,756
Revenue operations	317	7,693	(7,473)	114	651
	<u>2,555</u>	<u>10,144</u>	<u>(8,552)</u>	<u>8</u>	<u>4,155</u>

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the year ended 31 August 2015 (continued)

While the Trust's gross income has grown considerably during the year to £10,144,000, only £7,693,000 may strictly be considered as recurring in nature. Similarly, while the Trust's expenditure has also grown to £8,552,000, only £7,473,000 was recurring in nature. While the Trust's revenue income exceeded its revenue expenditure the margin was very small, and the balances transferred by local authorities on academy conversion have enabled the Trust to carry forward a revenue balance of £651,000 at the end of the year. In the context that reserves available to meet unforeseen contingencies remain low, the Directors continue with robust budgeting and monitoring procedures to ensure that academies spend within their means, and that the Trust will in future build up a suitable general reserve. The Directors are grateful for the key work of headteachers, school business managers, local governing bodies and the Trust's central staff in managing revenue budgets tightly and effectively.

In addition to academy revenue income during the year, the Trust has also received academy pre-opening grants of £165,000 which have facilitated academy conversions, and subsequent improvement in academies' effectiveness over the year. The Trust has also received capital grants for building works at its academies of £1,943,000, some of which has been used for capitalised improvements to the Trust's buildings, while £377,000 has been used in repair work.

In the table above, £343,000 of the Trust's income is shown as attributable to the transfer to the Trust of leasehold land and buildings on conversion of schools to academy status. This, together with the related brought forward balance of £3,116,000 does not represent a spendable resource but is rather a measure of the resources for which the Trust carries responsibility. Some of the land and buildings in use by the Trust at its academies is provided for its use by local church trustees for as long as the related academies remain open. In accordance with guidance and practice these have not been valued in the Trust's financial statements.

Shown above as expenditure in the above table is £561,000 relating to actuarial valuations of the Trust's share of the deficit in the Local Government Pension Scheme on transfer of schools to the Trust during the year. By the year-end the valuation of deficits in this scheme had grown to £1,796,000 in spite of the Trust's paying the contributions set by the Scheme's trustees and actuaries. While the trustees of the scheme will be setting future contributions from time to time in order to fund future pension liabilities as they accrue and to make up the actuarial deficit, the Directors take comfort from the guarantee made by Parliament in 2014 that in the event of an academy closure any outstanding local government pension scheme liabilities would be met by the Department of Education.

Balance sheet position and going concern

The balance sheet on page 22 shows that the Trust's net assets at 31 August 2015 were valued at £4,155,000. Of this amount net current assets totalled £1,129,000, and the Directors are content that this represented a sufficiently secure and liquid financial position, which together with robust budgetary and financial control would assure that the Trust is a going concern.

Reserves policy

The Directors plan to build up appropriate restricted reserves (although not restricted to a

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the year ended 31 August 2015 (continued)

particular academy) in order to mitigate future financial risk. It is also intended build up reserves at academy trust level in due course.

7 PLANS FOR THE FUTURE

The Directors' strategic priorities for the 2015/16 academic year are challenging and build upon two years of successful school improvement across schools in the Trust and can be summarised as:

- 7.1 Work closely with all our academies to provide services, support and challenge which improve pupils' attainment and progress, closing the attainment gap between disadvantaged children and their more advantaged peers. Pupil outcomes for 2015 showed a significant improvement in pupil attainment. Pupils in schools across the Trust achieved better than pupils nationally and better than pupils in the local authority areas served by the schools.
- 7.2 Continue to monitor our schools' performance rigorously through: attached consultant interventions, replica Section 8 inspections, scrutiny of any external inspection reports (such as HMI monitoring or the Statutory Inspection of Anglican and Methodist Schools [SIAMS]) and forensic scrutiny of national and local data.
- 7.3 Build a longer term strategy for the Trust to ensure the high performance of its schools, its financial stability and capacity for growth. The improvement in schools across the Trust was strong in 2015 where several sponsored academies showed marked improvement in pupil outcomes and overall quality of education as evidenced through replica section 8 reports. As schools improve the Trust is committed to increasing the challenge so that all schools strive to become outstanding. Many schools face financial challenges especially in the current age of austerity. Structures, systems and processes must be refined to build financial sustainability into the future.
- 7.4 Develop leadership capacity within schools by identifying, training and developing current and prospective leaders and building networks between schools. The Trust has been very effective in recruiting headteachers for all the academies. Every academy has a substantive Headteacher and a deputy/assistant Headteacher. Senior leadership teams attend training provided by Guildford Diocese Education designed to develop the capacity and effectiveness of each school's leadership team. Plans are in place to build leadership capacity across the Trust through a collegiate responsibility across the headteachers to develop both immediate capacity and long-term sustainability.
- 7.5 Develop further academy freedoms including in the area of curriculum. Individual schools have utilised some of the curriculum freedoms especially relating to content. Further exploration into the impact curriculum freedoms could have on improving outcomes for pupils needs to be carried out.
- 7.6 Review the Trust's governance to ensure that it is effective in setting clear strategic priorities for the Trust, monitoring outcomes and securing accountability. Directors have set priorities and have formulated a strategic plan and this will be rated with clear success criteria which can be evaluated by the Board.
- 7.7 Continue careful financial planning for the Trust to build the necessary organisational infrastructure on a cost effective basis and to develop a reserves policy. The Trust has developed to become accountable for six schools (eight in December 2015) and has received approval for its growth plans from the Regional Schools' Commissioner. The Trust will establish an infrastructure growth plan to ensure that the organisation is ready to receive

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the year ended 31 August 2015 (continued)

additional schools and is sustainable in the future.

- 7.8 Engage in succession planning for senior officers of the Trust to ensure a smooth transition for its work over the next few years so that capacity is enhanced as the Trust grows.
- 7.9 Review and where appropriate, recommission the Trust's services, to ensure that they continue to be cost effective and of high quality as part of an ongoing continuous quality assurance and improvement strategy.
- 7.10 Develop further school-to-school support within the Trust and within the wider network of diocesan schools to ensure that best practice and high quality leadership are shared as widely as possible. Negotiations are on-going with another academy trust and an alliance of schools to secure stronger school to school support.
- 7.11 Build the distinctive Christian ethos of the Trust's schools to ensure that the underpinning distinctive Christian character of each academy is central to all the educational experience.

The Directors are encouraged by the positive response from the Regional Schools' Commissioner relating to both the Trust's performance and the agreement to enable further expansion of GST

Since the year-end two more schools have converted to academy status within the Trust: The Weald C of E Primary School, Beare Green (a full sponsored academy, with effect from 1 September, 2015) and Christ's College, Guildford (OFSTED 'Good', converted 1 December, 2015).

8 STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also the trustees of the Charitable Company for the purposes of charity law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and, expenditure, for that period. In preparing these financial statements, the Directors 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 Directors 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

THE GOOD SHEPHERD TRUST

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the year ended 31 August 2015 (continued)

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 Directors are responsible for ensuring that in their conduct and operation of the Charitable Company they apply 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.

9 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) they have taken all the steps that they ought to have taken as directors and trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of this information.

10 APPOINTMENT OF AUDITORS

haysmacintyre were appointed as first auditors to the Trust in November 2013. A resolution to reappoint *haysmacintyre* as auditors will be made at the next Annual General Meeting.



Simon Walker
On behalf of the Directors
Chairman

16 December 2015

THE GOOD SHEPHERD TRUST

GOVERNANCE STATEMENT

For the year ended 31 August 2015

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 5 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	1	1
The Very Revd Dianna Gwilliams	1	2
Canon Derek Holbird	5	5
The Revd Canon Colin Matthews	5	5
Mrs Catherine Myers	5	5
Mrs Sue Potter	5	5
Mr Mark Powell	5	5
Mr Nigel Stapleton	4	5
Mr Michael Young	1	1
Mr Simon Walker	5	5

Mr Michael Young stepped down on 31st Oct 2014. Mr Bob Arnold stepped down on 1st Dec 2014. Messrs. Simon Walker, Nigel Stapleton and Mark Powell were appointed on 22nd Oct 2014. Other changes in the composition of the Board took place outside the period of these accounts. The Board also ran committees for Effectiveness and for Efficiency to ensure a proper focus on monitoring activities, leaving the Board meetings to focus largely on strategic matters.

The **Efficiency Committee** is a committee of the Board. Its purpose is to review and advise the Board on the financial performance of the Trust and the safeguarding and use of its assets. It has formally met 4 times during the period. Attendance at those meetings was as follows:

	Meetings attended	Out of a possible
Mr Bob Arnold	1	1
Canon Derek Holbird	4	4
Mrs Catherine Myers	0	1
The Revd Canon Colin Matthews	2	2

THE GOOD SHEPHERD TRUST

GOVERNANCE STATEMENT

For the year ended 31 August 2015 (continued)

Mr Nigel Stapleton	1	1
Mr Simon Walker	3	3
Mr Michael Young	1	1

The **Effectiveness Committee** is a committee of the Board. Its purpose is to review and advise the Board on the educational policies and performance of each school. It has formally met 4 times during the period. Attendance at those meetings was as follows:

	Meetings attended	Out of a possible
Mrs Catherine Myers	4	4
The Revd Canon Colin Matthews	3	4
Mrs Sue Potter	4	4
Mr Nigel Stapleton	1	1
Mr Simon Walker	1	1

The **Ethos Committee** is a committee of the Board. Its purpose is to review and advise the Board on the development of the Christian ethos of each school through its leadership development, the RE curriculum and provisions for collective worship. It has formally met four times during the period. Attendance at those meetings was as follows:

	Meetings attended	Out of a possible
Canon Derek Holbird	4	4
The Revd Canon Colin Matthews	4	4
Mrs Jane Whittington (RE specialist)	4	4

The **Local Governing Bodies** of each school are also sub-committees of the Board. They are 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 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 year ended 31 August 2015 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 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors.

THE GOOD SHEPHERD TRUST

GOVERNANCE STATEMENT

For the year ended 31 August 2015 (continued)

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 Efficiency 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 programme of responsible officer testing;
- the financial management and governance self-assessment process;
- the work of the Principal Finance Officer within the academy trust who has responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Directors on 16 December 2015 and signed on its behalf by:



Simon Walker
Chairman



Dr Peter Simpson
Accounting Officer

THE GOOD SHEPHERD TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
For the year ended 31 August 2015

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

16 December 2015

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

We have audited the financial statements of The Good Shepherd Trust for the year ended 31 August 2015 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 2014/14 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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 2014/14 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

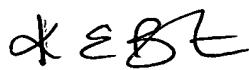
In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE GOOD SHEPHERD TRUST (continued)**

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

16 December 2015

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 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the year ended 31 August 2015 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 2014 and the Academies Financial Handbook, extant from 1 September 2014, 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 2015. 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 1 September 2014 to 31 August 2015 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 2015 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 year ended 31 August 2015 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

16 December 2015

26 Red Lion Square
London
WC1R 4AG

THE GOOD SHEPHERD TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2015

		Unrestricted funds £,000	Restricted funds £,000	Total 2015 £,000	Total 2014 £,000
	<i>Note</i>				
Incoming resources – from generated funds					
Voluntary income	3	190	473	663	3,241
Investment income	4	1	-	1	1
Activities for generating funds	5	205	13	218	77
Incoming resources from charitable activities					
Funding for the Trust's educational operations	6	13	9,249	9,262	3,841
Total incoming resources		<u>409</u>	<u>9,735</u>	<u>10,144</u>	<u>7,160</u>
Resources expended					
Charitable activities					
Trust's educational operations	9	200	8,310	8,510	4,408
Governance costs	10	-	42	42	91
Total resources expended	7	<u>200</u>	<u>8,352</u>	<u>8,552</u>	<u>4,499</u>
Net incoming resources		209	1,383	1,592	2,661
Transfers between funds	14	(61)	61	-	-
Other recognised gains/(losses)					
Actuarial (losses)/gains on defined benefit pension schemes		-	8	8	(199)
Net movement in funds		<u>148</u>	<u>1,452</u>	<u>1,600</u>	<u>2,462</u>
Total Funds at 31 August 2014		<u>106</u>	<u>2449</u>	<u>2,555</u>	<u>93</u>
Total funds at 31 August 2015	18	<u><u>254</u></u>	<u><u>3,901</u></u>	<u><u>4,155</u></u>	<u><u>2,555</u></u>

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 notes on pages 24 to 42 form part of these financial statements.

BALANCE SHEET
As at 31 August 2015

	Notes	2015 £,000	2014 £,000
Fixed assets			
Tangible fixed assets	15	4,822	3,161
Current assets			
Debtors	16	788	568
Cash at bank		1,111	364
		<u>1,899</u>	<u>932</u>
Creditors: amounts falling due within one year	17	(770)	(399)
Net current assets		<u>1,129</u>	<u>533</u>
Total assets less current liabilities		<u>5,951</u>	<u>3,694</u>
Pension scheme liability	25	(1,796)	(1,139)
Net assets including pension liability		<u><u>4,155</u></u>	<u><u>2,555</u></u>
The funds of the charity			
Restricted funds			
Restricted income funds		1,877	261
Fixed asset fund		3,423	3,116
General fund		397	211
Pension reserve	25	(1,796)	(1,139)
Unrestricted income funds:			
General funds		<u>254</u>	<u>106</u>
Total funds	19	<u><u>4,155</u></u>	<u><u>2,555</u></u>

These financial statements were approved by the Board of Directors and authorised for issue on 16 December 2015, and signed on their behalf by:



Simon Walker
Director

The notes on pages 24 to 43 form part of these financial statements.

THE GOOD SHEPHERD TRUST**CASH FLOW STATEMENT****For the year ended 31 August 2015**

	Notes	2015 £,000	2014 £,000
Net cash flow from operating activities	21	2,117	288
Returns on investments and servicing of finance			
Interest received	22	1	1
		<u>2,118</u>	<u>289</u>
Capital expenditure	23	(1,371)	(45)
Increase in cash	24	<u>747</u>	<u>244</u>

The notes to this statement are on pages 35 and 36.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015

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.

d) Fixed assets

All assets costing more than £3,000 are capitalised. Tangible fixed assets 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 are 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 Trust's depreciation policy.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- i) **Leasehold buildings** are depreciated on a straight line basis over the remaining useful life as estimated by the Trust's surveyors – 42 years.
- ii) **Computer equipment** is depreciated on a straight line basis over the expected useful life of 3 years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

e) Pensions

Retirement benefits to employees of the academy 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.

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 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 quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2 CONVERSION TO MULTI ACADEMY TRUST

Ashley Church of England Voluntary Aided Primary School, Walton-on-Thames

On 1 September 2014, Ashley Church of England Voluntary Aided Primary School, Walton-on-Thames converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Good Shepherd Trust from the Hampshire County Council Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as Voluntary Income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

	Unrestricted Funds £,000	Restricted General Funds £,000	Restricted Fixed Asset Funds £,000	Total Funds £,000
Tangible fixed assets				
Leasehold land and buildings	-	-	208	208
Budget surplus on LA funds	-	98	-	98
LGPS pension (deficit)	-	(353)	-	(353)
Net assets / (liabilities)	-	(255)	208	(47)

The above net assets include £98,000 transferred as cash.

Queen Eleanor's Church of England Voluntary Aided Junior School, Guildford

On 1 October 2014, Queen Eleanor's Church of England Voluntary Aided Junior School, Guildford converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Good Shepherd Trust from the Surrey County Council Local Authority and the local church trustees for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as Voluntary Income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £,000	Restricted General Funds £,000	Restricted Fixed Asset Funds £,000	Total Funds £,000
Tangible fixed assets				
Leasehold land and buildings	-	-	135	135
Budget surplus on LA funds	-	91	-	91
LGPS pension (deficit)	-	(208)	-	(208)
Net assets / (liabilities)	-	(117)	135	18

The above net assets include £91,000 that was transferred as cash.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

The following table sets out the fair values of the total identifiable assets and liabilities transferred from both schools and an analysis of their recognition in the SOFA.

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	343	343
Budget surplus on LA funds	-	189	-	189
LGPS pension (deficit)	-	(561)	-	(561)
Net assets / (liabilities)	-	(372)	343	(29)

The above net assets include £189,000 that was transferred as cash. All of the figures and information relate to the current period.

3 VOLUNTARY INCOME

	Unrestricted Funds £,000	Restricted Funds £,000	Restricted Asset Fund £,000	Total 2015 £,000	Total 2014 £,000
Donations	180	-	-	180	26
Grants	10	130	-	140	60
Transfer of leasehold land and buildings from local authorities	-	-	343	343	3,155
	<u>190</u>	<u>130</u>	<u>343</u>	<u>663</u>	<u>3,241</u>

Transfer from local authorities of £343,000 relates to the fair value of the land and buildings at two schools on 125 year leases. In accordance with the SORP the Trust is required to recognise within incoming resources and fixed assets the fair value of the property at the date of commencement of the lease (see note 2)

4 INVESTMENT INCOME

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2015 £,000	Total 2014 £,000
Interest receivable	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

5 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2015 £,000	Total 2014 £,000
Hire of facilities	85	-	85	15
Other	120	13	133	62
	<u>205</u>	<u>13</u>	<u>218</u>	<u>77</u>

6 FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2015 £,000	Total 2014 £,000
EFA grants				
General Annual Grant (GAG)	-	5,963	5,963	2,594
Start up Grants	-	17	17	42
Transition Grants	-	165	165	263
Capital Grants	-	1,031	1,031	191
Pupil premium	-	362	362	161
Other EFA grants	-	313	313	123
	<u>-</u>	<u>7,851</u>	<u>7,851</u>	<u>3,374</u>
Other Government grants				
Local authority revenue grants	-	262	262	148
Local authority capital grants	-	936	936	-
Carried forward surpluses from former maintained schools	-	178	178	319
	<u>-</u>	<u>1,376</u>	<u>1,376</u>	<u>467</u>
Other income	<u>13</u>	<u>22</u>	<u>35</u>	<u>-</u>
	<u>13</u>	<u>9,249</u>	<u>9,262</u>	<u>3,841</u>

7 RESOURCES EXPENDED

	Staff Costs £,000	Non Pay Premises £,000	Expenditure Other costs £,000	Total 2015 £,000	Total 2014 £,000
Costs of activities for generating voluntary income	-	-	-	-	-
Academy's educational operations					
- Direct costs	4,874	-	590	5,464	2,456
- Allocated support costs	868	953	1,225	3,046	1,952
	<u>5,742</u>	<u>953</u>	<u>1,815</u>	<u>8,510</u>	<u>4,408</u>
Governance costs including allocated support costs	-	-	42	42	91
	<u>5,742</u>	<u>953</u>	<u>1,857</u>	<u>8,552</u>	<u>4,499</u>

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	2015 £	2014 £
Gifts made by the Trust	779	80

8 NET INCOMING RESOURCES

	2015 £,000	2014 £,000
Net incoming resources for the year are stated after charging the following:		
Operating leases	17	6
Fees payable to auditor - audit	12	10
- other services	15	-
	<u>44</u>	<u>16</u>

9 CHARITABLE ACTIVITIES – TRUST’S EDUCATIONAL OPERATIONS

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2015 £,000	Total 2014 £,000
Direct costs				
Teaching and educational support staff costs	-	4,874	4,874	2,179
Technology costs	-	91	91	33
Educational supplies	11	127	138	57
Staff development	-	60	60	49
Educational consultancy	-	162	162	90
Trips and visits	122	-	122	-
Other direct costs	-	17	17	48
Total direct costs	<u>133</u>	<u>5,331</u>	<u>5,464</u>	<u>2,456</u>
Allocated support costs				
Support staff costs	45	823	868	414
Depreciation	-	54	54	39
Technology costs	-	35	35	39
Recruitment and support	-	62	62	20
Maintenance of premises and equipment	10	573	583	140
Cleaning	-	113	113	41
Rates	-	25	25	11
Energy	-	99	99	39
Water	-	20	20	8
Insurance	1	112	113	51
Security and transport	4	-	4	-
Catering	-	184	184	32
Subtotal to next page	<u>60</u>	<u>2,100</u>	<u>2,160</u>	<u>834</u>

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

Subtotal from previous page	60	2,100	2,160	834
Liability for defined benefit pension scheme at conversion	-	561	561	916
Pension finance costs	-	104	104	24
Other support costs	6	214	220	178
	<u>66</u>	<u>2,979</u>	<u>3,045</u>	<u>1,952</u>
	<u>200</u>	<u>8,310</u>	<u>8,510</u>	<u>4,409</u>

10 GOVERNANCE

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2015 £,000	Total 2014 £,000
Legal and professional fees	-	9	9	80
Auditor's remuneration				
- audit fee	-	12	12	10
- comparison study audit fee	-	10	10	-
- other fees	-	5	5	-
Trustees reimbursed expenses	-	6	6	1
	<u>-</u>	<u>42</u>	<u>42</u>	<u>91</u>

11 STAFF COSTS

	2015 £,000	2014 £,000
Staff costs during the period were:		
Wages and salaries	4,496	1,913
Social Security costs	287	123
Pensions costs	710	294
	<u>5,493</u>	<u>2,330</u>
Supply staff costs	249	217
Staff restructuring costs	-	41
	<u>5,742</u>	<u>2,588</u>

Included in staff restructuring costs is one non-statutory/non-contractual severance payments of £5,500 (2014 total: £40,682).

The average number of persons (including senior management team) employed by the Trust during the period expressed as full time equivalents was as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

	2015 No.	2014 No.
Charitable activities		
Teachers	82	31
Education Support	55	25
Administration and support	24	10
Management	3	2
	<u>164</u>	<u>68</u>

The number of employees whose emoluments during the year exceeded £60,000 is as follows:

£60,001 - £70,000	1	-
£70,001 - £80,000	2	-

12 RELATED PARTY TRANSACTIONS INCLUDING TRUSTEES' REMUNERATION AND EXPENSES

No director received any remuneration from the Trust during the year. During the year the Trust reimbursed travelling and other out of pockets expenses to trustees in the amount of £143 (2014: £729). The Trust has paid for directors' and officers' liability insurance cover during the period in the amount of £NIL (2014: £320).

The Directors consider that the following bodies are related parties in respect of the Trust

- The Guildford Diocesan Board of Education (GDBE) is the sponsor in cases where Church of England voluntary aided or voluntary controlled schools are required to convert to academy status. The GDBE is constituted under the Diocesan Boards of Education Measure 1991 and is not an incorporated body, but conducts all its business through the Guildford Diocesan Board of Finance (GDBF) (a company limited by guarantee and a registered charity) and the GDBF's trading subsidiary, Guildford Diocesan Services Limited.
- The Guildford Diocese Educational Trust (GDET) is a company limited by guarantee and a charity, set up to be the incorporated sub-committee of the GDBE dealing with church academies in the Diocese of Guildford (an "umbrella" trust). It has no financial transactions. GDET is a corporate member of the Good Shepherd Trust and appoints other members and directors of the Good Shepherd Trust.
- The GDBF employs the Trust's non-academy-based officers, and seconded them to the Trust; the GDBF has also paid suppliers and consultants on behalf of the Trust in the period before the Trust had its own bank account, which the Trust has reimbursed; during the year the Trust has reimbursed £171,048 (2014: £258,122) of expenditure in this way. Academies within the Trust have paid £NIL (2014: £7,885) to the GDBF during the year for the services of educational consultants, being the cost to the GDBF of such services. The GDBF also acts as the Trust's agent in holding unexpended balances of academy devolved formula capital and academies capital and maintenance fund grants. During the year the Trust passed over to the GDBF for this purpose £1,140,507 (2014: £184,490). At the balance sheet date the GDBF held on behalf of the Trust an unexpended balance of £62,119 (2014: £134,165).
- Guildford Diocesan Services Limited is the wholly owned trading subsidiary of the GDBF. During the year the Trust paid £29,748 (2014 - £11,865) to GDSL for property services and educational consultants at cost, and there were no balances outstanding at the year end.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

13 CENTRAL SERVICES

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

- Finance and payroll services;
- Human resources services;
- Management and educational support services
- Estates management

The Trust funded these services by holding back 6% of the general academy grant for sponsored conversion academies, and 3.5% for voluntary conversion academies.

	2015 £,000	2014 £,000
The actual amounts charged during the year were as follows:		
The Home Church of England Primary School, Headley	32	36
St John's Church of England Primary School, Dorking	63	47
St Mary's Church of England Primary School, Chiddingfold	41	36
St Paul's Church of England Primary School, Addlestone	92	39
Ashley Church of England Primary School, Walton-on-Thames	46	-
Queen Eleanor's Church of England Junior School, Guildford	31	-
	<u>305</u>	<u>158</u>

14 FUND TRANSFERS

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2015 £,000	Total 2014 £,000
From unrestricted funds to				
GAG funds to cover deficits	(61)	61	-	-
From LGPS reserve to GAG funds to offset	-	104	104	24
the net cost of contributions	-	(104)	(104)	(24)
	<u>(61)</u>	<u>61</u>	<u>-</u>	<u>-</u>

15 TANGIBLE FIXED ASSETS

The cost of leasehold land and buildings at each school on conversion is stated at professional valuation provided by FHP Property Consultants in April 2015. Where land and buildings at former maintained schools has been provided by way of a church supplemental agreement by the local church trustees for use by the Trust for the purposes of the successor academy, these land and buildings have not been valued in the financial statements.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

	Leasehold land and buildings £,000	Leasehold improvements £,000	Furniture And equipment £,000	Computer Equipment £,000	Total £,000
Cost					
At 1 September 2014	3,155	39	-	6	3,200
Transfer from local Authorities	344	-	-	-	344
Additions	-	1,235	90	46	1,371
At 31 August 2015	3,499	1,274	90	52	4,915
Depreciation					
At 1 September 2014	37	-	-	2	39
Charged in year	38	5	1	10	54
At 31 August 2015	75	5	1	12	93
Net Book Value					
At 31 August 2015	3,424	1,269	89	40	4,822
At 31 August 2014	3,118	39	-	4	3,161

16 DEBTORS

	2015 £,000	2014 £,000
Trade debtors	10	10
Funds from former maintained school – Surrey County Council	-	157
Funds deposited with GDBF for capital projects	244	139
Prepayments	54	76
Accrued income	95	88
VAT refundable	382	95
Other debtors	3	3
	788	568

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £,000	2014 £,000
Trade creditors	248	200
Taxation and social security	79	46
Other creditors	76	(2)
Accrued expenses	153	27
Deferred income	125	78
Pension contributions	89	50
	770	399

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

18 FUNDS

	As at 1 September 2014 £,000	Incoming Resources £,000	Resources Expended £,000	Gains, Losses and Transfers £,000	Balance at 31 August 2015 £,000
Restricted general funds					
General annual grant GAG	211	7,284	(7,273)	175	397
Pre-opening grants	71	165	(103)	(12)	121
Other EFA grants	-	-	-	-	-
Local government pension scheme reserve	(1,139)	-	(561)	(96)	(1,796)
	<u>(857)</u>	<u>7,449</u>	<u>(7,937)</u>	<u>67</u>	<u>(1,278)</u>
Restricted fixed assets funds					
Transfer from local authorities	3,116	343	(38)	2	3,423
EFA capital grants	151	1,943	(372)	-	1,722
Other capital funds	39	-	(5)	-	34
	<u>3,306</u>	<u>2,286</u>	<u>(415)</u>	<u>2</u>	<u>5,179</u>
Total restricted funds	<u>2,449</u>	<u>9,735</u>	<u>(8,352)</u>	<u>69</u>	<u>3,901</u>
Unrestricted funds	<u>106</u>	<u>409</u>	<u>(200)</u>	<u>(61)</u>	<u>254</u>
Total funds	<u>2,555</u>	<u>10,144</u>	<u>(8,552)</u>	<u>8</u>	<u>4,155</u>

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

Restricted general funds

- general annual grant: for educational purposes in the Trust's academies, as specified in EFA funding agreements.
- pre-opening grants: for the purposes of converting maintained schools to academy status within the Trust, including school improvement during the first years of operation as an academy.
- other EFA grants: in accordance with the terms and conditions of the grant, e.g. sponsor capacity grant
- local government pension scheme reserve: this reserve is in deficit, reflecting the Trust's liability to fund in the long term the actuarial deficit on its sections of the local government defined benefit pension scheme.

Restricted fixed assets funds

- transfer from local authority/trustees: this reserve represents the net book value of the leasehold interest in land and buildings acquired on academy conversion, and any improvements thereto.
- EFA capital grants: these capital grants from EFA (e.g. academies capital and maintenance fund, environmental improvement, condition improvement fund) may be used specifically in accordance with the terms of the approved bid.
- other capital funds consist of the restricted proceeds of previous fundraising for specified property purposes, e.g. the swimming pool at St John's C of E Primary School, Dorking.

Unrestricted funds: may be used for any of the general purposes of the Trust, and may be designated by the Directors for any subset of those general purposes, e.g. at a particular academy.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

The balances at the year-end analysed by academy are as follows:

	2015 £,000	2014 £,000
General annual grant		
The Holme	-	1
St John's	60	73
St Mary's	-	17
St Paul's	192	120
Ashley	112	-
Queen Eleanor's	14	-
Central MAT	19	-
	<u>397</u>	<u>211</u>
Pre-opening grant		
St John's	-	24
St Mary's	-	4
St Paul's	16	26
Ashley	13	17
Queen Eleanor's	7	-
The Weald	85	-
	<u>121</u>	<u>71</u>
EFA capital grants		
The Holme	384	94
St John's	248	12
St Mary's	45	28
St Paul's	88	17
Ashley	134	-
Queen Eleanor's	823	-
	<u>1,722</u>	<u>151</u>
St John's swimming pool reserve	<u>34</u>	<u>39</u>
Unrestricted funds		
The Holme	24	28
St John's	40	6
St Mary's	-	8
St Paul's	85	56
Ashley	26	-
Queen Eleanor's	68	-
Central services	11	8
	<u>254</u>	<u>106</u>
Restricted fixed assets funds	3,423	3,116
Pension scheme reserve	(1,796)	(1,139)
Total funds	<u><u>4,155</u></u>	<u><u>2,555</u></u>

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £,000	Restricted General Funds £,000	Restricted Fixed Assets Funds £,000	Total Funds £,000
Tangible fixed assets	-	1,399	3,423	4,822
Net current assets	254	875	-	1,129
Pension scheme liability	-	(1,796)	-	(1,796)
Total net assets	254	478	3,423	4,155

20 FINANCIAL COMMITMENTS

Operating leases

At 31 August 2015 the Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £,000	2014 £,000
Expiring within one year	8	2
Expiring within two and five years inclusive	9	7
	17	9

Capital commitments

The Trust had the following capital commitments at the balance sheet date, all of which is to be funded from earmarked and approved capital funding.

	2015 £,000	2014 £,000
Expenditure approved but not yet contracted for	-	-
Expenditure contracted for but not yet incurred	699	223
	699	223

21 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £,000	2014 £,000
Net income	1,592	2,661
Net assets transferred from Local Authority	(343)	(3,155)
Pension scheme deficits acquired on conversion	561	916
Pension scheme costs recognised in excess of Contributions	104	23
Depreciation (note 13)	54	39
Interest receivable	(1)	(1)
(Increase) in debtors	(221)	(563)
Increase in creditors	371	368
Net cash inflow from operating activities	2,117	288

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

22 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £,000	2014 £,000
Interest received	1	1
Net cash inflow from returns on investment and servicing of finance	1	1

23 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2015 £,000	2014 £,000
Purchase of tangible fixed assets	1,371	45
Capital grants from EFA net of maintenance spent	-	-
Net cash outflow from capital expenditure and financial investment	1,371	45

24 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2014 £,000	Cash flows £,000	At 31 August 2015 £,000
Cash in hand and at bank	364	747	1,111

25 PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council and Surrey County Council. Both are 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 period ended 31 March 2004 and of the LGPS 31 March 2014.

The contributions outstanding at 31 August 2015, all relating to the month then ended, amounted to £88,631 (2014 - £50,444).

a) 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 2015, by the Teachers' Pension Scheme Regulations 2015. 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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

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.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2015. The valuation report was published by the Department of Education on 9 June 2015. 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 14.1%)
- Total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate was applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2015/06/publication-of-the-valuation-report.aspx>).

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2015-15. The increases have been phased in from April 2012 on a

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2015. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

b) Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2015 was £377,000 of which employer's contributions totalled £302,000 and employees' contributions totalled £75,000. The agreed contribution rates for future years are between 13.1% and 27.0% for employers.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2014.

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

	Expected return at 31 August		Fair value at 31 August	
	2015 %	2014 %	2015 £,000	2014 £,000
Equities	3.7	6.3	1,112	619
Gilts	3.7	3.3	271	148
Property	3.7	4.5	109	43
Cash	3.7	3.2	33	11
Total market value of assets			1,525	821
Present value of scheme liabilities			(3,321)	(1,960)
Deficit in scheme			(1,796)	(1,139)

The actual return on scheme assets was £43,000

The amounts recognised in the balance sheet are as follows:

	31 August 2015 £,000	31 August 2014 £,000
Present value of funded obligations	(3,321)	(1,960)
Fair value of scheme assets	1,525	821
Net liability	(1,796)	(1,139)

The amounts recognised in the Statement of Financial Activities are as follows:

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

	Year ended 31 August 2015 £,000	Year ended 31 August 2014 £,000
Current service cost	369	146
Interest on obligation	110	47
Expected return on scheme assets	(73)	(28)
Total	<u>406</u>	<u>165</u>

Movements in the present value of the defined benefit obligation were as follows:

	Year ended 31 August 2015 £,000	Year ended 31 August 2014 £,000
Opening defined benefit obligation	1,960	-
Transferred from local Authority on conversion	859	1,512
Current Service costs	369	146
Interest cost	110	47
Actuarial losses/(gains)	(38)	219
Contribution by scheme participants	75	36
Benefits paid out	(14)	-
Closing defined benefit obligation	<u>3,321</u>	<u>1,960</u>

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

	Year ended 31 August 2015 £,000	Year ended 31 August 2014 £,000
Opening fair value of scheme assets	821	-
Value of scheme assets transferred from local Authority on conversion	298	596
Expected return on assets	73	28
actuarial gains/(losses)	(30)	20
Contributions by employer	302	141
Contributions by employees	75	36
Benefits paid out	(14)	-
Closing fair value of scheme assets	<u>1,525</u>	<u>821</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £198,000 loss (2014: £199,000 loss)

The Trust expects to contribute £322,000 to its Defined Benefit Pension Scheme in 2015/16 (2014: £190,000)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

	2015	2014
Equities	74%	75%
Cash	2%	1%
Property	7%	5%
Other Bonds	17%	19%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.8%	3.7%
Rate of increase in salaries	4.0%	3.9%
Rate of increase for pensions in payment / inflation	2.6%	2.5%
Expected return on assets	3.7%	5.5%

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

	2015	2014
Retiring today		
Males	22.5	23.0
Females	24.6	25.1
Retiring in 20 years		
Males	24.5	25.0
Females	26.9	27.3

The history of experience adjustments are as follows:

	2015	2014
	£,000	£,000
Present value of defined benefit obligations	(3,321)	(1,960)
Fair value of share of scheme assets	1,525	821
Deficit in scheme	(1,796)	(1,139)
Experience adjustments on scheme liabilities	-	-
Experience adjustments on scheme assets	(30)	20

26 POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

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

1 September 2015	The Weald Church of England Primary School, Beare Green
1 December 2015	Christ's College, Guildford (formerly a voluntary aided secondary school with a sixth form)

In respect of these academies the Trust has received a transition grant from the EFA, and the Trust has taken on the employment of all school staff and has been in receipt of monthly general academies grant.

There were no contingent liabilities at the balance sheet date.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2015 (continued)

27 MEMBERS' LIABILITY

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