

THE GOOD SHEPHERD TRUST

Diocese of Guildford

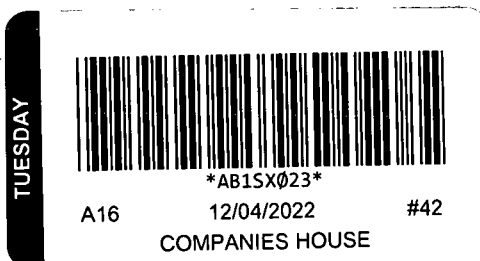
TRANSFORMING SCHOOLS
TRANSFORMING LIVES

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 2021



CONTENTS

Reference and Administrative Details	2
Trustees' Annual Report and Report of the Directors	3
Governance Statement	17
Statement of Regularity, Propriety and Compliance	21
Independent Auditor's Report to the Members.....	22
Independent Auditor's Report on Regularity.....	26
Statement of Financial Activities incorporating Income and Expenditure Account.....	28
Balance Sheet.....	29
Cash Flow Statement	30
Notes to the Financial Statements, incorporating	
Statement of Accounting Policies.....	31
Other Notes to the Financial Statements.....	34

THE GOOD SHEPHERD TRUST

TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS

For the year ended 31 August 2021

Members	The Guildford Diocese Educational Trust represented by the Deputy Diocesan Director of Education, The Right Reverend Dr Joanne Bailey Wells Mr Peter Coles The Reverend Canon Colin Matthews Mr Simon Walker JP (until 31 August 2020) The Very Reverend Dianna Gwilliams (from 1 September 2020)
Trustee Directors	Mr Glenn Carmichael Mrs Katharine Crouch The Very Reverend Dianna Gwilliams - Chair The Reverend Derek Holbird Mrs Yvonne McLeod Mrs Louise Pollock Mrs Susan Potter (to 28 August 2021) Mr Nigel Stapleton (to 31 August 2021) Mr Simon Walker JP The Directors are also the Trustees for the purposes of charity law and served from 1 September 2020 to the date of this report except where otherwise stated.
Company Secretary	Mrs Diana Goodhugh
Clerk to the Directors	Mrs Penny Came
Management Team	
Chief Executive and Accounting Officer	Mr Paul Kennedy
Chief Operating Officer	Dr Louisa Mason
Directors of Education	Mr Alexander Clark Miss Kate Evans Mrs Louise Johnson Miss Amanda Johnston
Director of Human Resources	Mrs Joanne Cambra
Head of Finance	Mrs Diana Goodhugh
Director of Organisational Development	Mrs Anne Hudson (to 30 September 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	Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS
Solicitors	Anthony Collins, 134 Edmund Street, Birmingham B3 2EP

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. 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 2020, the Trust had a pupil capacity of 5,120 and had a roll of 4,634.

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 Alex Tear); 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, 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 (Chair from 14 October 2021)
Mrs Yvonne McLeod
Mrs Susan Potter (Chair) (to 28 August 2021)
Mr Simon Walker
The Reverend Derek Holbird
The Chief Executive Officer (in attendance)
The Regional Directors of Education (in attendance)

Resources Committee

Mr Glenn Carmichael
The Very Reverend Dianna Gwilliams (ex officio)
Mrs Yvonne McLeod
Mrs Louise Pollock
Mr Nigel Stapleton (Chair) to 31 August 2021
Mr Simon Walker
Chief Executive Officer (in attendance)
Chief Operating Officer (in attendance)
Head of Finance (in attendance)
Director of Human Resources (in attendance)

Risk and Audit Committee

Mr Nigel Stapleton (to 31 August 2021)
Mrs Susan Potter (to 28 August 2021)
Mr Simon Walker (Chair)

Appointments and Remuneration Committee

Mr Simon Walker
Mrs Susan Potter (to 28 August 2021)
Mrs Louise Pollock
The Very Reverend Dianna Gwilliams (Chair)

1.4 Local Committees

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

Academy	Date converted	LC Chair
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	Mr Andrew Harrow
Ashley C of E Primary, Walton on Thames	1 September 2014	Mr Bernie Higgins
Queen Eleanor's C of E Junior School, Guildford	1 October 2014	Mrs Claire Stennett
The Weald C of E Primary School, Beare Green	1 September 2015	Mrs Yvonne McLeod* (to 6 Dec 2020) Mrs Sarah Smith (from 7 Dec 2020)
Christ's College, Guildford	1 December 2015	Mr Stuart Zissman
Waverley Abbey C of E Junior School, Tilford	1 December 2016	Mrs Yvonne McLeod (to 1 Nov 2020) Mr Christopher Howard (from 2 Nov 2020)
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 Mary Adair (Chair) (to 31 Aug 2021) Mrs Judith Packer (from 1 Sep 2021)
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, under the current Articles of Association, the Directors appointed by the Members "with the consent of the Diocesan Board of Education may appoint up to 2 Co-opted Directors" and "any Director may be re-appointed". All appointments and re-appointments of Co-opted Directors under the current Articles of Association have been for a two year term of office.

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

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

The Right Reverend Andrew Watson, the current Bishop of Guildford, inaugurated in February 2015 renewed 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 Guildford Diocese, is therefore at the centre of this diocesan mission. As a member of the Guildford Diocesan Schools Partnership, we aim to support the diocese in ensuring that there is enough capacity within the academy sector for every Church of England school in the Diocese of Guildford to join a diocesan multi-academy trust.

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 2021 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 committee in accordance with its scheme of delegation.

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

The Head of Finance is engaged to administer the Trust's financial affairs, with our Trust Business Managers and two Finance Officers collaborating with School Business Managers. The Chief Operating Officer is 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 secondary school.

3 STRATEGIC REPORT

3.1 Our vision and values as a Diocese multi-academy

Our Vision is: "To be better, together."

We commit to:

- Having an ambitious culture which enables self-confidence and aspiration in everyone in our family, child or adult
- Having a highly connected, growing and flourishing GST community where everyone is known, diversity is valued and highly effective, responsive services are shared
- Serving our community by developing an enriching and exciting social, emotional, spiritual and cultural educational provision; driving high quality learning for all
- Continually exploring, in the context of our Trust schools, the outworking of Jesus' words: *'I came that they may have life and have it to the full.'* John 10 v 10

Our Streams of Inspiration

As a growing Multi Academy Trust we draw on a number of sources of inspiration for our work.

The wisdom, example and teachings of Jesus, the Good Shepherd who simply invited us to 'Follow Him'.

The Diocese of Guildford's vision 'Transforming Church-Transforming Lives' which affirms that 'Education lies at the heart of our mission as a diocese.' As a key part of the diocese's work in every community, we are challenged, with them, to **'Transform Lives'**.

The Church of England's Vision for Education with its call to serve the common good in this generation by exploring what it means to educate for wisdom, for hope and aspiration, for living well together and for dignity and respect.

This call to serve the common good means that our schools are thoroughly inclusive in ethos, welcoming all, and serving those of all faiths and none.

Values of the Good Shepherd Trust

Jesus the Good Shepherd embodies values which guide our work and relationships. These are exemplified especially in Psalm 23 and John 10 in the Bible. They include:

- Trust • Love • Courage • Respect • Integrity

Our school communities have also developed their own statements of values, all of which harmonise with those of the Trust. We strive to be a trust that lives out these values in such

a way that other schools, be they 'C of E' or 'community', are attracted and find in us an effective home.

3.2 Priorities

Our five key priorities for 2021-2024 are:

- To develop our Christian character to live out and achieve our vision and mission
- To ensure continuous improvement to enable our children to flourish and have life in all its fullness
- To ensure effective and appropriate communication with all stakeholders to support our trust unity
- To develop strong and inspirational governance to support leadership and learning
- To ensure services, through finance and other functions, support and facilitate learning

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

- Continue to respond quickly and effectively to the demands on the COVID-19 pandemic, in providing education to our pupils whilst adhering to government direction and advice, and meeting the needs of the children of disadvantaged families and key workers during lockdowns.
- 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;
- Deploy project-based staff to service the needs of individual schools and within the Trust central team;
- 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, ensuring 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;
- Empower local committees by equipping them with a clear schedule of delegation

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.

The pattern of demand for pupil places has largely been reflective of the birth rate, and housing and migration trends. Following a nationwide trend, this region has experienced year on year falls in the birth rate, meaning that the number of births in 2019 is 14% lower than

the peak numbers seen in 2012. Furthermore, the decrease in births between 2018 and 2019 is the largest seen since the nationwide decline in 2013.

The Directors' key strategic objective is to ensure that 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 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 committee members, headteachers and the senior leadership team. These were approved by the Trust board and have been quality assured through external checks by OFSTED and the Health and Safety Executive in some schools.
- Planning for reduction in demand and consequential adjustments to staffing requirements to ensure that the Trust remains financially viable.

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 while continuing to develop the Christian ethos and distinctiveness of each of our schools, at the same time as responding nimbly to the demands of COVID-19 and the provision of education to our most vulnerable pupils.

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

THE GOOD SHEPHERD TRUST
TRUSTEES' ANNUAL REPORT AND REPORT OF THE DIRECTORS
For the year ended 31 August 2021

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 four Regional 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
- Continued strong response to the COVID-19 pandemic through strong central leadership and a comprehensive risk-assessment strategy with local committees 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
- Stronger and more consistent teaching
- A more robust school and Trust self-evaluation process led by the Regional Directors of Education.
- Trustee Directors each have particular focus on one of the four Hubs so as to enable the Board to have as full a view as possible. The Regional Directors have developed a 'School on a Page' living document – which is available to all Directors via Sharepoint.

The following numbers of children were admitted in September 2020:

The Holme	Reception	23	(PAN 30)		
St John's	Reception	30	(PAN 30)		
St Mary's	Reception	30	(PAN 30)		
St Paul's	Reception	52	(PAN 60)		
Ashley	Reception	89	(PAN 90)		
Queen Eleanor's	Year 3	83	(PAN 90)		
The Weald	Reception	0	(PAN 30)	Year 3	20 (PAN 30)
Christ's College	Year 7	120	(PAN 156)		
Waverley Abbey	Year 3	120	(PAN 120)		
St Andrew's	Reception	21	(PAN 30)		
Farnborough Grange	Reception	36	(PAN 60)		
Potters Gate	Reception	50	(PAN 60)	Year 3	23 (PAN 30)
Surrey Hills All Saints	Reception	10	(PAN 30)		
Ottershaw Infants	Reception	57	(PAN 60)		
Ottershaw Junior	Year 3	56	(PAN 60)		
St Mark and All Saints	Reception	12	(PAN 30)		

Group context	% of Trust pupils
Special educational needs	18.9%
English as an Additional Language	10.1%
Pupil Premium	16.6%

5 FINANCIAL REVIEW

Financial Performance

The year 1 September 2020 to 31 August 2021 was the eighth 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 2020 £,000	Income £,000	Expenditure £,000	Gains, Losses and Transfers £,000	As at 31 August 2021 £,000
Valuation of fixed assets on conversion	8,871	-	(115)	-	8,756
Valuation of pension Deficit	(13,309)	-	(2,320)	(1,672)	(17,301)
Capital grants	1,607	1,934	(1,682)	55	1,914
Revenue operations	2,876	26,585	(28,318)	1,617	2,760
	<u>45</u>	<u>28,519</u>	<u>(32,435)</u>	<u>-</u>	<u>(3,871)</u>

The Statement of Financial Activities shows a reduction in funds of £3,916,000 (2020: reduction of £2,872,000), giving net assets at 31 August 2021 of (£3,871,000) (2020: £45,000).

	2021 £,000	2020 £,000
Net income in Statement of Financial Activities	(1,596)	(1,141)
Capital grants income	(1,934)	(2,032)
Improvements to property owned by Church land trustees, occupied by GST, treated as grant expenditure	1,682	1,865
Depreciation	115	111
Defined benefit pension scheme cost less contributions	1,672	1,636
Transfer to capital reserves from operating reserves	(55)	(100)
Deficit on revenue funds	(116)	339

Increase in actuarial deficit on LGPS

The Trust's Local Government Pension Scheme liabilities represent the value of the benefits earned by LGPS members in the fund as at the accounting date, and is calculated by projecting the future expected cashflows out of the fund, allowing for expected future increases in pay and pension, and the life expectancy of its members.

The LGPS liability has increased to (£17,301,000) (2020: (£13,309,000)). This requires the Trust to make higher Employer's pension contributions over a period of years, which contributions are met from the Trust's budgeted annual income. While the deficit will not be eliminated in the near future there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Trust. This is in line with other trusts in the sector.

Revenue operations

As the COVID19 pandemic continued throughout the year, and all schools closed again in January and March, our schools maintained education to our disadvantaged and keyworker pupils and provided online lessons to all pupils.

The Trust experienced additional costs, once again, in following Government guidance in keeping our staff and pupils safe. Additional cleaning services and purchase of necessary personal protective equipment was continued, as last year.

The Government confirmed COVID19 catchup funding of £370,000. We were also granted Coronavirus Job Retention Scheme funding of £18,000, when schools were instructed to close between January and March 2021, which sum did not fully cover the corresponding staffing costs in the period.

As all extra-curricular activities were discontinued between January and March, following Government instructions to minimise the spread of COVID19, we experienced a reduction in lettings and extended care income. No foreign trips took place during the academic year, and we recommenced local trips in the summer of 2021, adhering to Government guidance.

Assets transferred on conversion

During the year there were no conversions, and the only movements on these reserves were depreciation charges on buildings in accordance with the Trust's accounting policies.

Capital grants from the ESFA

These reserves represent the unexpended portions of devolved formula capital and school condition allocation grants award to Trust schools. The in-year surplus on these reserves at 31 August 2021 amounted to £193,000 (2020: £267,000) and reflects the grant of £646,000 in school condition allocation, remaining to be allocated to capital projects at the year-end.

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 (e.g. 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 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 £1,935,000. These consisted of:

- ESFA School Condition Allocations for allocation by the Directors to suitable building projects
- The second tranche of the Priority Schools Building Programme grant at Ottershaw CofE Junior School, which project was completed during the year.

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 29 shows that the Trust's net assets at 31 August 2021 were valued at (£3,871,000) (2020: £45,000). This figure includes the Trust's consolidated pension scheme liability of (£17,301,000) (2020: (£13,309,000)).

Net current assets totalled £4,118,000 (2020: £3,859,000), and the Directors are content that this represents a sufficiently secure and liquid financial position. The cash flow forecast models the expected future impact of COVID-19 as well as all other operational income and expenditure covering the going concern period, which together with robust budgetary and financial control, assures that the Trust is a going concern.

Reserves policy

Our Directors aim to keep uncommitted, unrestricted revenue reserves in the region of 3% to 5% of revenue income in order to mitigate future financial risk. Trustees note that although current levels of free reserves slightly exceed the level indicated by the policy, they are necessary to support the education of our students, and support current initiatives, such as strategically upgrading our IT hardware and facilities at our schools.

As at 31 August 2021 the level of uncommitted restricted and unrestricted revenue reserves were as follows:

	2021	2020
Unrestricted	£1,517,000	£1,427,000
Restricted	<u>£829,000</u>	<u>£940,000</u>
Totals	<u><u>£2,346,000</u></u>	<u><u>£2,367,000</u></u>

6 PLANS FOR THE FUTURE

The Trust's strategic priorities for the 2021/22 academic year are challenging 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 was impacted by the 2021 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: Regional Director of Education support and challenge, regular monitoring, careful scrutiny of any external inspection reports (such as Ofsted inspections 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 2020-21, particularly at the primary phase, and all inspections were paused. These were recommenced in the Autumn of 2021.

- 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.
- 6.4 To enable Trust growth, particularly supporting the Diocese of Guildford in its strategic aim to grow academy capacity in the diocese.

7 TRADE UNION FACILITY TIME

Number of employees who were relevant union officials during the year to 31 Mar 2021	Full-time equivalent employee number
1	0.2
Percentage of time spent on facility time	Number of employees
0%	0
1%-50%	1
51%-99%	0
100%	0
Percentage of paybill spent on facility time	
Total cost of facility time	£0.017m
Total pay bill	£22.8m
Percentage of pay bill spent on facility time	0%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	0%

8 FUNDRAISING

Owing to the continued pandemic, there have been very few opportunities to raise funds during the year, and this has affected the Trust's voluntary income streams. The Trust greatly appreciates the many parents and friends of its schools who give generously of their time on local fundraising activities as we return to a normal school environment, which supports 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 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

Mazars LLP were appointed as auditors to the Trust in March 2021 following a competitive tendering process.

A handwritten signature in black ink, reading "Dianna Gwilliams". The signature is written in a cursive style. Below the signature is a horizontal line.

The Very Reverend Dianna Gwilliams
Chair of Trustees

17 December 2021

THE GOOD SHEPHERD TRUST

GOVERNANCE STATEMENT

For the year ended 31 August 2021

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 seven 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 Glenn Carmichael	7	7
Mrs Katharine Crouch	2	7
The Very Reverend Dianna Gwilliams (Board Chair)	7	7
Mr Derek Holbird	7	7
Mrs Yvonne McLeod	7	7
Mrs Louise Pollock	6	7
Mrs Susan Potter	6	7
Mr Nigel Stapleton	6	7
Mr Simon Walker	7	7

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 eight times during the period. Attendance at those meetings was as follows:

	Meetings attended	Out of a possible
Mr Glenn Carmichael	8	8
The Very Reverend Dianna Gwilliams	7	8
Mrs Yvonne McLeod	8	8
Mrs Louise Pollock	8	8
Mr Nigel Stapleton (Committee Chair)	7	8
Mr Simon Walker	8	8

THE GOOD SHEPHERD TRUST

GOVERNANCE STATEMENT

For the year ended 31 August 2021 (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 seven times during the period. Attendance at those meetings was as follows:

	Meetings attended	Out of a possible
Mrs Katharine Crouch	1	7
The Very Reverend Dianna Gwilliams (in attendance)	1	7
Mr Derek Holbird	6	7
Mrs Yvonne McLeod	7	7
Mrs Susan Potter (Committee Chair to 28 August 2021)	7	7
Mr Simon Walker	6	7

Mrs Crouch was able to attend only one meeting due to teaching commitments during the year. However, she contributed to the work of the Committee, in particular by reviewing all the 'notes of visits' from our Regional Directors of Education, and liaising with the Chair over lines of enquiry for the Committee to pursue.

The **Risk and Audit 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 seven times during the period. Attendance at those meetings was as follows:

	Meetings attended	Out of a possible
The Very Reverend Dianna Gwilliams (in attendance)	7	7
Mrs Susan Potter	6	7
Mr Nigel Stapleton	7	7
Mr Simon Walker (Committee Chair)	7	7

The **Appointments and Remuneration Committee** is a 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
The Very Reverend Dianna Gwilliams	0	1
Mrs Louise Pollock	1	1
Mrs Susan Potter	1	1
Mr Simon Walker	1	1

The **Local Committees** of each school are sub-committees of the Board. They are responsible for the regular review of the financial and operating performance of the relevant academy school and making recommendations to the Board, as appropriate. The Articles of Association have been recently revised are in the process of being approved. A revised Scheme of Delegation will be introduced at the same time. Like the current Scheme of Delegation these make clear the Local Committee's safeguarding, curriculum and community links responsibilities.

Every Trust school is in and of its community, and the local committee is responsible for the strategic direction, engagement with stakeholders, ensuring accountability, overseeing compliance and ensuring risks to the school are managed. The local committee oversees governance compliance, education progress and attainment including for vulnerable groups, safeguarding and staffing,

THE GOOD SHEPHERD TRUST

GOVERNANCE STATEMENT

For the year ended 31 August 2021 (continued)

including participating in headteacher appointment, financial overview, particularly of Pupil Premium and Sports Premium, managing the admissions process and school administrative operations including data protection compliance.

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 2021 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 2020 to 31 August 2021 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.

GOVERNANCE STATEMENT

For the year ended 31 August 2021 (continued)

- 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 committee. The auditor's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems.

Review of Effectiveness

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

- The work of the external auditor, Mazars LLP and in particular their audit findings report following their work for the 2020-21 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 8 December 2021 and signed on its behalf by:



The Very Reverend Dianna Gwilliams
Chair of Trustees



Paul Kennedy
Accounting Officer

THE GOOD SHEPHERD TRUST

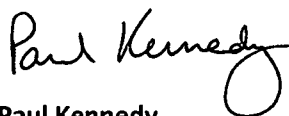
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

For the year ended 31 August 2021

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 all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust board of directors are able to identify any material irregular or 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 2020.

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



Paul Kennedy

Chief Executive and Accounting Officer

17 December 2021

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

Opinion

We have audited the financial statements of The Good Shepherd Trust ("the 'Academy Trust'") for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021 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 Academy Trust's affairs at 31 August 2021 and of its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not

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

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report including the incorporated Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the incorporated Strategic 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 by the Academy Trust, 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement set out on pages 14-15, the Governors 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 Governors 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 Governors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy Trust 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)**

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Trust and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the funding agreement with the Department of Education, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

We evaluated the Governors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Governors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Governors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

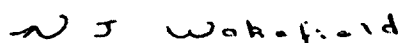
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

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

Use of the audit report

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



Nicola Wakefield (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road
Sutton, Surrey SM1 4FS

21 December 2021

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

In accordance with the terms of our engagement letter dated 19 November 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, 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 1 September 2020 to 31 August 2021 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 work, for this report, or for the conclusion 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 2020, 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;

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

- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

**Mazars LLP, Reporting Accountant
Statutory Auditors**

**6 Sutton Plaza, Sutton Court Road
Sutton, Surrey SM1 4FS**

21 December 2021

THE GOOD SHEPHERD TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2021

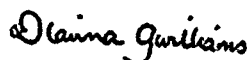
		2021 Unrestrict- ed funds	2021 Restricted funds	2021 Restricted fixed asset funds	2021 Total	2020 Unrestricted funds	2020 Restricted funds	2020 Restricted fixed asset funds	2020 Total
	Note	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Income and endowments from									
Donations and capital grants	3	391	1,825	-	2,216	303	1,979	-	2,282
Transfer from local authority on conversion	2	-	-	-	-	-	-	-	-
Charitable activities									
Funding for the Trust's educational operations	4	247	25,612	-	25,859	841	24,548	-	25,389
Other trading activities	5	162	281	-	443	540	26	-	566
Investment income	6	1	-	-	1	3	-	-	3
Total		801	27,718	-	28,519	1,687	26,553	-	28,240
Expenditure on									
Charitable activities:									
Trust's educational operations	7, 9	536	29,464	115	30,115	994	28,387	112	29,381
Total		536	29,464	115	30,115	1,163	28,106	112	29,381
Net income/(expenditure)		265	(1,746)	(115)	(1,596)	524	(1,553)	(112)	(1,141)
Transfers between funds	14	(270)	270	-	-	(316)	316	-	-
Other recognised gains									
Actuarial losses on defined benefit pension scheme	26	-	(2,320)	-	(2,320)	-	(1,731)	-	(1,731)
Net movement in funds		(5)	(3,796)	(115)	(3,916)	208	(2,968)	(112)	(2,872)
Total funds/deficit at 31 August 2020		1,936	(10,762)	8,871	45	1,728	(7,794)	8,983	2,917
Total funds/deficit at 31 August 2021	20	1,931	(14,558)	8,756	(3,871)	1,936	(10,762)	8,871	45

All income and expenditure derived from continuing activities. The notes on pages 31 to 51 form part of these financial statements.

BALANCE SHEET
As at 31 August 2021

	Notes	2021 £,000	2020 £,000
Fixed assets			
Tangible fixed assets	15	9,322	9,512
Current assets			
Debtors	16	920	1,038
Cash at bank		5,497	5,343
		<u>6,417</u>	<u>6,381</u>
Creditors: amounts falling due within one year	17	<u>(2,299)</u>	<u>(2,522)</u>
Net current assets		<u>4,118</u>	<u>3,859</u>
Total assets less current liabilities		<u>13,440</u>	<u>13,371</u>
Creditors: amounts falling due after more than one year	18	<u>(10)</u>	<u>(17)</u>
		<u>13,430</u>	<u>13,354</u>
Pension scheme liability	26	<u>(17,301)</u>	<u>(13,309)</u>
Net (liabilities)/assets including pension liability		<u><u>(3,871)</u></u>	<u><u>45</u></u>
The funds of the charity			
Restricted funds			
Restricted income funds		1,914	1,607
Fixed asset fund		8,756	8,871
General fund		829	940
Pension reserve	26	(17,301)	(13,309)
Unrestricted income funds:			
General funds		1,517	1,427
School funds		414	509
Total funds	19	<u><u>(3,871)</u></u>	<u><u>45</u></u>

These financial statements were approved by the Board of Directors and authorised for issue on 8 December 2021, and signed on their behalf by:



The Very Reverend Dianna Gwilliams
Chair of Trustees

December 2021

The notes on pages 31 to 51 form part of these financial statements.

THE GOOD SHEPHERD TRUST

CASH FLOW STATEMENT

For the year ended 31 August 2021

	Notes	2021 £,000	2020 £,000
Cash flows from operating activities			
Net cash from operating activities	22	173	1,171
Cash flows from investing activities	23	(20)	(135)
Cash flows from financing activities	24	1	3
Change in cash and cash equivalents in the period		154	1,039
Cash and cash equivalents at 1 September 2020	25	5,343	4,304
Cash and cash equivalents at 31 August 2021		<u>5,497</u>	<u>5,343</u>

The notes to this statement are on page 47.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

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, 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 2020 to 2021 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.

e) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

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 expenditure is 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 £10,000 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 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 2020 to 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

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) **Leasehold improvements and fixtures and fittings** are depreciated on a straight line basis over the estimated useful life of the asset
 - 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 26, 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 to the current rate of return on a high quality corporate bond of equivalent term and currency to the

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 2021 £,000	Total 2020 £,000
Donations	46	-	-	46	10
Grants	345	-	-	345	295
Capital grants - ESFA	-	1,825	-	1,825	1,977
	<u>391</u>	<u>1,825</u>	<u>-</u>	<u>2,216</u>	<u>2,282</u>

In 2020, of the total donations and capital grants, £303,000 was for unrestricted funds and £1,979,000 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.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

4 FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2021 £,000	Total 2020 £,000
DfE/ESFA grants				
General Annual Grant (GAG)	-	21,778	21,778	20,771
Start-up Grants	-	-	-	-
Transition Grants	-	-	-	-
Pupil premium	-	924	924	945
Other DfE/ESFA grants	-	975	975	846
	-	23,677	23,677	22,562
Other Government grants				
Local authority revenue grants	-	1,606	1,606	1,567
	-	1,606	1,606	1,567
Exceptional Government funding				
Coronavirus exceptional support	-	-	-	11
Coronavirus Job Retention Scheme	-	18	18	35
	-	18	18	46
Other income				
RPA insurance receipts	-	81	81	100
Other income	247	230	477	1,114
	247	311	558	1,214
	247	25,612	25,859	25,389

The academy trust furloughed staff under the government's Coronavirus Job Retention Scheme between January and March 2021. The £18,000 received relates to extended care staff costs, included in note 10 below.

In 2020, of the total funding for the Trust's educational operations, £841,000 was to unrestricted funds (all classified as "other income") and £24,548,000 was to restricted funds.

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2021 £,000	Total 2020 £,000
Hire of facilities	162	2	164	216
Other	-	279	279	350
	162	281	443	566

In 2020, of the total other trading activities, £540,000 was for unrestricted funds and £26,000 was for restricted funds.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

6 INVESTMENT INCOME

	Unrestricted Funds £,000	Restricted Funds £,000	Total 2021 £,000	Total 2020 £,000
Interest receivable	-	1	1	3
	-	1	1	3

In 2020, the total investment income of £1,000 was for unrestricted funds.

7 EXPENDITURE

	Staff Costs £,000	Non Pay Premises £,000	Expenditure Other costs £,000	Total 2021 £,000	Total 2020 £,000
Academy's educational operations					
- Direct costs	17,565	-	2,262	19,827	19,206
- Allocated support costs	3,555	3,305	3,428	10,288	10,175
	21,120	3,305	5,690	30,115	29,381

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

	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
	20,020	3,331	6,029	29,381	26,298

	2021 £,000	2020 £,000
Operating leases	44	59
Depreciation	210	255
Fees payable to auditor – audit	26	25
- other services	3	6

No ex-gratia payments were made during the year.

8 ANALYSIS OF GRANT EXPENDITURE

	Unrestricted funds £,000	Restricted funds £,000	Total 2021 £,000	Total 2020 £,000
Improvements to diocesan property occupied by the academy trust	-	1,548	1,548	1,711
	-	1,548	1,548	1,711

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

9 CHARITABLE ACTIVITIES – TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds 2021 £,000	Restricted Funds 2021 £,000	Total 2021 £,000	Unrestricted Funds 2020 £,000	Restricted Funds 2020 £,000	Total 2020 £,000
Direct costs						
Teaching and educational support staff costs	-	17,565	17,565	-	16,956	16,956
Technology costs	-	664	664	-	355	355
Educational supplies	19	573	592	17	608	625
Staff development	-	127	127	-	146	146
Educational consultancy	-	397	397	-	330	330
Trips and visits	442	-	442	774	20	794
Other direct costs	-	40	40	-	-	-
	<u>461</u>	<u>19,366</u>	<u>19,827</u>	<u>791</u>	<u>18,415</u>	<u>19,206</u>
Allocated support costs						
Support staff costs	24	3,531	3,555	203	2,861	3,064
Depreciation	-	210	210	-	255	255
Technology costs	-	116	116	-	262	262
Recruitment and support	-	274	274	-	380	380
Maintenance of premises and equipment	-	2,115	2,115	-	2,257	2,257
Cleaning	-	514	514	-	414	414
Rates	-	138	138	-	133	133
Energy	-	361	361	-	357	357
Water	-	86	86	-	80	80
Insurance	-	89	89	-	90	90
Catering	-	717	717	-	611	611
Pension finance costs	-	1,672	1,672	-	1,636	1,636
Other support costs	51	287	338	168	393	561
Legal and professional fees	-	43	43	-	17	17
Auditor's remuneration						
- audit of financial statements	-	26	26	-	25	25
- other services	-	3	3	-	6	6
Trustees reimbursed expenses	-	1	1	-	2	2
Other governance costs	-	30	30	-	25	25
	<u>75</u>	<u>10,213</u>	<u>10,288</u>	<u>371</u>	<u>9,804</u>	<u>10,175</u>
	<u>536</u>	<u>29,579</u>	<u>30,115</u>	<u>1,162</u>	<u>28,219</u>	<u>29,381</u>

10 STAFF

a) Staff Costs	2021	2020
Staff costs during the period were:	£,000	£,000
Wages and salaries	15,778	14,920
Social security costs	1,389	1,282
Operating costs of defined benefit pensions schemes	3,461	3,204
	<u>20,628</u>	<u>19,406</u>
Supply staff costs	464	614
Staff restructuring costs	28	44
	<u>21,120</u>	<u>20,064</u>

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

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

Included in staff costs are non-statutory/non-contractual severance payment totalling £27,605, comprised of individual payments of £11,933, £7,840 and £7,831 respectively (2020 total: £44,000).

c) Staff numbers

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

	2021 No.	2020 No.
Charitable activities		
Teachers	300	249
Education Support	355	367
Administration and support	92	95
Trust Management	7	6
Total	754	717

d) Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	9	5
£70,001 - £80,000	3	3
£80,001 - £90,000	7	6
£120,000 - £130,000	1	0

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:

	2021 £,000	2020 £,000
Senior leadership team	843	582
Head teachers	1,250	1,336

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 £751 (2020: £1,565).

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

- The Guildford Diocesan Board of Education (GDBE) is the sponsor in cases where Church of England voluntary aided or voluntary controlled schools are required to convert to academy status. The GDBE is constituted under the Diocesan Boards of Education Measure 1991 and is not an incorporated body, but conducts all its business through the Guildford Diocesan Board of Finance (GDBF) (a company limited by guarantee and a registered charity) and the GDBF's trading subsidiary, Guildford Diocesan Services Limited.
- The Guildford Diocese Educational Trust (GDET) is a company limited by guarantee and a charity, set up to be the incorporated sub-committee of the GDBE dealing with church academies in the Diocese of Guildford (an "umbrella" trust). It has no financial transactions. GDET is a corporate member of the Good Shepherd Trust and appoints other members of the Good Shepherd Trust.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

- c) At the balance sheet date the GDBF held on behalf of the Trust an unexpended balance of £nil (2020: £206,180) and a liability of £88,541 to the GDBF (2020: £nil).
- d) Guildford Diocesan Services Limited is the wholly owned trading subsidiary of the GDBF. During the year the Trust paid £38,339 (2020: £64,207) to GDSL for property services and education services at cost, and £nil was outstanding at the year-end (2020: £31,352).

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".

	2021 £,000	2020 £,000
The actual amounts charged during the year were as follows:		
The Holme Church of England Primary School, Headley	34	33
St John's Church of England Primary School, Dorking	65	62
St Mary's Church of England Primary School, Chiddingfold	48	45
St Paul's Church of England Primary School, Addlestone	87	85
Ashley Church of England Primary School, Walton-on-Thames	128	111
Queen Eleanor's Church of England Junior School, Guildford	75	73
The Weald Church of England Primary School, Beare Green	53	61
Christ's College, Guildford	228	221
Waverley Abbey Church of England Junior School, Tilford	99	97
St Andrew's Church of England Infant School, Farnham	-	18
Farnborough Grange Nursery/Infant Community School	51	49
Potters Gate Church of England Primary School, Farnham	114	85
Surrey Hills All Saints Primary School, Dorking	50	56
Ottershaw Infants and Junior Schools, Ottershaw	90	89
St Mark and All Saints Primary School, Godalming	31	30
	<u>1,153</u>	<u>1,116</u>

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

14 FUND TRANSFERS

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2021	Total 2020
	£,000	£,000	£,000	£,000	£,000
From unrestricted funds to GAG funds to cover a deficit	(270)	270	-	-	-
From transition funds to GAG fund	-	-	-	-	(120)
to cover expenses met by GAG fund	-	-	-	-	120
From DFC fund to capital fund	-	-	(55)	-	-
to fund capital projects	-	-	55	-	-
From LGPS reserve to GAG funds to offset the net cost of contributions	-	1,672	-	-	1,636
	-	(1,672)	-	-	(1,636)
	(270)	270	-	-	-

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.

	Leasehold land and buildings	Leasehold improvements	Furniture And equipment	Computer Equipment	Total
	£,000	£,000	£,000	£,000	£,000
Cost					
At 1 September 2020	9,291	444	831	145	10,711
Additions	-	20	-	-	20
At 31 August 2021	9,291	464	831	145	10,731
Depreciation					
At 1 September 2020	460	186	408	145	1,199
Charged in year	104	35	71	-	210
At 31 August 2021	564	221	479	145	1,409
Net Book Value					
At 31 August 2021	8,727	243	352	-	9,322
At 31 August 2020	8,831	258	423	-	9,512

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

16 DEBTORS

	2021	2020
	£,000	£,000
Trade debtors	39	11
Funds deposited with GDBF for capital projects	-	195
Prepayments	384	155
Accrued income	232	399
VAT refundable	265	278
Other debtors	-	-
	<u>920</u>	<u>1,038</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£,000	£,000
Trade creditors	593	459
Taxation and social security	343	306
Other creditors	92	2
Accrued expenses	249	762
Deferred income	605	629
Pension contributions	410	357
Loans	7	7
	<u>2,299</u>	<u>2,522</u>

Deferred income	2021	2020
	£,000	£,000
Deferred income at 1 September 2020	629	474
Released from previous years	(629)	(474)
Resources deferred in the year	605	629
	<u>605</u>	<u>629</u>
Deferred income at 31 August 2021	<u>605</u>	<u>629</u>

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£,000	£,000
Loan	<u>10</u>	<u>17</u>
Loan repayment instalments are due as follows:		
Between one and two years	7	7
Between two and five years	3	10
	<u>10</u>	<u>17</u>

There were three loans outstanding at 31 August 2021 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.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

19 FUNDS

	Balance at 31 August 2020 £,000	Income £,000	Expenditure £,000	Gains, Losses and Transfers £,000	Balance at 31 August 2021 £,000
Restricted general funds					
General annual grant GAG	940	25,784	(27,782)	1,887	829
Pre-opening grants	-	-	-	-	-
Pension scheme reserve	(13,309)	-	(2,320)	(1,672)	(17,301)
	(12,369)	25,784	(30,102)	215	(16,472)
Restricted fixed assets funds					
Transfer on conversion	8,871	-	(115)	-	8,756
DfE/ESFA capital grants	1,607	1,934	(1,682)	55	1,914
Other capital funds	-	-	-	-	-
	10,478	1,934	(1,797)	55	10,670
Total restricted funds	(1,891)	27,718	(31,899)	270	(5,802)
Unrestricted funds	1,936	801	(536)	(270)	1,931
Total funds	45	28,519	(32,435)	-	(3,871)

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

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

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

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

Restricted general funds

- a) general annual grant: for educational purposes in the Trust's academies, as specified in ESFA funding agreements.
- b) 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.
- c) other ESFA grants: in accordance with the terms and conditions of the grant, eg. sponsor capacity grant
- d) 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

- a) 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.
- b) 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.
- c) 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.

Both the restricted general funds (derived from the general annual grant which has yet to be spent for educational purposes in the Trust's schools) and the unrestricted funds (in their entirety) are held and managed as Trust-wide resources and may be used for any educational or general purpose respectively, as designated by the Directors for any subset of those educational or general purposes, including for example at any of the Trust's schools or for shared services.

Figures showing these funds against a particular school are for historical information/comparison.

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

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 28. 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:

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

	2021 £,000	2020 £,000
General annual grant		
The Holme	(69)	(30)
St Mary's	24	(37)
St Paul's	(17)	-
Ashley	29	-
Queen Eleanor's	31	22
The Weald	(243)	(190)
Christ's College	477	411
Waverley Abbey	432	335
St Andrew's	-	90
Farnborough Grange	177	49
Potters Gate	48	-
Surrey Hills All Saints	(110)	8
Ottershaw Infants and Junior	394	394
St Mark and All Saints	(1)	23
General funds	(343)	(135)
	<hr/> 829	<hr/> 940
ESFA capital grants	2021 £,000	2020 £,000
The Holme	137	117
St John's	66	(28)
St Mary's	95	65
St Paul's	88	105
Ashley	20	59
Queen Eleanor's	42	21
The Weald	203	212
Christ's College	110	43
Waverley Abbey	109	211
St Andrew's	-	56
Farnborough Grange	221	181
Potters Gate	95	12
Surrey Hills	44	28
Ottershaw Infants and Junior	360	194
St Mark and All Saints	18	12
Unallocated central capital grants	306	319
	<hr/> 1,914	<hr/> 1,607

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

	2021	2020
	£,000	£,000
Unrestricted funds		
St John's	134	97
St Paul's	287	287
Ashley	79	74
Queen Eleanor's	296	287
The Weald	-	-
Christ's College	253	272
Waverley Abbey	167	129
St Andrew's	-	47
Farnborough Grange	9	8
Potters Gate	195	148
Surrey Hills	12	12
Ottershaw Infants and Junior	76	59
St Mark and All Saints	14	13
Central services	(5)	(5)
	<hr/> 1,517 <hr/>	<hr/> 1,427 <hr/>
School fund accounts	2021	2020
	£,000	£,000
St Mary's	1	9
St Paul's	28	30
Ashley	120	111
Queen Eleanor's	18	19
The Weald	6	7
Christ's College	74	86
Waverley Abbey	94	184
St Andrew's	-	23
Potters Gate	59	26
Surrey Hills All Saints	7	8
Ottershaw Infants and Junior	8	6
St Mark and All saints	(1)	-
	<hr/> 414 <hr/>	<hr/> 509 <hr/>
Restricted fixed assets funds	8,756	8,871
Pension scheme reserve	(17,301)	(13,309)
Total funds	<hr/> (3,871) <hr/>	<hr/> 45 <hr/>

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £,000	Restricted General Funds £,000	Restricted Fixed assets Funds £,000	Total Funds £,000
Tangible fixed assets	-	566	8,756	9,322
Current assets	1,931	4,486	-	6,417
Current liabilities	-	(2,299)	-	(2,299)
Long term liabilities	-	(10)	-	(10)
Pension scheme liability	-	(17,301)	-	(17,301)
Total net assets	1,931	(14,558)	8,756	(3,871)

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	-	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)
Total net assets	1,936	(10,762)	8,871	45

21 FINANCIAL COMMITMENTS

Operating leases

At 31 August 2021 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £,000	2020 £,000
Amounts due within one year	42	53
Amounts due between one and five years	50	58
	92	111

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.

	2021 £,000	2020 £,000
Grant received but not yet allocated to projects	307	319
Expenditure approved but not yet contracted for	160	135
Expenditure contracted for but not yet incurred	350	108
	817	562

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

22 RECONCILIATION OF NET (EXPENDITURE) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021 £,000	2020 £,000
Net expenditure	(1,596)	(1,141)
Pension scheme costs recognised in excess of contributions	1,672	1,636
Depreciation (note 15)	210	255
Interest receivable	(1)	(3)
Cash transferred on conversion of schools	-	-
Decrease in debtors	118	438
Increase in creditors	(230)	(14)
Net cash inflow from operating activities	173	1,171

23 CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £,000	2020 £,000
Purchase of tangible fixed assets	20	135

24 CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £,000	2020 £,000
Interest received	1	3

25 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2020 £,000	Cash flows £,000	At 31 August 2021 £,000
Cash in hand and at bank	5,343	154	5,497

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.

The contributions outstanding at 31 August 2021, all relating to the month then ended, amounted to £410,000 (2020: £358,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

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 £2,218,000 (2020: £2,130,000).

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 2021 was £1,467,000 (2020: £1,339,000) of which employer's contributions totalled £1,133,000 (2020: £1,074,000) and employees' contributions totalled £334,000 (2020: £301,000). The agreed contribution rates for future years are between 18.0% 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 GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

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 2021</i>	<i>At 31 August 2020</i>
Rate of increase in salaries	3.8%	3.2%
Rate of increase for pensions in payment/inflation	2.9%	2.3%
Discount rate for scheme liabilities	1.7%	1.7%
Inflation assumption (CPI)	2.6%	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 2021</i>	<i>At 31 August 2020</i>
<i>Retiring today</i>		
Males	22.3	21.1
Females	24.7	24.3
<i>Retiring in 20 years</i>		
Males	23.4	22.9
Females	26.4	25.7

	<i>At 31 August 2021</i>	<i>At 31 August 2020</i>
Sensitivity analysis		
Discount rate +0.1%	(769)	(597)
Discount rate -0.1%	769	597
Mortality assumption – 1 year increase	(1,307)	(973)
Mortality assumption – 1 year decrease	1,307	973
CPI rate +0.1%	716	553
CPI rate -0.1%	(716)	(553)

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

	<i>Fair value at 31 August 2021</i>	<i>Fair value at 31 August 2020</i>
	<i>£,000</i>	<i>£,000</i>
Equity instruments	11,243	8,025
Debt instruments	2,501	1,976
Property	1,063	888
Other including cash	593	549
Total market value of assets	15,400	11,438

The actual return on scheme assets was £208,000 excluding gains/(losses) (2020: £201,000).

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

Amount recognised in the statement of financial activities

	2021	2020
	£,000	£,000
Current service cost (net of employee contributions)	2,570	2,207
Past service cost	-	5
Net interest cost	443	391
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(208)	(198)
Total operating charge	2,805	2,405

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

	2021	2020
	£,000	£,000
Valuation of defined benefit obligation at 1 September 2020	24,747	20,140
Transfers from local authority on conversion	-	-
Current service cost	2,570	2,617
Past service cost	-	5
Interest cost	443	397
Remeasurement (gains)/losses	4,771	1,429
Employee contributions	334	301
Benefits paid out	(164)	(142)
Valuation of defined benefit obligation at 31 August 2021	32,701	24,747

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

	2021	2020
	£,000	£,000
Valuation of the fair value of assets at 1 September 2020	11,438	10,198
Transfer of assets from the local authority	-	-
Interest income	208	201
Remeasurement gains/(losses)	144	144
Employee contributions	308	301
Employer contributions	1,133	1,038
Net benefits paid out	(164)	(142)
Net increase from disposals/acquisitions	2,451	(302)
Valuation of the fair value of assets at 31 August 2021	15,400	11,438

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.

THE GOOD SHEPHERD TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021 (continued)

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.