

# **THE GOOD SHEPHERD TRUST**

Diocese of Guildford

TRANSFORMING SCHOOLS  
TRANSFORMING LIVES

## **The Good Shepherd Trust**

A multi-academy trust in the Church of England  
Diocese of Guildford

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

## **Annual Report and Financial Statements for the year ended 31 August 2020**

THURSDAY



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## **THE GOOD SHEPHERD TRUST**

### **TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS**

**For the year ended 31 August 2020**

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#### **Members**

The Guildford Diocese Educational Trust  
represented by the Deputy Diocesan Director of Education,  
Mr Jonathan Gambier – to 31 August 2020  
The Right Reverend Dr Joanne Bailey Wells  
Mr Peter Coles  
The Reverend Canon Colin Matthews  
Mr Simon Walker JP - to 31 August 2020  
The Very Reverend Dianna Gwilliams - from  
1 September 2020

#### **Directors**

Mr Glenn Carmichael  
Mrs Katharine Crouch  
The Very Reverend Dianna Gwilliams – Chair from  
1 September 2020  
The Reverend Derek Holbird –appointed 8 April 2020  
Mr Anthony Lau-Walker CBE – resigned 15 December 2019  
Mrs Yvonne McLeod  
Mrs Louise Pollock  
Mrs Susan Potter  
Mr Nigel Stapleton  
Mr Simon Walker JP - Chair – to 31 August 2020

The Directors are also the Trustees for the purposes of charity law and served from 1 September 2019 to the date of this report except where otherwise stated.

#### **Company Secretary**

Mrs Diana Goodhugh

#### **Clerk to the Directors**

Mrs Penny Came

#### **Management Team**

Interim Chief Executive and

Accounting Officer

Chief Executive and Accounting Officer

Directors of Education

Head of Finance

Director of Human Resources

Director of Organisational Development

Chief Operating Officer

Mr Alex Tear – from 1 September 2019 to 23 February 2020

Mr Paul Kennedy – from 24 February 2020

Miss Kate Evans

Miss Amanda Johnston

Mrs Diana Goodhugh

Mrs Joanne Cambra

Mrs Anne Hudson – from 1 October 2019 to 30 September 2020

Dr Louisa Mason – from 17 August 2020

#### **Internal Auditor**

Mrs Nicola Scanlon

#### **Principal and Registered Office**

Academies Office, Larch Avenue, Guildford, Surrey, GU1 1JY

#### **Company Registration Number**

8366199 (England and Wales)

#### **Bankers**

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

#### **Registered Auditors**

Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

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**Solicitors**

Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster,  
London SW1P 3JT – to 31 December 2019

Anthony Collins, 134 Edmund Street, Birmingham B3 2EP – from  
1 January 2020

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The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

In the school census of October 2019, the Trust had a pupil capacity of 5,180 and had a roll of 4,710.

## **1 STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **1.1 Constitution**

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 its governing instrument is its memorandum and articles of association.

### **1.2 Members**

The Members of the Trust under the articles consist of the Guildford Diocese Educational Trust (the "GDET") acting corporately (represented by Mr Jonathan Gambier); two individual members of the Guildford Diocese Board of Education - the Right Reverend Dr Joanne Bailey Wells and Mr Peter Coles; the Chair of the Directors of the Trust, Mr Simon Walker (until 31 August 2020 and the Very Reverend Dianna Gwilliams from 1 September 2020); an additional member appointed under Article 16 of the Articles of Association, the Revd Canon Colin Matthews; and any Members appointed by the Secretary of State for Education (none currently appointed).

The liability of each of the Members of the Trust in the event that it is wound up is limited to £10.

### **1.3 Directors**

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 16 to 19:

#### **Education Committee**

Mrs Katharine Crouch  
Mr Tony Lau-Walker – until 15 December 2019  
Mrs Yvonne McLeod  
Mrs Sue Potter (Chair)  
Mr Simon Walker (ex officio)  
The Reverend Derek Holbird – from 8 April 2020  
The Chief Executive Officer (in attendance)  
The Directors of Education (in attendance)

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**Resources Committee**

Mr Glenn Carmichael  
The Very Reverend Dianna Gwilliams  
Mrs Louise Pollock  
Mr Nigel Stapleton (Chair)  
Mr Simon Walker (ex officio)  
Chief Executive Officer (in attendance)  
Head of Finance (in attendance)  
Director of Human Resources (in attendance)

**Risk and Audit Committee**

In October 2019, and taking account of both the enlargement of the Board and of the broader scope of the Trust's operations, a separate Risk and Audit Committee was created. Prior to that date, these responsibilities were exercised by the Resources Committee.

Mr Nigel Stapleton (Chair)  
The Very Reverend Dianna Gwilliams  
Mrs Sue Potter

**Appointments and Remuneration Committee**

Mr Simon Walker (Chair)  
Mrs Sue Potter  
Mrs Louise Pollock

**1.4 Local Governing Committees**

The local governing committee (LGC) of each academy school within the Trust is constituted as a sub-committee of the Trust. The chair of each LGC is appointed by the Directors, as are the other members of the LGC. During the year the following LGCs were in existence:

<b>Academy</b>	<b>Date converted</b>	<b>LGC Chair</b>
The Holme C of E Primary School, Headley	1 September 2013	Mrs Alex Kemp
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	Mr Brett Freeman
St Paul's C of E Primary School, Addlestone	1 April 2014	Mrs Faith Axten
Ashley C of E Primary, Walton on Thames	1 September 2014	Mr Nigel Stapleton – to 15 March 2020 Mr Chris Howard
Queen Eleanor's C of E Junior School, Guildford	1 October 2014	Mrs Katharine Thompson
The Weald C of E Primary School, Beare Green	1 September 2015	Mrs Yvonne McLeod*
Christ's College, Guildford	1 December 2015	Mr Colin Henry
Waverley Abbey C of E Junior School, Tilford	1 December 2016	Mrs Yvonne McLeod
St Andrew's C of E Infant School, Farnham	1 March 2017	Mrs Larry Peppin
Farnborough Grange Nursery/Infant School	1 September 2017	Mrs Larry Peppin
Potters Gate C of E Primary School, Farnham	1 December 2017	Mrs Larry Peppin
Surrey Hills All Saints Primary School, Dorking	1 December 2018	Mrs Melanie Harris*
Ottershaw Infants and Junior Schools, Ottershaw	1 March 2019	Mr Mick Webb
St Mark and All Saints Primary School, Godalming	1 April 2019	Mrs Ruth Burns*

\* denotes the interim chairman of either a School Intervention and Improvement Board, or an Interim Academy Board.

## **1.5 Director recruitment**

Directors are appointed by the Members, having regard to the need for the range of appropriate skills and experience on the board, as well as to their commitment to maintain the distinctively Christian ethos in our schools and across the Trust as a whole. Directors are given induction and training, both as individuals and as a whole board, as needs are identified.

In addition to regular business meetings during the year, the Directors also hold a residential meeting focussing on the setting and delivering of strategic objectives for the coming years.

One new Director was appointed during the financial year:

The Reverend Derek Holbird – appointed 8 April 2020

## **1.6 Other organisations with which the Trust co-operates in achieving its objectives**

Bishop Andrew Watson, the current Bishop of Guildford, inaugurated in February 2015 has reviewed the Diocesan vision and launched '*Transforming churches, transforming lives*'. There are 12 transformation goals and goal 8 is specifically relates to education in the Diocese of Guildford. Goal 8 states:

*'together to improve the standards and develop the Christian distinctiveness of our Church schools, wholeheartedly embracing our contribution to education in the diocese. Education lies at the heart of our mission as a diocese – our Church schools, of course, as well as our wider link within the education sector from nursery school to university and all points in between. This goal affirms a commitment to education and the opportunities it offers, which is shared between the parishes, our schools, the further and higher education sectors.'*

The Good Shepherd Trust, as the largest Multi-Academy Trust within the Guildford Diocese, is therefore at the centre of this diocesan mission.

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 the diocesan policy for church academies and by appointing Members of single academy trusts and multi-academy trusts.

The Trust's staff for its central services are directly employed by the Trust itself. The costs of services provided by the Diocese of Guildford are invoiced on a non-profit basis to the Trust by Guildford Diocesan Services Limited, the wholly-owned trading subsidiary of the Guildford Diocesan Board of Finance.

## **1.7 Delegation of day-to-day delivery**

During the period to 31 August 2020 the Directors delegated day-to-day responsibility for managing the conversion of schools to academy status under the auspices of the Trust to the Chief Executive. The Trust delegated day-to-day management of each academy school to its headteacher and local governing committee in accordance with its scheme of delegation.

The Directors of Education worked with headteachers in driving school improvement and effectiveness.

The Head of Finance, was engaged to administer the Trust's finance affairs, with our Trust Business Managers and two Finance Officers collaborating with School Business Managers. The Director of Human Resources was also responsible for operations. Additional staff are engaged on a project basis to ensure that activities are appropriately serviced.

The remuneration of the Trust's management team is set and kept under review by the Appointments and Remuneration Committee, advised by the Chief Executive Officer (whose remuneration is set and kept under review by the Board).

## **2 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 this object by developing the capacity and capability 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 performance of those academy 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 sixteen schools in the Trust - nine primary schools, three junior schools, three infant schools and one a secondary school.

## **3 STRATEGIC REPORT**

### **3.1 Priorities**

During the financial year the key priorities for the Board and the executive team have been to:

- Continue to improve significantly pupil achievement and progress across our schools with a focus on enhancing the quality of education for all learners



- Reinforce the leadership of our schools by appointing high quality headteachers;
- Recruit and select a new Chief Executive Officer who will enable the Trust to deliver the growth, excellence and distinctively Christian ethos to which we aspire;
- Build an organisational infrastructure of the Trust (based around hubs) which will be adequate to support the Trust's growth plan, staffed with people of the calibre to deliver high quality and cost-effective services with a full review of business operations led by the newly appointed Chief Operating Officer;
- Deploy project-based staff to service the needs of individual schools and the Trust itself;
- Grow networks to secure high quality school improvement support for schools through school-to-school support, both in hubs and across the whole trust;
- Develop and strengthen the Trust's governance and build additional resilience. This includes a greater focus on the professional development of all our staff, and on succession planning. Where vacancies arise, they are filled by high quality appointments based on a needs and skills assessment;
- Develop our partnerships to provide access to networks against which the Trust can benchmark and improve its own performance and secure more effective school to school support to the weaker schools in the Trust and support the school-led school improvement system;
- Further embed the Teacher Effectiveness Enhancement Programme (TEEP) to improve the quality of learning for all pupils;
- Empower local governing committees by equipping them with a clear schedule of delegation;
- Respond quickly and effectively to the demands on the COVID-19 pandemic and continue to provide education to our pupils whilst adhering to government direction, government advice and meeting the needs of the children of key workers during lockdowns.

### **3.2 Risk assessment**

The major risks faced by the Trust continue to be in the areas of its capacity to govern and improve the educational provision in its schools, in line with the Secretary of State's expectations. Our capability to deploy sufficient educational provision to improve schools is constrained by funding limitations which, in part, reflect the fact that many of our schools are small in size and do not have a full (or nearly full) pupil roll.

The Directors' key strategic objective is to ensure the growth of the Trust is both sustainable and financially viable, and that it secures improving educational standards and an effective and efficient provision of central services at all Trust schools.

Achievement of our strategic objectives entails taking risks in a carefully considered manner and having in place strong systems and good governance to mitigate risks. The Directors are satisfied that appropriate internal control systems and risk management processes are in place. Given the Trust's current scale, the Directors have put in place a separate committee of the Board to focus on risk management, internal and external audit issues.

The Directors consider that the following framework provides the Trust with adequate measures to manage and mitigate the impact of identified risks:

- The Resources Committee (until October 2019) and now the Risk and Audit Committee reviews risk and internal controls, approves the annual audit plan, and is

overseeing a programme to enhance Trust-wide internal audit procedures to secure more internal audit coverage, quicker implementation of the auditors' recommendations and to underpin a still greater focus on risk management systems within each of our schools.

- The Education Committee reviews the progress and performance of each school with judgements made based on clear evidence.
- 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 Directors, through full board meetings and at each of its committees review risks relating to any school in the process of conversion, and the risks relating to the capacity, capability and performance at each of its existing schools.
- Risks relating directly to the COVID-19 pandemic have been dealt with by the appropriate committee and senior leadership team. Local risk assessments were made for each school with local governors, headteachers and members of the senior leadership team. These were approved by the Trust board and has been quality assured through external checks by OFSTED and the Health and Safety Executive in some schools.

#### **4 ACHIEVEMENTS AND PERFORMANCE**

The Trust continues to focus its education activity on maintaining and improving educational outcomes and the performance of all sixteen schools within GST. Over the last twelve months the Trust has concentrated on raising pupil outcomes and improving their overall quality of education provision whilst continuing to develop the Christian ethos and distinctiveness of each of our schools, whilst responding nimbly to the demands of COVID-19 and the provision of education to the most vulnerable pupils.

No schools joined the Trust during the period of this report.

The Trust has developed its own framework for quality assurance for each of its schools using several strategies including: termly school improvement visits to all schools by one of the two Directors for Education, which focus on validation of self-evaluation, observations of teaching and scrutiny of pupil outcomes; headteacher performance management, with formal meetings at least twice per year; and brokered themed reviews as appropriate. Visits have also focussed on the quality of provision during COVID-19 based on the circumstances each school found themselves in, eg. home learning, key worker pupils, holiday provision.

The Trust has continued to develop its approach to improving educational performance and improving outcomes for all pupils. Particular strengths include:

- The positive impact of leadership arrangements which enable schools to benefit from experienced leaders and develop stronger collaborative practice
- Very strong response to the COVID-19 pandemic through strong central leadership and a comprehensive risk-assessment strategy with local governors and school leaders;
- Partnership arrangements between schools that demonstrate high quality provision to schools in more challenging circumstances
- Improved professional development for leaders at all levels

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- Stronger and more consistent teaching
- Higher pupil attainment and progress
- An increased rate of school improvement evidenced by better pupil outcomes and more consistently high-quality teaching.

During the year, the Trust continued its investment in the Teacher Effectiveness Enhancement Programme (TEEP), which included delivering training for all teaching staff and school leaders across the Trust.

TEEP has been selected as an appropriate pedagogy for our Trust, as it provides a collaborative culture and establishes high quality teaching and learning across the entire organisation. The TEEP framework is flexible, not prescriptive, validating teachers' expertise while providing insight into new effective teaching strategies, which nurture lifelong learners and improve pedagogical practice.

The embedding of TEEP, and the evaluation of its impact on the quality of teaching and learning, has been hampered by the COVID-19 pandemic but it remains a focus for 2020-21 academic year as we come out of the COVID-19 restrictions.

The following numbers of children were admitted in September 2019:

The Holme	Reception	23	(PAN 30)		
St John's	Reception	30	(PAN 30)		
St Mary's	Reception	29	(PAN 30)		
St Paul's	Reception	59	(PAN 60)		
Ashley	Reception	90	(PAN 90)		
Queen Eleanor's	Year 3	84	(PAN 90)		
The Weald	Reception	10	(PAN 30)	Year 3	20 (PAN 30)
Christ's College	Year 7	161	(PAN 156)		
Waverley Abbey	Year 3	113	(PAN 120)		
St Andrew's	Reception	29	(PAN 30)		
Farnborough Grange	Reception	57	(PAN 60)		
Potters Gate	Reception	59	(PAN 60)	Year 3	26 (PAN 30)
Surrey Hills All Saints	Reception	16	(PAN 30)		
Ottershaw Infants	Reception	57	(PAN 60)		
Ottershaw Junior	Year 3	56	(PAN 60)		
St Mark and All Saints	Reception	5	(PAN 30)		

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**5 FINANCIAL REVIEW**

**Financial Performance**

The year 1 September 2019 to 31 August 2020 was the seventh full year of operation for the Trust. These financial statements cover the operation of the sixteen academies open during the year.

	As at 1 September 2019 £,000	Income £,000	Expenditure £,000	Gains, Losses and Transfers £,000	As at 31 August 2020 £,000
Valuation of fixed assets on conversion	8,983	-	(111)	-	8,872
Valuation of pension deficit	(9,942)	-	(1,731)	(1,636)	(13,309)
Pre-opening grants	139	-	(19)	(120)	-
Capital grants	1,340	2,032	(1,865)	100	1,607
Revenue operations	2,397	26,208	(27,385)	1,656	2,876
	<u>2,917</u>	<u>28,240</u>	<u>(31,112)</u>	<u>(2,473)</u>	<u>45</u>

The Statement of Financial Activities shows a reduction in funds of £2,872,000 (2019: reduction of £3,109,000), giving net assets at 31 August 2020 of £45,000 (2019: £2,917,000). However, the breakdown below illustrates that that our revenue reserves increased by £339,000 when taking into account our FRS102 pension valuations, together with capital property grants, and associated expenditure.

	2020 £,000	2019 £,000
Net income in Statement of Financial Activities	(1,141)	(636)
Deficit transferred from Local Authority on conversion		(358)
Capital grants income	(2,032)	(1,412)
Improvements to property owned by Church land trustees, occupied by GST, treated as grant expenditure	1,865	1,276
Depreciation	111	107
Defined benefit pension scheme cost less contributions	1,636	1,943
Transfer to capital reserves from operating reserves	(100)	(200)
Total movement in funds/operations	<u>339</u>	<u>720</u>

**Revenue operations**

As the COVID19 pandemic spread from March 2020 onwards, our schools continued to provide education to disadvantaged and keyworker pupils.

There has inevitably been a cost to the steps taken in keeping our staff and pupils safe. We implemented additional cleaning services, and purchased additional necessary personal protective equipment. Prior to inception of the Government's free school meal voucher scheme, we provided food vouchers to disadvantaged pupils, and continued to provide this support when that system failed. Some of our schools offered places for pupils during periods

of closure, including bank holidays in some instances.

The cost of these additional requirements between March and August 2020 was around £50,000, and we were granted COVID19 emergency support funding of £11,000. We were also granted Coronavirus Job Retention Scheme funding of £35,000, which sum did not fully cover the corresponding staffing costs in the period.

As all extra-curricular activities were discontinued, following Government instructions to minimise the spread of COVID19, we also experienced a reduction in lettings and extended care income. Trips were also discontinued after March, and we were indemnified for any losses by the Risk Protection Arrangement.

#### Assets transferred on conversion

Assets transferred on conversion are made up of land and buildings leased by local authorities to the Trust, valued at the point of conversion of each school. In 2020 there were no conversions, and the only movements on these reserves were depreciation charges on buildings in accordance with the Trust's accounting policies. In 2019 the increase in this reserve was made up of assets acquired on conversion at Surrey Hills All Saints, Ottershaw and St Mark & All Saints schools, offset by depreciation charges.

#### Capital grants from the ESFA

These reserves represent the unexpended portions of devolved formula capital and school condition allocation grants awarded to Trust schools. The in-year surplus on these reserves at 31 August 2020 amounted to £267,000 (2019: £337,000) and reflects the award of £807,000 in school condition allocation grant, which included an additional sum of £256,000 communicated during the summer term and was unallocated to projects and therefore unexpended at the year-end.

#### Increase in actuarial deficit on LGPS

The most notable element of the reduction in net assets is the increase in the net liability of the Trust to the Local Government Pension Scheme in 2020 by £3,367,000 (2019: £4,416,000). The Trust has met in full all of the employer contributions to the scheme, but actuarial valuations as at the year-end have again revealed an increased overall deficit in the scheme, driven by a further reduction in discount rate, together with assumptions for increases in salaries and pension inflation. In 2019 the increase in the Trust's net liability to the LGPS was partially driven by the acquisition of deficit at the point of conversion of Surrey Hills All Saints, Ottershaw and St Mark & All Saints schools.

Our Directors continue to develop budgeting and monitoring procedures across the Trust, so that all schools spend within their means or, where it is necessary to make strategic investment in resources (eg. to secure rapid improvement in education), this is undertaken in a carefully planned and managed way.

The Directors are grateful for the key work of headteachers, school business managers, local governing committees and the Trust's central staff for making the changes necessary to achieve their budgeted outcomes despite the fact that many of their costs are increasing at a more rapid rate than the limited growth in Government revenue grant income.

The Trust received capital grants to support capital building improvements at its academies

amounting to £2,032,000. These consisted of:

- ESFA School Condition Allocations for allocation by the Directors to suitable building projects
- A Priority Schools Building Programme grant at Ottershaw CofE Junior School

Some of the land and buildings in use by the Trust at its schools is provided for the Trust's use by local Church trustees for as long as the related schools remain open with a Church of England ethos. In accordance with guidance and practice these have not been valued in the Trust's financial statements.

#### **Balance sheet position and going concern**

The balance sheet on page 27 shows that the Trust's net assets at 31 August 2020 were valued at £45,000 (2019: £2,917,000). Of this amount net current assets totalled £3,859,000 (2019: £3,252,000), and the Directors are content that this represents a sufficiently secure and liquid financial position, which together with robust budgetary and financial control assures that the Trust is a going concern.

#### **Reserves policy**

Our Directors aim to keep uncommitted revenue reserves in the range of 3% to 5% of revenue income in order to mitigate future financial risk. As at 31 August 2020 this range was evaluated at £762,000 - £1,267,000, and the level of uncommitted restricted and unrestricted revenue reserves stood at £2,367,000 (2019: £1,907,000).

## **6 PLANS FOR THE FUTURE**

The Directors' strategic priorities for the 2020/21 academic year are challenging and build upon three years of successful school improvement across the majority of schools in the Trust and can be summarised as:

- 6.1 Working closely with all our schools to provide services, support and challenge which can improve demonstrably pupils' attainment and progress, closing the attainment gap between disadvantaged children and their more advantaged peers, and allowing more able children to realise their full potential. This is impacted by the 2020 lockdown where students did not physically attend school. School leaders have analysed the impact of this for individual students and are targeting resources to close any gaps in learning that have occurred.
- 6.2 Continuing to monitor the performance of each school rigorously through: Director of Education support and challenge, regular monitoring, careful 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. COVID-19 has limited externally validated data in 2019-20, particularly at the primary phase, and all inspections have been paused.
- 6.3 Building on a longer-term strategy for the Trust to ensure the high performance of our schools, to improve our financial resilience and create a greater capacity for future growth. As schools improve the Trust is committed to increasing the challenge so that

continuous improvement becomes our culture and schools aspire to the highest standards possible in their context.

## **7 TRADE UNION FACILITY TIME**

Number of employees who were relevant union officials during the year to 31 Mar 2020	Full-time equivalent employee number
2	1.05
Percentage of time spent on facility time	Number of employees
0%	0
1%-50%	1
51%-99%	0
100%	1
Percentage of paybill spent on facility time	
Total cost of facility time	£0.025 m
Total pay bill	£19.4m
Percentage of pay bill spent on facility time	0.0012%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	0%

## **8 FUNDRAISING**

The Trust would like to thank the many parents and friends of its schools who give generously of their time on local fundraising activities, to provide support for enrichment activities which cannot be met through government funding.

The Trust has not made any fundraising appeals to the general public during the year, and is unlikely to do so in the future. There has been no outsourced fundraising via professional fundraisers or other third parties and as a result the Trust is not registered with the fundraising regulator and received no fundraising complaints in the year.

## **9 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 and Skills Funding Agency (ESFA), 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 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 ESFA 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.

#### **10 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.

#### **11 APPOINTMENT OF AUDITORS**

*Haysmacintyre LLP* were appointed as first auditors to the Trust in November 2013. A resolution to re-tender for audit services will be made at the next Annual General Meeting.



**The Very Reverend Dianna Gwilliams**  
**Chair of Trustees**

16 December 2020



## THE GOOD SHEPHERD TRUST

### GOVERNANCE STATEMENT

For the year ended 31 August 2020

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#### 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 met formally eight times during the year, including a residential meeting with a particular focus on strategic planning. Attendance during the period at meetings of the Board was as follows:

	Meetings attended	Out of a possible
Mr Simon Walker (Chair)	7	8
The Very Reverend Dianna Gwilliams	8	8
Mr Tony Lau-Walker (until 15 December 2019)	1	3
Mrs Sue Potter	8	8
Mr Nigel Stapleton	7	8
Mrs Yvonne McLeod	8	8
Mrs Katharine Crouch	8	8
Mr Glenn Carmichael	6	8
Mrs Louise Pollock	7	8
The Reverend Derek Holbird	5	5

The **Resources 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. This committee also currently has the function of Audit Committee. It formally met six times during the period. Attendance at those meetings was as follows:

	Meetings attended	Out of a possible
Mr Glenn Carmichael	5	6
The Very Reverend Dianna Gwilliams	6	6
Mrs Louise Pollock	5	6
Mr Nigel Stapleton	6	6
Mr Simon Walker	5	6

## THE GOOD SHEPHERD TRUST

### GOVERNANCE STATEMENT

For the year ended 31 August 2020 (continued)

The **Education Committee** is a committee of the Board. Its purpose is to review and advise the Board on the of each academy school. It has formally met four times during the period. Attendance at those meetings was as follows

	Meetings attended	Out of a possible
Mrs Sue Potter	5	5
Mrs Katharine Crouch	5	5
Mrs Yvonne McLeod	5	5
Mr Simon Walker	3	5
Mr Tony Lau-Walker (until 15 December 2019)	0	2
The Reverend Derek Holbird (from 8 April 2020)	3	3

The **Risk and Audit Sub-Committee** is a committee of the Board. Its purpose is to review and advise the Board on risk management, controls and governance of each academy school. It has formally met five times during the period. Attendance at those meetings was as follows:

	Meetings attended	Out of a possible
Mrs Katharine Crouch	5	5
Mr Tony Lau-Walker (until 15 December 2019)	0	2
Mrs Yvonne McLeod	5	5
Mrs Sue Potter	5	5

The **Appointments and Remuneration Committee** is a new committee of the Board. Its purpose is to review appointments and remuneration of headteachers and the Trust central executive team. It met once during the period. Attendance at the meeting was as follows:

	Meetings attended	Out of a possible
Mrs Louise Pollock	1	1
Mrs Sue Potter	1	1
Mr Simon Walker	1	1

The **Local Governing Committees** 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.

#### Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where 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. The system of internal control is based on on-going processes 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 and mitigate them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 August 2020 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 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 2019 to 31 August 2020 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 which is agreed by the Board and monitored by financial reports which are reviewed by the Resources Committee and reported to the Board.
- Regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance and reporting to the Resources Committee.
- Clearly defining purchasing guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks which are considered by both the Education and Resources Committees, as well as by the Board.

The Directors have addressed the need to strengthen internal controls by developing a specific internal audit function and appointing as internal auditor Mrs Nicola Scanlon. Mrs Scanlon is commissioned to visit each academy school with audit priorities provided by the Resources Committee, the Risk and Audit Committee, the Head of Finance and the Chief Executive. Her reports are considered by the Resources Committee, the Risk and Audit Committee and also given to the appropriate headteacher and local governing committee. The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

**THE GOOD SHEPHERD TRUST**

**GOVERNANCE STATEMENT**

**For the year ended 31 August 2020 (continued)**

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**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:

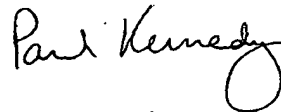
- The work of the external auditor, *Haysmacintyre LLP*, and in particular their audit findings report following their work for the 2019-20 statutory report and accounts.
- Reports from Mrs Nicola Scanlon, the Trust's Internal Auditor.
- The financial management and governance self-assessment process.
- The work of the Head of Finance 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 Board of Directors on 2 December 2020 and signed on its behalf by:



**The Very Reverend Dianna Gwilliams**  
**Chair of Trustees**



**Paul Kennedy**  
**Accounting Officer**

**THE GOOD SHEPHERD TRUST**

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

**For the year ended 31 August 2020**

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As Accounting Officer of The Good Shepherd Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA 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.

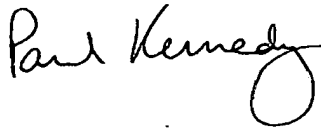
I confirm that I and the academy trust board of directors are able to identify any material irregular and improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that the following instance of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and the ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA:

**Financial issue**

Alcohol costing £227 was purchased for an academy end of year event. Although we understand that this demonstrates non-compliance with the Academies Financial Handbook, this was an exceptional event where costs were met by a voluntary donation,, which will not arise in the future.

If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and the ESFA.



**Paul Kennedy**  
Chief Executive and Accounting Officer

16 December 2020

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GOOD SHEPHERD TRUST**

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### **Opinion**

We have audited the financial statements of The Good Shepherd Trust for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and,

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

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except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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.

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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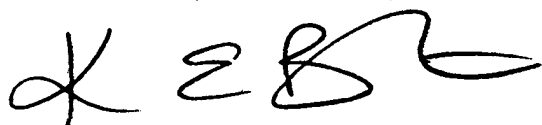
**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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



**Kathryn Burton**  
Senior Statutory Auditor  
For and on behalf of *Haysmacintyre LLP*  
Statutory Auditors

10 Queen Street Place  
London EC4R 1AG

Date: 17th December 2020



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

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In accordance with the terms of our engagement letter dated 17 December 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Good Shepherd Trust during the period from 1 September 2019 to 31 August 2020 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 Good Shepherd Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Good Shepherd Trust and the ESFA 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 Good Shepherd Trust and the ESFA, for our review work, for this report, or for the opinion we have formed.

### **Respective responsibilities of The Good Shepherd Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Good Shepherd Trust's funding agreement with the Secretary of State for Education dated 30 August 2013 and the Academies Financial Handbook, extant from 1 September 2019 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to 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.

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

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- Walkthrough testing of controls to ensure operational effectiveness.
- 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 certificates and related party declarations provided by Trustees, Governors and senior management.

**Conclusion**

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them:

- Alcohol costing £227 was purchased for an academy end of year event. Although we understand that this demonstrates non-compliance with the Academies Financial Handbook, this was an exceptional event, which will not arise in the future. While not funded directly by public government money, the expenditure is not in accordance with the Academies Accounts Direction 2019-20 which states that all alcohol is irregular expenditure, even if purchased from unrestricted funds (Academies Accounts Direction 2019-20: Annex B 1.22).

*Haysmacintyre LLP*

**Haysmacintyre LLP,**  
Reporting Accountant  
Statutory Auditors

10 Queen Street Place  
London EC4R 1AG

Date: 17th December 2020

THE GOOD SHEPHERD TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2020

		2020 Unrestrict- ed funds	2020 Restricted funds	2020 Restricted fixed asset funds	2020 Total	2019 Unrestricted funds	2019 Restricted funds	2019 Restricted fixed asset funds	2019 Total
	Note	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
<b>Income and endowments from</b>									
Donations and capital grants	3	303	1,979	-	2,282	210	1,249		1,459
Transfer from local authority on conversion	2	-	-	-	-	37	(548)	357	(154)
Charitable activities									
Funding for the Trust's educational operations	4	841	24,548		25,389	1,201	22,589		23,790
Other trading activities	5	540	26		566	552	14		566
Investment income	6	3	-		3	2	(1)		1
<b>Total</b>		<u>1,686</u>	<u>26,553</u>	<u>-</u>	<u>28,240</u>	<u>2,002</u>	<u>23,303</u>	<u>357</u>	<u>25,662</u>
<b>Expenditure on</b>									
Charitable activities:									
Trust's educational operations	7, 9	1,162	28,106	112	29,381	1,248	24,943	107	26,298
<b>Total</b>		<u>1,162</u>	<u>28,106</u>	<u>112</u>	<u>29,381</u>	<u>1,248</u>	<u>24,943</u>	<u>107</u>	<u>26,298</u>
<b>Net income/(expenditure)</b>	8	524	(1,553)	(112)	(1,141)	754	(1,640)	250	(636)
Transfers between funds	14	(316)	316		-	(422)	422		-
<b>Other recognised gains</b>									
Actuarial losses on defined benefit pension scheme	26	-	(1,731)	-	(1,731)	-	(2,473)	-	(2,473)
<b>Net movement in funds</b>		<u>208</u>	<u>(2,968)</u>	<u>(112)</u>	<u>(2,872)</u>	<u>332</u>	<u>(3,691)</u>	<u>250</u>	<u>(3,109)</u>
Total funds at 31 August 2019		<u>1,728</u>	<u>(7,794)</u>	<u>8,983</u>	<u>2,917</u>	<u>1,396</u>	<u>(4,103)</u>	<u>8,733</u>	<u>6,026</u>
<b>Total funds at 31 August 2020</b>	20	<u><u>1,936</u></u>	<u><u>(10,762)</u></u>	<u><u>8,871</u></u>	<u><u>45</u></u>	<u><u>1,728</u></u>	<u><u>(7,794)</u></u>	<u><u>8,983</u></u>	<u><u>2,917</u></u>

All income and expenditure derived from continuing activities. The notes on pages 29 to 49 form part of these financial statements.

**BALANCE SHEET**  
**As at 31 August 2020**

	Notes	2020 £,000	2019 £,000
<b>Fixed assets</b>			
Tangible fixed assets	15	9,512	9,631
<b>Current assets</b>			
Debtors	16	1,038	1,478
Cash at bank		5,343	4,304
		<u>6,381</u>	<u>5,782</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(2,522)</u>	<u>(2,530)</u>
<b>Net current assets</b>		<u>3,859</u>	<u>3,252</u>
<b>Total assets less current liabilities</b>		<u>13,371</u>	<u>12,883</u>
<b>Creditors: amounts falling due after more than one year</b>	18	<u>(17)</u>	<u>(24)</u>
		<u>13,354</u>	<u>12,859</u>
Pension scheme liability	26	<u>(13,309)</u>	<u>(9,942)</u>
<b>Net assets including pension liability</b>		<u><u>45</u></u>	<u><u>2,917</u></u>
<b>The funds of the charity</b>			
<b>Restricted funds</b>			
Restricted income funds		1,607	1,479
Fixed asset fund		8,871	8,983
General fund		940	669
Pension reserve	26	(13,309)	(9,942)
<b>Unrestricted income funds:</b>			
General funds		1,427	1,274
School funds		509	454
<b>Total funds</b>	19	<u><u>45</u></u>	<u><u>2,917</u></u>

These financial statements were approved by the Board of Directors and authorised for issue on 2 December 2020, and signed on their behalf by:



**The Very Reverend Dianna Gwilliams**  
**Chair of Trustees**

16 December 2020

The notes on pages 29 to 49 form part of these financial statements.

**THE GOOD SHEPHERD TRUST****CASH FLOW STATEMENT****For the year ended 31 August 2020**

	Notes	2020 £,000	2019 £,000
<b>Cash flows from operating activities</b>			
Net cash from operating activities	22	1,171	888
<b>Cash flows from investing activities</b>	23	(135)	(10)
<b>Cash flows from financing activities</b>	24	3	1
<b>Cash transferred on conversion to an academy trust</b>		-	477
<b>Change in cash and cash equivalents in the period</b>		1,039	1,356
Cash and cash equivalents at 1 September 2019	25	4,304	2,948
<b>Cash and cash equivalents at 31 August 2020</b>		5,343	4,304

The notes to this statement are on page 45.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

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1 ACCOUNTING POLICIES

a) General information

The Trust is a company limited by guarantee, incorporated in England and Wales (company number: 08366199). The Company's registered office address is: The Academies Office, Larch Avenue, Guildford, Surrey, England, GU1 1JY.

b) Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Good Shepherd Trust constitutes a public benefit entity as defined by FRS 102.

c) Going concern

The Directors assess whether the use of going concern is appropriate ie. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

d) Income

All income is recognised when the Trust is legally entitled to it, receipt is probable and the amount can be measured reliably.

i) **Interest** is recognised as income when receivable.

ii) **Grants** are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

**General Annual Grant** is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

**Capital grants** are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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

iv) **Other income**, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

v) **Transfer on conversion** Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

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**e) Expenditure**

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

- i) **Expenditure on Raising Funds:** This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- ii) **Charitable Activities:** These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**f) Operating leases**

Rentals under operating leases are charged to the statement of financial activities income and expenditure account on a straight line basis over the lease term.

**g) 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.
  - **Restricted fixed asset funds** are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.
  - **Restricted general funds** comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the ESFA/DfE.
- **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.

**h) 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.

Where improvements are made to land and buildings owned by local church trustees, and occupied by the Trust on a rolling two year basis under a church supplemental agreement, this expenditure is accounted for as a Trust grant to the local church trustees, and not capitalised. Where this expenditure

## THE GOOD SHEPHERD TRUST

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

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is funded by grant, both the grant receivable and the grant payable are accounted for in full in the period in which the grant is received, in accordance with the Academies Accounts Direction 2019 to 2020.

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.
- ii) **Computer equipment** is depreciated on a straight line basis over the expected useful life of 3 years.

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

**i) Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**j) Liabilities and provisions**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**k) Financial instruments**

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**l) Taxation**

The Trust is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**m) Pensions**

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

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

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent



## THE GOOD SHEPHERD TRUST

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

#### n) Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

## 2 CONVERSION TO ACADEMY STATUS WITHIN THE TRUST

There were no conversions during the year.

## 3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £,000	Restricted Funds £,000	Restricted Asset fund £,000	Total 2020 £,000	Total 2019 £,000
Donations	8	2	-	10	(14)
Grants	295	-	-	295	193
Capital grants - ESFA	-	1,977	-	1,977	1,281
Capital grants – local auth	-	-	-	-	-
	<u>303</u>	<u>1,979</u>	<u>-</u>	<u>2,282</u>	<u>1,459</u>

## THE GOOD SHEPHERD TRUST

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

In 2019, of the total donations and capital grants, £210,000 was for unrestricted funds and £1,249,000 was for restricted funds. In the current year, capital grants include a sum of £1,058,000 from the Priority Schools Building Programme, and corresponding expenses are included in note 9 below.

#### 4 FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2020 £,000	Total 2019 £,000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	20,771	20,771	18,529
Start-up Grants	-	-	-	-
Transition Grants	-	-	-	258
Pupil premium	-	945	945	944
Other DfE/ESFA grants	-	846	846	846
	-	22,562	22,562	20,577
<b>Other Government grants</b>				
Local authority revenue grants	-	1,567	1,567	1,509
	-	1,567	1,567	1,509
<b>Exceptional Government funding</b>				
Coronavirus exceptional support	-	11	11	-
Coronavirus Job Retention Scheme	-	35	35	-
	-	46	46	-
<b>Other income</b>				
RPA insurance receipts	-	100	100	-
Other income	841	273	1,114	1,704
	841	24,548	25,389	23,790

The academy trust was eligible to claim additional funding in year from government support schemes in response to the Coronavirus outbreak. Additional expenses were incurred in purchasing personal protective equipment, cleaning materials and emergency food vouchers for disadvantaged pupils. These expenses were reimbursed by the Coronavirus exceptional support grant, and are included in notes 7 and 9 below. The academy trust also furloughed staff under the government's Coronavirus Job Retention Scheme. The £35,000 received relates to extended care staff costs, included in note 10 below.

In 2019, of the total funding for the Trust's educational operations, £1,201,000 was to unrestricted funds (all classified as "other income") and £22,589,000 was to restricted funds.

#### 5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2020 £,000	Total 2019 £,000
Hire of facilities	214	2	216	288
Other	326	24	350	278
	540	26	566	566

In 2019, of the total other trading activities, £552,000 was for unrestricted funds and £14,000 was for restricted funds.

**THE GOOD SHEPHERD TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 August 2020 (continued)**

**6 INVESTMENT INCOME**

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2020 £,000	Total 2019 £,000
Interest receivable	-	3	3	1
	<u>-</u>	<u>3</u>	<u>3</u>	<u>1</u>
	-	3	3	1
	<u>-</u>	<u>3</u>	<u>3</u>	<u>1</u>

In 2019, the total investment income of £1,000 was for restricted funds.

**7 EXPENDITURE**

	Staff Costs £,000	Non Pay Premises £,000	Expenditure Other costs £,000	Total 2020 £,000	Total 2019 £,000
Academy's educational operations					
- Direct costs	16,956	-	2,249	19,206	17,783
- Allocated support costs	3,064	3,331	3,780	10,175	8,515
	<u>20,020</u>	<u>3,331</u>	<u>6,029</u>	<u>29,380</u>	<u>26,298</u>

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

	Staff Costs £,000	Non Pay Premises £,000	Expenditure Other costs £,000	Total 2019 £,000	Total 2018 £,000
Academy's educational operations					
- Direct costs	15,540	-	2,243	17,783	15,310
- Allocated support costs	2,861	2,650	3,004	8,515	7,860
	<u>18,401</u>	<u>2,650</u>	<u>5,247</u>	<u>26,298</u>	<u>23,170</u>

	2020 £,000	2019 £,000
Operating leases	111	109
Depreciation	255	255
Fees payable to auditor – audit	25	23
- other services	6	5

No ex-gratia payments were made during the year.

**8 ANALYSIS OF GRANT EXPENDITURE**

	Unrestricted funds £,000	Restricted funds £,000	Total 2020 £,000	Total 2019 £,000
Improvements to diocesan property occupied by the academy trust	-	1,711	1,711	812
	<u>-</u>	<u>1,711</u>	<u>1,711</u>	<u>812</u>

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

9 CHARITABLE ACTIVITIES – TRUST’S EDUCATIONAL OPERATIONS

	Unrestricted Funds 2020 £,000	Restricted Funds 2020 £,000	Total 2020 £,000	Unrestricted Funds 2019 £,000	Restricted Funds 2019 £,000	Total 2019 £,000
<b>Direct costs</b>						
Teaching and educational support staff costs		16,956	16,956	31	15,509	15,540
Technology costs		355	355	-	308	308
Educational supplies	17	608	625	64	432	496
Staff development		146	146	-	130	130
Educational consultancy		330	330	19	388	407
Trips and visits		20	20	121	27	148
Other direct costs	774		774	754	-	754
	<u>791</u>	<u>18,415</u>	<u>19,205</u>	<u>989</u>	<u>16,794</u>	<u>17,783</u>
<b>Allocated support costs</b>						
Support staff costs	203	2,861	3,064	181	2,679	2,861
Depreciation		255	255		255	255
Technology costs		262	262		233	233
Recruitment and support		380	380	-	314	314
Maintenance of premises and equipment		2,257	2,257	2	1,660	1,662
Cleaning		414	414		341	341
Rates		133	133		138	138
Energy		357	357		342	342
Water		80	80		75	75
Insurance		90	90	-	92	92
Catering		611	611	-	607	607
Pension finance costs		1,636	1,636		955	955
Other support costs		562	562	41	508	549
Legal and professional fees		17	17		36	36
Auditor’s remuneration						
- audit of financial statements		25	25		23	23
- other services		6	6		6	5
Trustees reimbursed expenses		2	2		1	1
Other governance costs		25	25		26	26
	<u>203</u>	<u>9,972</u>	<u>10,175</u>	<u>224</u>	<u>8,291</u>	<u>8,515</u>

10 STAFF

a) Staff Costs

Staff costs during the period were:

Wages and salaries	14,920	14,068
Social security costs	1,282	1,203
Operating costs of defined benefit pensions schemes	3,204	2,391

	<u>19,406</u>	<u>17,662</u>
Supply staff costs	614	696
Staff restructuring costs	44	43
	<u>20,064</u>	<u>18,401</u>

# THE GOOD SHEPHERD TRUST

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

**b) Non-statutory/non-contractual staff severance payments**

Included in staff costs are non-statutory/non-contractual severance payment totalling £43,721, comprised of individual payments of £23,559, £9,276, £5,846, £4,750 and £290, respectively (2019 total: £43,000).

**c) Staff numbers**

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

	2020 No.	2019 No.
<b>Charitable activities</b>		
Teachers	286	296
Education Support	367	380
Administration and support	95	86
Trust Management	6	6
<b>Total</b>	<b>754</b>	<b>768</b>

**d) Higher paid staff**

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

	2020 No.	2019 No.
£60,001 - £70,000	1	3
£70,001 - £80,000	1	10
£80,001 - £90,000	4	1
£90,001 - £100,000	0	0
£140,000-£150,000	0	1

**e) Key management personnel**

The key management personnel of the Trust comprise the senior management team as listed on page 2, together with the head teachers of academies within the Trust. The total amount of employee benefits (including pension contributions) received by key management personnel for their services to the Trust was:

	2020 £,000	2019 £,000
Senior leadership team	582	624
Head teachers	1,336	1,087

## 11 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 pocket expenses to trustees in the amount of £1,565 (2019: £1,207).

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

## THE GOOD SHEPHERD TRUST

### NOTES TO THE FINANCIAL STATEMENTS

#### For the year ended 31 August 2020 (continued)

of Guildford (an “umbrella” trust). It has no financial transactions. GDET is a corporate member of the Good Shepherd Trust and appoints other members of the Good Shepherd Trust.

- c) At the balance sheet date the GDBF held on behalf of the Trust an unexpended balance of £206,180 (2019: £257,587).
- d) Guildford Diocesan Services Limited is the wholly owned trading subsidiary of the GDBF. During the year the Trust paid £64,207 (2019: £29,731) to GDSL for property services and supply staff services at cost, and £31,352 was outstanding at the year-end (2019: £29,731).

#### 12 TRUSTEES AND OFFICERS INSURANCE

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

#### 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 a Trust Share for each academy school of 6.5% of the general academy grant for those with OFSTED grade “Inadequate”, 6.0% for those graded “Requires Improvement”, and 5.5% for those graded “Good” or “Outstanding”.

	2020 £,000	2019 £,000
The actual amounts charged during the year were as follows:		
The Holme Church of England Primary School, Headley	33	30
St John’s Church of England Primary School, Dorking	62	54
St Mary’s Church of England Primary School, Chiddingfold	45	45
St Paul’s Church of England Primary School, Addlestone	85	72
Ashley Church of England Primary School, Walton-on-Thames	111	72
Queen Eleanor’s Church of England Junior School, Guildford	73	67
The Weald Church of England Primary School, Beare Green	61	60
Christ’s College, Guildford	221	162
Waverley Abbey Church of England Junior School, Tilford	97	71
St Andrew’s Church of England Infant School, Farnham	18	20
Farnborough Grange Nursery/Infant Community School	49	45
Potters Gate Church of England Primary School, Farnham	85	71
Surrey Hills All Saints Primary School, Dorking	56	43
Ottershaw Infants and Junior Schools, Ottershaw	89	44
St Mark and All Saints Primary School, Godalming	30	12
	<u>1,116</u>	<u>868</u>

# THE GOOD SHEPHERD TRUST

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

### 14 FUND TRANSFERS

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2020	Total 2019
	£,000	£,000	£,000	£,000	£,000
From unrestricted funds to GAG funds to cover a deficit	(316)	316	-	-	-
From the growth fund to the GAG fund to cover expenses met by GAG fund	-	-	-	-	(45)
					45
From transition funds to GAG fund to cover expenses met by GAG fund	-	(120)	-	(120)	(34)
		120		120	34
From GAG fund to fixed asset fund to part fund building project	-	(100)	100	-	-
From LGPS reserve to GAG funds to offset the net cost of contributions		1,636	1,636	955	953
		(1,636)	(1,636)	(955)	(953)
	<u>(316)</u>	<u>216</u>	<u>100</u>	<u>-</u>	<u>-</u>

The transfer from revenue to capital funds of £76,000 is made to support the facilities at Waverley Abbey Junior School.

### 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 within one year of conversion. Where land and buildings at former local authority 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 2020 (continued)**

	Leasehold land and buildings £,000	Leasehold improvements £,000	Furniture And equipment £,000	Computer Equipment £,000	Total £,000
<b>Cost</b>					
At 1 September 2019	9,291	402	737	145	10,575
Transfer from local Authorities		-	-	-	
Additions	-	42	94	-	136
At 31 August 2020	9,291	444	831	145	10,711
<b>Depreciation</b>					
At 1 September 2019	357	146	312	130	944
Charged in year	103	40	96	15	255
At 31 August 2020	460	186	408	145	1,199
<b>Net Book Value</b>					
At 31 August 2020	8,831	258	423	-	9,512
At 31 August 2019	8,934	256	425	15	9,631

**16 DEBTORS**

	2020 £,000	2019 £,000
Trade debtors	11	63
Funds deposited with GDBF for capital projects	195	258
Prepayments	155	267
Accrued income	399	553
VAT refundable	278	337
Other debtors	-	-
	1,038	1,478

**17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £,000	2019 £,000
Trade creditors	459	707
Taxation and social security	306	330
Other creditors	2	7
Accrued expenses	762	696
Deferred income	629	474
Pension contributions	357	309
Loans	7	7
	2,522	2,530



# THE GOOD SHEPHERD TRUST

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

	2020 £,000	2019 £,000
<b>Deferred income</b>		
Deferred income at 1 September 2019	474	415
Released from previous years	(474)	(415)
Resources deferred in the year	629	474
	<u>629</u>	<u>474</u>
Deferred income at 31 August 2020	<u>629</u>	<u>474</u>

### 18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £,000	2019 £,000
Loan	17	17
	<u>17</u>	<u>17</u>
Loan repayment instalments are due as follows:		
Between one and two years	7	7
Between two and five years	10	17
After five years	-	-
	<u>17</u>	<u>24</u>

There were three loans outstanding at 31 August 2020 as follows. The loans are from Salix Finance to the Trust for a heating project and for a flat roof replacement scheme at the Holme CE Primary School, and for a heating project at the Weald CE Primary School. They are interest-free and repayable in half-yearly instalments over periods of 5 to 9 years.

### 19 FUNDS

	Balance at 31 August 2019 £,000	Income £,000	Expenditure £,000	Gains, Losses and Transfers £,000	Balance at 31 August 2020 £,000
<b>Restricted general funds</b>					
General annual grant GAG	669	24,522	(26,222)	1,972	940
Pre-opening grants	139	-	(19)	(120)	-
Other ESFA grants					
Pension scheme reserve	(9,942)	-	(1,731)	(1,636)	(13,309)
	<u>(9,134)</u>	<u>24,522</u>	<u>(27,972)</u>	<u>216</u>	<u>(12,369)</u>
<b>Restricted fixed assets funds</b>					
Transfer on conversion	8,983		(112)		8,871
DfE/ESFA capital grants	1,340	2,032	(1,865)	100	1,607
Other capital funds	-	-	-		-
	<u>10,323</u>	<u>2,032</u>	<u>(1,977)</u>	<u>100</u>	<u>10,478</u>
<b>Total restricted funds</b>	<u>1,189</u>	<u>26,554</u>	<u>(29,950)</u>	<u>316</u>	<u>(1,891)</u>
<b>Unrestricted funds</b>	<u>1,728</u>	<u>1,686</u>	<u>(1,162)</u>	<u>(316)</u>	<u>1,936</u>
<b>Total funds</b>	<u>2,917</u>	<u>28,240</u>	<u>(31,112)</u>	<u>-</u>	<u>45</u>

# THE GOOD SHEPHERD TRUST

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

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

	Balance at 31 August 2018 £,000	Income £,000	Expenditure £,000	Gains, Losses and Transfers £,000	Balance at 31 August 2019 £,000
<b>Restricted general funds</b>					
General annual grant GAG	415	22,621	(23,578)	1,211	669
Pre-opening grants	5	258	(89)	(35)	139
Other ESFA grants	-	-	-	-	-
Pension scheme reserve	(5,526)	(988)	-	(3,428)	(9,942)
	<u>(5,106)</u>	<u>21,891</u>	<u>(23,667)</u>	<u>(2,252)</u>	<u>(9,134)</u>
<b>Restricted fixed assets funds</b>					
Transfer on conversion	8,733	357	(107)	-	8,983
DfE/ESFA capital grants	1,003	1,412	(1,276)	201	1,340
Other capital funds	-	-	-	-	-
	<u>9,736</u>	<u>1,769</u>	<u>(1,383)</u>	<u>201</u>	<u>10,323</u>
<b>Total restricted funds</b>	<u>4,630</u>	<u>23,660</u>	<u>(25,050)</u>	<u>(2,051)</u>	<u>1,189</u>
<b>Unrestricted funds</b>	<u>1,396</u>	<u>2,002</u>	<u>(1,248)</u>	<u>(422)</u>	<u>1,728</u>
<b>Total funds</b>	<u><u>6,026</u></u>	<u><u>25,662</u></u>	<u><u>(26,298)</u></u>	<u><u>(2,473)</u></u>	<u><u>2,917</u></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 ESFA 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 ESFA grants: in accordance with the terms and conditions of the grant, eg. 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.
- ESFA capital grants: these capital grants from ESFA (eg. academies capital and maintenance fund, environmental improvement, condition improvement fund, school condition allocations) 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, eg 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, eg. at a particular academy.

No limits have been imposed on the amount of GAG that the Trust is permitted to carry forward from one year to the next.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

Note that in the above tables the subtotals for restricted fixed asset funds do not agree with the restricted fixed assets funds column in the statement of financial activities on page 26. This is because in the above tables the subtotal includes funds arising from DfE/ESFA and other capital grants. Unlike funds arising from assets transferred on conversion, which are all represented by fixed assets, funds arising from DfE/ESFA and other capital grants are partly represented by fixed assets and partly by current assets which are committed for future capital purposes.

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

	2020	2019
	£,000	£,000
<b>General annual grant</b>		
The Holme	(30)	(30)
St John's	-	(45)
St Mary's	(37)	(65)
Queen Eleanor's	22	7
The Weald	(190)	(269)
Christ's College	411	222
Waverley Abbey	335	278
St Andrew's	90	115
Farnborough Grange	49	41
Potters Gate	-	135
Surrey Hills All Saints	8	23
Ottershaw Infants and Junior	394	379
St Mark and All Saints	23	19
General funds	(135)	(141)
	<hr/> 940	<hr/> 669
<b>Pre-opening grant</b>	<hr/> £,000	<hr/> £,000
Surrey Hills	-	27
Ottershaw	-	51
St Mark and All Saints	-	61
	<hr/> -	<hr/> 139
<b>ESFA capital grants</b>	<hr/>	<hr/>
The Holme	117	200
St John's	(28)	(18)
St Mary's	65	153
St Paul's	105	124
Ashley	59	6
Queen Eleanor's	21	41
The Weald	212	247
Christ's College	43	87
Waverley Abbey	211	(21)
St Andrew's	56	53
Farnborough Grange	181	79
Potters Gate	12	202
Surrey Hills	28	15
Ottershaw	194	61
St Mark and All Saints	12	14
Unallocated central capital grants	319	97
	<hr/> 1,607	<hr/> 1,340

**THE GOOD SHEPHERD TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 August 2020 (continued)**

	2020 £,000	2019 £,000
<b>Unrestricted funds</b>		
St John's	97	159
St Paul's	287	268
Ashley	74	141
Queen Eleanor's	287	222
The Weald	-	33
Christ's College	272	202
Waverley Abbey	129	93
St Andrew's	47	44
Farnborough Grange	7	-
Potters Gate	148	107
Surrey Hills	12	(3)
Ottershaw	59	13
St Mark and All Saints	13	2
Central services	(5)	(7)
	<u>1,427</u>	<u>1,274</u>
<b>School fund accounts</b>		
St Mary's	9	2
St Paul's	30	30
Ashley	111	87
Queen Eleanor's	19	31
The Weald	7	5
Christ's College	86	71
Waverley Abbey	184	150
St Andrew's	23	22
Potters Gate	26	33
Surrey Hills All Saints	8	6
Ottershaw Infants and Junior	6	16
St Mark and All saints	-	1
	<u>509</u>	<u>454</u>
<b>Restricted fixed assets funds</b>	8,871	8,983
Pension scheme reserve	(13,309)	(9,942)
<b>Total funds</b>	<u><u>45</u></u>	<u><u>2,917</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £,000	Restricted General Funds £,000	Restricted Fixed assets Funds £,000	Total Funds £,000
Tangible fixed assets	-	641	8,871	9,512
Current assets	1,936	4,445	-	6,381
Current liabilities	-	(2,522)	-	(2,522)
Long term liabilities	-	(17)	-	(17)
Pension scheme liability	-	(13,309)	-	(13,309)
<b>Total net assets</b>	<b>1,936</b>	<b>(10,762)</b>	<b>8,871</b>	<b>45</b>

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

	Unrestricted Funds £,000	Restricted General Funds £,000	Restricted Fixed assets Funds £,000	Total Funds £,000
Tangible fixed assets	-	648	8,983	9,631
Current assets	1,728	4,054	-	5,782
Current liabilities	-	(2,530)	-	(2,530)
Long term liabilities	-	(24)	-	(24)
Pension scheme liability	-	(9,942)	-	(9,942)
<b>Total net assets</b>	<b>1,728</b>	<b>(7,794)</b>	<b>8,983</b>	<b>2,917</b>

21 FINANCIAL COMMITMENTS

*Operating leases*

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £,000	2019 £,000
Amounts due within one year	53	50
Amounts due between one and five years	58	59
Amounts after five years	-	-
	<b>111</b>	<b>109</b>

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.

	2020 £,000	2019 £,000
Grant received but not yet allocated to projects	319	-
Expenditure approved but not yet contracted for	135	65
Expenditure contracted for but not yet incurred	108	60
	<b>562</b>	<b>125</b>

**THE GOOD SHEPHERD TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 August 2020 (continued)**

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

	<b>2020</b>	<b>2019</b>
	<b>£,000</b>	<b>£,000</b>
Net income	(1,141)	(636)
Net assets transferred from Local Authority	-	(357)
Pension scheme deficits acquired on conversion	-	988
Pension scheme costs recognised in excess of contributions	1,636	955
Depreciation (note 15)	255	255
Interest receivable	(3)	(1)
Cash transferred on conversion of schools	-	(477)
(Increase)/decrease in debtors	438	(208)
Increase/(decrease) in creditors	(14)	369
<b>Net cash inflow from operating activities</b>	<b>1,171</b>	<b>888</b>

**23 CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2020</b>	<b>2019</b>
	<b>£,000</b>	<b>£,000</b>
Purchase of tangible fixed assets	135	10

**24 CASH FLOWS FROM FINANCING ACTIVITIES**

	<b>2020</b>	<b>2019</b>
	<b>£,000</b>	<b>£,000</b>
Interest received	3	1

**25 ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1 September 2019 £,000</b>	<b>Cash flows £,000</b>	<b>At 31 August 2020 £,000</b>
Cash in hand and at bank	4,304	1,039	5,343

**26 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 2016 and of the LGPS 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020 (continued)

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The contributions outstanding at 31 August 2020, all relating to the month then ended, amounted to £358,000 (2019: £309,000).

**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 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £2,130,000 (2019: £1,405,000).

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

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

**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 2020 was £1,339,000 (2019: £1,137,000) of which employer's contributions totalled £1,074,000 (2019: £986,000) and employees' contributions totalled £301,000 (2019: £248,000). The agreed contribution rates for future years are between 18.0%

# THE GOOD SHEPHERD TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 August 2020 (continued)

and 21.3% for employers, and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to 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 2013.

<i>Principal actuarial assumptions</i>	<i>At 31 August 2020</i>	<i>At 31 August 2019</i>
Rate of increase in salaries	2.2%	2.6%
Rate of increase for pensions in payment/inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.7%	1.8%
Inflation assumption (CPI)	2.3%	2.3%
Commutation of pensions to lump sums – pre April 2008 serv	25.0%	25.0%
Commutation of pensions to lump sums – post 2008 serv	63.0%	63.0%

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

	<i>At 31 August 2020</i>	<i>At 31 August 2019</i>
<i>Retiring today</i>		
Males	21.1	21.6
Females	24.3	23.5
<i>Retiring in 20 years</i>		
Males	22.9	22.5
Females	25.7	25.0

	<i>At 31 August 2020</i>	<i>At 31 August 2019</i>
<b>Sensitivity analysis</b>		
Discount rate +0.1%	(597)	(500)
Discount rate -0.1%	597	500
Mortality assumption – 1 year increase	(973)	(806)
Mortality assumption – 1 year decrease	973	806
CPI rate +0.1%	553	413
CPI rate -0.1%	(553)	(413)

The academy trust's share of the assets in the scheme were:

	<i>Fair value at 31 August 2020</i>	<i>Fair value at 31 August 2019</i>
	<i>£,000</i>	<i>£,000</i>
Equity instruments	8,025	7,114
Debt instruments	1,976	1,865
Property	888	807
Other including cash	549	412
Total market value of assets	11,438	10,198

The actual return on scheme assets was £201,000 excluding gains/(losses) (2019: £235,000).



**THE GOOD SHEPHERD TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 August 2020 (continued)**

**Amount recognised in the statement of financial activities**

	<b>2020</b>	<b>2019</b>
	<b>£,000</b>	<b>£,000</b>
Current service cost (net of employee contributions)	2,207	1,599
Past service cost	5	68
Net interest cost	391	382
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(198)	(205)
<b>Total operating charge</b>	<b>2,405</b>	<b>1,844</b>

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

	<b>2020</b>	<b>2019</b>
	<b>£,000</b>	<b>£,000</b>
Valuation of defined benefit obligation at 1 September 2019	20,140	12,758
Transfers from local authority on conversion	-	2,296
Current service cost	2,617	1,599
Past service cost	5	68
Interest cost	397	412
Remeasurement (gains)/losses	1,429	2,835
Employee contributions	301	248
Benefits paid out	(142)	(76)
<b>Valuation of defined benefit obligation at 31 August 2020</b>	<b>24,747</b>	<b>20,140</b>

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

	<b>£,000</b>	<b>£,000</b>
Valuation of the fair value of assets at 1 September 2019	10,198	7,232
Transfer of assets from the local authority	-	1,308
Interest income	201	235
Remeasurement gains/(losses)	144	144
Employer contributions	301	889
Employee contributions	1,038	248
Net benefits paid out	(142)	(76)
Net increase from disposals/acquisitions	(302)	218
<b>Valuation of the fair value of assets at 31 August 2020</b>	<b>11,438</b>	<b>10,198</b>

**27 POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES**

No further schools have converted to academy status as of the date of these accounts.

There were no contingent liabilities at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 August 2020 (continued)**

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**28 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.