

Registration number: 09341374

The Good Shepherd Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 4 December 2014 to 31 August 2015

Dodd & Co Limited
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

The Good Shepherd Multi Academy Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 14
Governance Statement	15 to 18
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report on the Financial Statements	21 to 22
Independent Reporting Accountant's Assurance Report on Regularity	23 to 24
Statement of Financial Activities incorporating Income and Expenditure Account	25
Balance Sheet	26
Cash Flow Statement	27
Notes to the Financial Statements	28 to 51

The Good Shepherd Multi Academy Trust

Reference and Administrative Details

Trustees (Directors) M Mill (appointed 4 December 2014)

The Reverend Canon E M Smith, Chair (appointed 4 December 2014)

P J Freeman, Vice Chair (appointed 4 December 2014)

N Appleton (appointed 4 December 2014)

H J Clarke (appointed 18 June 2015)

S Fraser (appointed 4 December 2014)

W M M Rayner (appointed 4 December 2014)

M Regan (appointed 4 December 2014)

S Threlkeld-Brown (appointed 4 December 2014)

The Reverend P H Vivash (appointed 17 September 2015)

Members are disclosed on page 2 of the accounts

Company Secretary A Gerke

Senior Management Team M Mill, Accounting Officer

A Gerke, Business Manager

C Cunningham, Heversham St. Peter's C of E Primary School Head Teacher

Y Standing, Lazonby C of E School Head Teacher

Principal and Registered Office The Old Register Office
Friargate
PENRITH
CA11 7XR

Company Registration Number 09341374

Auditors Dodd & Co Limited
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Bankers CAF Bank
25 Kings Hill Avenue
Kings Hill
WEST MALLING
ME19 4TA

Lloyds Bank Plc
Penrith
5-6 King Street
PENRITH
CA11 7AP

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2015. The annual report serves the purposes of both a trustees report and a directors report under company law.

Structure, governance and management

Constitution

The Good Shepherd Multi Academy Trust (hereafter referred to as The Trust) is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The company was incorporated on 4 December 2014. The company registration number is 09341374.

The Trustees of The Good Shepherd Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

The Trust delivers its aims through working with the Local Governing Body of each of its schools. More details about them can be found in the governance section.

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.

As recommended good practice and in accordance with the company's Articles of Association, independent Members of the Trust were appointed as follows:

The Right Reverend J Newcome (in his capacity as The Lord Bishop of Carlisle)
Carlisle Diocesan Board of Finance (D Hurton is nominated by it for the purpose)
M Wilson (in his capacity as trustee of Carlisle Diocesan Board of Finance)
The Venerable K Roberts (in his capacity as Chairman of the Carlisle Diocesan Board of Education)
The Reverend Canon E M Smith (in her capacity as Chair of the Board of Trustees)
N Robson

Trustees' indemnities

The Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Trust purchased and maintained liability insurance for its Trustees through the RPA.

Principal activities

The Trust comprises of two small rural primary academy schools, Lazonby C of E School, which joined on 1 February 2015, and Heversham St Peter's C of E School, which joined on 1 June 2015, in the County of Cumbria.

Its academies have a combined pupil capacity of 189 and had a roll of 104 in the school census in October 2014.

Since the year end, a further two schools have joined the Trust. Braithwaite C of E Primary School, which joined on 1 September 2015, and Ambleside C of E School, which joined on 1 October 2015.

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Method of recruitment and appointment or election of Trustees

The members of The Trust appoint the Trustees. Up to three of the Trustees are appointed by the members from the Chairs of the Local Governing Bodies of the academies within the Trust.

There are two elements to the process for appointing Trustees. The process will take place in the three months prior to the Annual General Meeting of the Trust, apart from where Trustees are co-opted in which case it can take place at any time.

Potential new Trustees need to be nominated for appointment by a member, or in the case of the 3 Trustees who are chairs of Local Governing Bodies, they need to be nominated by a Local Governing Body. This is done using the Trustee Nomination Form. Co-opted Trustees need to be nominated by another Trustee and should the Board agree to the co-option then consent needs to be sought from the Diocesan Board of Education.

All potential Trustees will be asked to attend an informal meeting. This is to allow both the candidate and the organisation to understand more about each other. The outcome of this meeting will be reported back to the Board and discussed.

In making recommendations to the AGM for new Trustees, or agreeing co-option of Trustees, the Board will be mindful of the following:

- that a range and mix of skills are represented at Board level
- take account of any gaps in skills and experience at Board level
- to achieve a diverse Board that will reflect equality of opportunity

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Policies and procedures adopted for the induction and training of Trustees

The Board recognises that induction for new Trustees is essential in enabling them to become effective as soon as possible after taking up their role.

The Induction process has three parts:

Part 1 - Provision of key documentation to each new Trustee

The new Trustee will receive copies of key documents and information concerning the roles, responsibilities and practices of the Board (see below).

Part 2 - Meeting with the Chairperson and/or Chief Executive

The purpose of this meeting is for the new Trustee to have a briefing on the Trust and the work of the Board and its practices and procedures.

The Chairperson and/or CEO will provide a background to the role of Trustee and the responsibilities of this role. During the meeting the Chairperson and/or CEO will refer to the Governance Manual ensuring that the new Trustee understands the contents and any questions are addressed.

Part 3 - Introduction to the operational aspects of the organisation

The purpose of this activity is to provide the new Trustee with an understanding of the operational aspects of the Trust and the work of the staff team.

This will include:

- a tour of the premises operated by the organisation
- introduction to the staff team
- introduction to the health and safety procedures for the office

Induction Records

In order to support the induction process and to inform the Board monitoring process, an induction record form will be completed once the induction process has been undertaken in full. The dates of completion should be inserted by the new Trustee and kept for examination during the monitoring process.

Organisational structure

The decision making process is one of delegation of responsibilities. The Board of Trustees has overall responsibility for the Trust. It makes decisions on strategic areas of delivery, policy development and adoption, budget setting and due diligence. It delegates the day to day running of the central administrative functions of the Trust to the Acting CEO (who is also the Accounting Officer) and the Business Manager. It delegates the day to day running of the individual schools, through an agreed Scheme of Delegation which itemises where the responsibility for decision making lies between the Trust, to the Local Governing Body and Head Teacher of each school.

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Connected organisations, including related party relationships

The Diocese of Carlisle, through the Diocesan Board of Finance and The Diocesan Board of Education is the main connected party to the Trust. The Diocesan Board of Finance (DBF) is a registered company and charity and is responsible for transacting the financial business of the diocese and is also custodian trustee of many diocesan buildings including the two academies in the Trust. The DBF appoints two members, the Diocesan Board of Education appoints one member and the Bishop of Carlisle is named as another. Any additional members need to be approved by the Diocesan Board of Education. The Members act as the conscience of the Trust and it is the members' responsibility to appoint the directors/trustees.

In addition the Diocesan Board of Education appoints representatives from its Board to serve on each of the 3 sub committees of the Trust.

The Diocese of Carlisle supported the work of the Trust pre registration of the company and has allocated a two year grant towards central running costs. The Diocesan Director Of Education, Michael Mill, works as Acting CEO for the Trust part time, but paid for by the Diocese.

Central Trust Staff access IT facilities through the Diocesan network. The Diocese acted as host employer until February 2015 and since January 2015 the Trust has occupied a Diocesan building at £nil rent, but covering all running costs.

The Diocesan Board of Finance acts as Trustee for the Heversham Church of England Education Foundation which is a charity set up to promote the education of pupils attending Heversham Church of England Primary School. The Foundation makes an annual payment equivalent to the interest on the small endowment to the school.

The Local Governing Body of Lazonby C of E School maintains a "Governors Account" which is used to support education of the pupils and identified need.

Friends of Lazonby School is the Parent Teachers Association and fundraises and contributes towards identified expenditure at the request of the school.

Heversham Parent School Association fundraises and contributes towards identified expenditure at the request of the school.

Academies in the Trust work closely with local clusters of schools and within the County wide network known as the Cumbria Alliance of System Leaders (CASL) which is a company and charity. This supports joint working and support within schools and defined practices and structures to work with other schools and academies. The Trust is not formally represented on CASL but the Trust Acting CEO is formally a director but represents the interests of all diocesan schools and academies.

The Trust has a Conflict of Interest Policy which sets out how the Register of Interests works and the procedure for managing any conflict of interest in Board of Trustee meetings. The Trust maintains a risk register.

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Objectives and activities

Objects and aims

Objectives

The Company's object ("the Object") is specifically restricted to the following:

(a) 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, 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 ethos, whether or not designated Church of England.

(b) as ancillary to (a) and with the written agreement of the site trustees to promote for the benefit of the inhabitants of the areas served by the academies the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Aims

Our vision is driven by our belief that every child has a God-given right to educational excellence through high quality schooling. We will do this by:

- Making sure that we are an effective sponsor of those schools that need our support.
- Protecting each school's unique characters.
- Supporting and judging our academies not just on exam results but giving due consideration to their contexts - but also bringing challenge and not accepting complacency.
- Providing greater security for small schools.
- Providing a structure shaped by our Christian values that will allow like-minded schools to thrive.

We aim to be the multi academy trust of choice. We want not just church schools but others to see a secure future within our Trust.

- To be seen as an organisation with an attractive set of values, seen to be there for the common good of the schools who are part of the organisation. We want all members of the Trust to see a clear role and a part to play in the development of strategy and policy and within the governance structure.
- Schools will not stand still but there will be visible improvement.
- Schools within the Trust will have a more sustainable future as they enjoy flexibility in terms of structure and management and development of economies of scale.
- To be sustainable by September 2016 as an organisation.

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Objectives, strategies and activities

Every member of the Trust family of schools will be valued and encouraged to fulfil their potential.

In our Trust we believe:

- Everyone has something to offer
- Trust, honesty, empathy and social responsibility are the Christian values that frame our work
- We are here for the whole person, spiritually, morally, educationally and socially
- In working with transparency and openness

In order to achieve our aims we must complete the following:

- Provide a detailed financial model for schools so that they understand the financial implications of being part of the Trust on joining and potentially going forward.
- Execute the marketing plan.
- Monitor costs and expenditure carefully.
- Develop and maintain good relationships with stakeholders including The Diocese, local system leaders, the DfE and unions.
- Provide demonstrable support to schools and effective school improvement gains and added value.
- Enable effective targeted work across Trust schools to show the value of being part of the family.
- Provide clear communications within the organisation, including how and when decisions will be made and the development of policies that are fit for purpose.

The key activity will continue to set up business support that will enable schools to focus on their core business of being high achieving schools. This has included the need to recruit high quality staff and efficient systems underpinned by excellent business relationships between the Trust and its academies to be attractive to schools and be sustainable, the Trust must be able to develop and articulate a financial model. A sophisticated financial modelling tool has been developed to assess the impact of different cost models against the size of specific schools that will join. A key activity will be work closely with key stakeholders to promote appropriate governance models through local system leadership arrangements and with the Regional Schools' Commissioner.

The marketing plan has a series of activities with clear outcomes but also requires a significant level of input into meeting schools. However the key is for schools to see the success of the Trust in terms of the messages around the added value of the Trust and the level of additional support schools achieve and improved outcomes.

Public benefit

The Trust seeks to benefit the public through the pursuit of its stated aims, activities and ethos in order to promote high quality education.

Our Schools welcome pupils from all backgrounds and are inclusive and committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, gender, sexual orientation or disability.

Our Schools are committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Achievements and performance

Our two academies are high achieving and progress within the organisation will be measured in a number of ways but primarily through effective terms of reference for the committees and working towards clearly defined objectives with outcomes. This is supported in the data below, which demonstrates that the schools are operating above the national average.

In addition, the success of the Trust will depend upon the performance of individual schools and the regular monitoring of school progress will be crucial.

Progress will be measured through feedback. There should be a clear, open and transparent opportunity for employees at school and Trust level to be given the opportunity to feedback on how the Trust is working. In addition to this officers and directors will take opportunities to access informal feedback through their networks.

Percentage of Children Exceeding Expected Progress

Subject	Heversham	Lazonby	National Average
Reading	50%	56%	(33%)
Writing	30%	44%	(36%)
Maths	20%	44%	(34%)

Key Stage 1 (Year 2)

Subject		Heversham	Lazonby	National
Reading:	Level 2+	100%	91%	(90%)
	Level 2b+	100%	91%	(82%)
	Level 3	75%	45%	(32%)
Writing:	Level 2+	100%	91%	(88%)
	Level 2b+	75%	91%	(72%)
	Level 3	25%	18%	(18%)
Maths:	Level 2+	100%	91%	(93%)
	Level 2b+	100%	91%	(82%)
	Level 3	0%	18%	(26%)

Key Stage 2 (Year 6)

Subject	Heversham L4+ (National Average)	Heversham L5	Heversham L6	Lazonby L4+	Lazonby L5	Lazonby L6
Reading	100% (89%)	90% (48%)	0%(0%)	100% (89%)	78% (48)	0% (0%)
Writing	90% (87%)	30% (36%)	0% (2%)	100% (87%)	33% (36%)	0% (2%)
Maths	100% (87%)	40% (41%)	10% (9%)	100% (87%)	67% (41%)	11% (9%)
SPaG	80% (80%)	50% (55%)	0% (4%)	78% (80%)	56% (55%)	11% (4%)

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Subject	Heversham	Lazonby	National Average
At Least Expected Progress Reading	100%	100%	92%
At Least Expected Progress Writing	100%	100%	95%
At Least Expected Progress Maths	100%	100%	91%

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key non-financial performance indicators

Progress within the organisation will be measured in a number of ways but primarily through effective terms of reference for the committees and working towards clearly defined objectives with outcomes.

In addition, the success of the Trust will depend upon the performance of individual schools and the regular monitoring of school progress will be crucial. Each school will be visited on a termly basis and reports submitted to Trust meetings, in particular the assessment of the predicted outcomes for SATs results at year 2 and 6 although this will be more complex in the coming year with the move to assessment without levels. In particular this will be so when the Trust takes on its first sponsored academy. A system of monitoring meetings is in place and achievement is being assessed down to individual child level to ensure significant measurable progress is being made to improve exam outcomes.

There will be an expectation for former Church Schools within the Trust that SIAMS outcomes will be at least good. We also expect all our schools to be at least good and aspiring for outstanding within the OFSTED framework.

Progress will be measured through feedback. There should be a clear, open and transparent opportunity for employees at school and Trust level to be given the opportunity to feedback on how the Trust is working. In addition to this officers and directors will take opportunities to access informal feedback through their networks.

With a clear marketing strategy there will be feedback on this. Although recruitment has slowed informal feedback from the Office of the Regional Schools Commissioner suggests the structure, aims and objectives of the Trust are understood by schools. Although too early to tell we will be benchmarking employee issues such as recruitment and retention and staff satisfaction.

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Financial review

The main source of income into the schools within the Trust is the General Annual Grant (GAG) received from the Education Funding Agency. As shown within the accounts this has been fully spent within the year on the educational aims of the Trust. More about the activity of the Trust can be found elsewhere within the report.

The two years of support in setting up the Trust through the Primary Academy Chain Development Grant from the DfE and the Support Grant from the Diocese of Carlisle have been instrumental in getting the Trust started and the central support functions for the schools in place.

The income within the “activities for generating funds” includes a number of elements as follows:

- the wrap around care that the schools offer through the before and after school clubs that they run. These clubs offer parents flexible childcare options and help support the sustainability of pupil numbers in an era of falling roles.
- a number of fundraising activities are undertaken by the schools through their school shop and other services that they offer.

The income generated from all the activities is then used to support the educational aims of the Trust.

The income and support that each of the schools, and the Trust as a whole, receive through the work of their Parent Teacher Associations and the Local Governing Bodies is invaluable in the delivery of the organisations educational aims.

The pension deficit for the Local Government Pension Scheme inherited through the transfer of staff on TUPE from the schools is detailed within note 23. Whilst this has a negative impact on the balance sheet figures with the agreement of the Department for Education to underwrite any liability in the event of an academy closure, and the pension scheme continuing to operate and have members, the possibility of the liability crystallising is very remote.

Principal risks and uncertainties

The Board of Trustees operate a risk register that is reviewed and updated (if necessary) at each Board meeting. The risk register identifies those risks to which the Trust is exposed and details action taken to mitigate those risks.

One of the principal risks to the success of the Trust that has the most financial exposure is the failure to recruit enough schools to the Trust to enable it to become sustainable. With the priority and distinctiveness of the Trust being small rural primary schools the point at which the Trust becomes sustainable is difficult to define, since pupils equals income and schools equals cost.

The other principal risk defined by the Trust is the loss of key staff either as senior managers in the schools, or from the small central staff team.

The other potential risks that the Trust face are as follows:

- Loss of reputation
- Unable to demonstrate effectiveness of supporting schools
- Key stakeholders in the Diocese fail to support the trust
- Changes to school funding formulas, including Education Support Grants
- Increase in NI and Pension Contributions makes budgets unsustainable
- Not enough good or outstanding schools join to get the right balance
- External contractors are not effective
- Change in government policy affects schools joining the Trust

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Reserves policy

As a new small Multi Academy Trust, comprising for the purposes of this report two small rural primary schools, the opportunity to develop and invest reserves (unrestricted funds that is freely available to spend on any of the charities purposes) is limited. However as detailed in future plans in order to be sustainable the Trust needs to grow and take on more schools.

In setting a reserves policy the Trustees are mindful of the fact that they need to ensure continued delivery of the charitable aims whilst making sure that they have enough money set aside to deal with unforeseen circumstances and to support the Trust's development.

It is therefore the intention of the Trust in the longer term to achieve a level of reserves that would allow it to:

- Retain three/six months central operating costs
- Develop and explore innovative opportunities for educational excellence and enable sharing across the Trust
- Support employment scenarios that are difficult to manage within individual school budgets such as redundancy scenarios, long term sick issues
- Support emergency building works and development opportunities that are unsuccessful in obtaining EFA or other external funding but that are considered by the Trustees to be important projects for the sustainability of the school
- Offer targeted support for identified academic performance issues and enable intervention independent of the individual school budgets.

Individual schools will develop reserves within the budget setting to enable them to:

- Effectively manage pupil number fluctuations that impact on class sizes / arrangements that make amalgamating year groups difficult.
- Develop targeted support for identified pupils that do not receive additional funding
- Deliver small scale projects over a time period that is longer than an academic year through fundraising
- Fund unforeseen expenditure.

The reserves policy will be reviewed annually.

At the year end, the Trust held free reserves for Lazonby C of E School of £844 and centrally held a further £164. Heversham St. Peter's C of E Primary School had no free reserves at the period end, instead the school held a deficit of unrestricted reserves of £13,963. The schools overall deficit was £7,691 excluding capital grants. Within the overall deficit was surplus restricted funds of £6,128 and £144 for PE Grant and Trip income respectively. More details can be found in note 16.

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Investment policy

As detailed in The Articles of Association the Trustees have the following powers:

1) to deposit or invest any funds of the Company not immediately required for the furtherance of its object (but to invest only after obtaining such advice from a financial expert as the Directors consider necessary and having regard to the suitability of investments and the need for diversification);

2) to delegate the management of investments to a financial expert, but only on terms that:

(i) the investment policy is set down in writing for the financial expert by the Directors;

(ii) every transaction is reported promptly to the Directors;

(iii) the performance of the investments is reviewed regularly with the Directors;

(iv) the Directors are entitled to cancel the delegation arrangement at any time;

(v) the investment policy and the delegation arrangement are reviewed at least once a year;

(vi) all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Directors on receipt; and

(vii) the financial expert must not do anything outside the powers of the Directors;

3) to arrange for investments or other property of the Company to be held in the name of a nominee company acting under the control of the Directors or of a financial expert acting under their instructions, and to pay any reasonable fee required;

The Trust currently holds all its money as cash balances at the bank. The Trust uses CAF Bank (also known as Charities Aid Foundation Bank). The decision to use this bank was made for a number of reasons:

- CAF Bank only operates bank accounts for charities and not for profit organisations
- CAF Bank gifts any profits it makes from its operation to Charities Aid Foundation which supports individual charities and companies to make their money work harder for the benefit of the charitable sector as a whole
- CAF do not charge the Trust for having a bank account with them, other than for large number of cash or cheque deposits (which is standard across the industry)

As the Trust grows it is the intention of the Trustees to develop a wider investment policy, moving money into higher interest earning accounts and exploring additional options that are within its powers.

The investment policy will be renewed annually.

The Good Shepherd Multi Academy Trust

Trustees' Report for the period from 4 December 2014 to 31 August 2015

Plans for future periods

The overall strategy will be delivered through a series of work plans which provide clear milestones.

The key areas developed in this way are:

- Marketing and communications – develop relationships with stakeholders, promote the Trust
- Finance
- Monitoring current Trust budget and adapting budget as schools join and producing planning scenarios
- Clear expectations as to what is delivered centrally and what is delivered at school level, in other words what is the basic top slice and what are additional financial services, including payroll.
- Health and Safety and Safeguarding - managing and monitoring at Trust level and report writing so that all systems provide a secure environment for staff and pupils
- Auditing - school level procedures to ensure transparent system of budgeting and better budget allocation.
- Policy development including HR to ensure fairness and equity and also allow schools to focus on day to day running of the school
- School improvement - to ensure the new schools entering the Trust, one which requires improvement and the other which is under special measures, are judged to be 'solidly good' by the end of the next academic year and all pupils make expected progress

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the on 3 December 2015 and signed on its behalf by:

.....
M Mill
Trustee

.....
The Reverend Canon E M Smith
Trustee

The Good Shepherd Multi Academy Trust

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Good Shepherd Multi Academy 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 of Trustees has delegated the day-to-day responsibility to M Mill, 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 Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Mill	6	7
P J Freeman	6	7
N Appleton	6	7
H J Clarke	2	2
S Fraser	5	7
W M M Rayner	4	7
M Regan	3	4
The Reverend Canon E M Smith	6	7
S Threlkeld-Brown	4	7

The Board of Trustees comprised of 8 people on incorporation. Within the Memorandum and Articles of Association it is detailed that 3 directors will be appointed from the Chairs of Local Governing Bodies of the academies within the Trust. Therefore Jane Clarke joined as director when Heversham St Peter's C of E School converted in June and Rev Peter Vivash joined when Braithwaite C of E School converted in September. Rev Peter Vivash is not within the list above since it only relates to meetings held within the period of the accounts.

Since the Trust has been operating for less than a year, it has not yet carried out a governance review. However, it is the intention of the Trust to undertake a review on an annual basis that will evaluate the impact and effectiveness of the Board of Trustees and any actions taken.

The Good Shepherd Multi Academy Trust

Governance Statement

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. The purpose of the committee is to assist the Board and senior staff in the performance of their duties and in accordance with agreed delegations to determine, or to advise the Board with regard to:

- effective management of the organisations finances
- review and approval of annual budget and period and financial management accounts
- review of Audited Accounts
- review of internal audit and controls
- risk review and monitoring
- top slice retention and reserves policy
- approval of forward investment plans and capital expenditure
- review of significant contractual issues or authorisations
- compliance with Companies House and Charity Commission legislation
- Audit Committee functions as outlined by the EFA

It was agreed by The Board of Trustees to ask Gillian Troughton, who is a member of The Diocesan Board of Education, to join the committee. This has been actioned outside the period of the accounts.. Attendance at meetings during the period was as follows:

Trustee	Meetings attended	Out of a possible
The Reverend Canon E M Smith	2	2
W M M Rayner	2	2
M Mill	2	2

The Local Governing Body within each school operates as a sub committee of the Board of Trustees. The purpose of the Local Governing Body is to play a crucial role in both supporting and challenging, acting as critical friend to the schools senior leadership team. They are a vital component in demonstrating the effective leadership of the school and are a key part of the governance arrangements of the Trust.

The make up of the Local Governing Body and the delegation of responsibility is controlled by the Board of Trustees through a Scheme of Delegation which is reviewed and agreed each year. The Trust promotes the principle of "Supported Autonomy" and the Scheme of Delegation reflects the level of support each academy requires from the Trustees and the Trust as a whole.

Attendance at Local Governing Body meetings and sub group meetings by the members of those groups is monitored by the Trust and the individual schools. Membership of the Local Governing Bodies and attendance at meetings can be found via a link from the Trust website or on the individual school websites.

The Good Shepherd Multi Academy Trust

Governance Statement

Review of value for money

As Accounting Officer, M Mill has responsibility for ensuring that the 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 Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year as detailed below.

The Trust through the year has improved the use of resources to deliver better value for money. We undertook a procurement process to attain the best services we could. This included not only negotiating better price quotes from companies but also arrangements that secured savings and better value as school's joined.

Having directors with links to Cumbria University and Carmel Education Trust enables us to secure advice and good practise without having to buy it in.

The Diocese of Carlisle has a number of school effectiveness consultants. By using these consultants we have been able to ensure better value for money as we were able to access knowledge good practice from the local networks.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period ending 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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:

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

The Good Shepherd Multi Academy Trust

Governance Statement

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Dodd & Co Limited as internal auditor

The auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In the period of the accounts, one internal audit has taken place, the internal auditor reports were reviewed by the Board of Trustees and covered the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

There were no material control or other issues reported by the Board of Trustees to date.

Review of effectiveness

As Accounting Officer, M Mill 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 internal auditor ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Trust who have 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 Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 3 December 2015 and signed on its behalf by:

.....
M Mill
Trustee

.....
The Reverend Canon E M Smith
Trustee

The Good Shepherd Multi Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of The Good Shepherd Multi Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

.....
M Mill
Accounting officer

The Good Shepherd Multi Academy Trust

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board on 3 December 2015 and signed on its behalf by:

.....
M Mill
Trustee

.....
The Reverend Canon E M Smith
Trustee

The Good Shepherd Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the members of The Good Shepherd Multi Academy Trust

We have audited the financial statements of The Good Shepherd Multi Academy Trust for the period from 4 December 2014 to 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's Trustees 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 charity's Trustees 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 charitable company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 20), the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

The Good Shepherd Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the members of The Good Shepherd Multi Academy Trust

Matters on which we are required to report by exception

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

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

.....
Martin S Ward (Senior Statutory Auditor)
For and on behalf of Dodd & Co Limited, Statutory Auditor

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

3 December 2015

The Good Shepherd Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Good Shepherd Multi Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 10 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Good Shepherd Multi Academy Trust during the period 4 December 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Board of Trustees' accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated 29 January 2015 and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 from 4 December 2014 to 31 August 2015 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 Annual Accounts Direction issued by the Education Funding Agency. 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 Trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- enquiries of the accounting officer and reviewing the statement on regularity, propriety and compliance provided by the accounting officer
- investigating whether any special payments to staff have been made, including compromise agreements and severance pay
- reviewing transactions with related parties and ensuring the requirements of Part 3 'Delegated authorities' of the Handbook have been followed
- reviewing minutes of meetings to ensure sound governance is applied
- evaluation of the internal control procedures in place, including systems of delegation and authorisation
- evaluating systems of procurement and ensuring they adhere to the limits set by the academy and the EFA.

The Good Shepherd Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Good Shepherd Multi Academy Trust and the Education Funding Agency

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 from 4 December 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Martin S Ward

For and on behalf of Dodd & Co Limited, Chartered Accountants

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

3 December 2015

The Good Shepherd Multi Academy Trust

Statement of Financial Activities for the Period from 4 December 2014 to 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	4,995	4,701	-	9,696
Activities for generating funds	3	30,611	-	-	30,611
Investment income	4	7	-	-	7
<i>Incoming resources from charitable activities:</i>					
Funding for the Trust's educational operations	5	-	484,560	98,020	582,580
Total incoming resources		<u>35,613</u>	<u>489,261</u>	<u>98,020</u>	<u>622,894</u>
Resources expended					
<i>Charitable activities:</i>					
Trust's educational operations	7	8,916	360,402	-	369,318
Other resources expended	9	-	80,057	-	80,057
Governance costs	8	-	20,036	-	20,036
Total resources expended	6	<u>8,916</u>	<u>460,495</u>	<u>-</u>	<u>469,411</u>
Net incoming resources before transfers		26,697	28,766	98,020	153,483
Gross transfers between funds		<u>(39,652)</u>	<u>39,652</u>	<u>-</u>	<u>-</u>
Net (expenditure)/income for the period		(12,955)	68,418	98,020	153,483
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	13,000	-	13,000
Net movement in (deficit)/funds		<u>(12,955)</u>	<u>81,418</u>	<u>98,020</u>	<u>166,483</u>
Reconciliation of funds					
(Deficit)/funds carried forward at 31 August 2015		<u>(12,955)</u>	<u>81,418</u>	<u>98,020</u>	<u>166,483</u>

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

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The Good Shepherd Multi Academy Trust

(Registration number: 09341374)
Balance Sheet as at 31 August 2015

	Note	31 August 2015 £
Current assets		
Debtors	14	85,058
Cash at bank and in hand		<u>248,229</u>
		333,287
Creditors: Amounts falling due within one year	15	<u>(107,804)</u>
Total assets less current liabilities		<u>225,483</u>
Net assets excluding pension liability		225,483
Pension scheme liability	23	<u>(59,000)</u>
Net assets including pension liability		<u><u>166,483</u></u>
Funds of the Academy:		
Restricted funds		
Restricted general fund		81,418
Restricted fixed asset fund		<u>98,020</u>
		179,438
Unrestricted funds		
Unrestricted general fund		<u>(12,955)</u>
Total funds		<u><u>166,483</u></u>

The financial statements on pages 25 to 51 were approved by the Trustees, and authorised for issue on 3 December 2015 and signed on their behalf by:

.....
M Mill
Trustee

.....
The Reverend Canon E M Smith
Trustee

The Good Shepherd Multi Academy Trust

Cash Flow Statement for the Period from 4 December 2014 to 31 August 2015

	Note	31 August 2015 £
Net cash inflow from operating activities	19	225,330
Cash transferred on conversion into the Trust		22,892
Returns on investments and servicing of finance	20	<u>7</u>
Increase in cash in the period	21	<u><u>248,229</u></u>

Reconciliation of net cash flow to movement in net funds

Increase in cash in the period	248,229	-
Net funds at 4 December 2014	<u>-</u>	<u>-</u>
Net funds at 31 August 2015	<u><u>248,229</u></u>	<u><u>-</u></u>

All of the cash flows are derived from continuing operations during the above period.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Annual Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion to an academy

The conversion from a state maintained school into the Trust involves the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion into the Trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Good Shepherd Multi Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

1 Accounting policies (continued)

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Trust's policies.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. All resources expended are inclusive of irrecoverable VAT.

Support costs are those costs incurred directly in support of expenditure on the objects of the Trust.

Cost of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Trust's educational operations.

Governance costs

These include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees meetings and reimbursed expenses.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Land	Not depreciated
Buildings	50 years straight line basis
Fixtures and fittings	5 years straight line basis
ICT equipment	3 years straight line basis
Furniture and equipment	3 years straight line basis
Vehicles	3 years straight line basis

The school buildings used by the academies within the Trust are not owned by the Trust. No formal lease is in place, and no rent is due as part of an agreement with the custodian trustees. As such, no buildings are required to be capitalised in accordance with the Academies Accounts Direction 2014/15.

As no lease is in place for the buildings, the arrangement should be disclosed as a short term lease with a market value rent. The Trustees believe this to be £nil due to the restrictions on the buildings use, therefore no rent has been disclosed in the accounts.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

1 Accounting policies (continued)

Pension benefits

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

The LGPS is a funded scheme and the assets are held separately from those of the 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Educational trips and visits	-	4,701	4,701
Other donations	4,995	-	4,995
	<u>4,995</u>	<u>4,701</u>	<u>9,696</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

3 Activities for generating funds

	Unrestricted funds £	Total 2015 £
Catering income	8,005	8,005
School shop sales	2,625	2,625
School club income	10,657	10,657
Music services	3,257	3,257
Other sales	6,067	6,067
	<u>30,611</u>	<u>30,611</u>

4 Investment income

	Unrestricted funds £	Total 2015 £
Short term deposits	<u>7</u>	<u>7</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

5 Funding for Trust's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2015 £
DfE/EFA capital grants			
GAG Capital Funding	-	79,942	79,942
EFA Capital Maintenance	-	18,078	18,078
	-	98,020	98,020
DfE/EFA revenue grants			
GAG School Budget Share	218,279	-	218,279
GAG Pupil Premium	5,255	-	5,255
EFA Infant Meal Funding	7,524	-	7,524
GAG Education Services Grant	7,079	-	7,079
LEA Nursery Grant	11,093	-	11,093
EFA Start-up Grant	100,000	-	100,000
EFA Conversion Grants	108,822	-	108,822
	458,052	-	458,052
Other government grants			
Other Government Grants	4,954	-	4,954
Non-government grants and other income			
Start-up grant	21,554	-	21,554
Total grants	484,560	98,020	582,580

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2015 £
Trust's educational operations				
Direct costs	176,711	-	29,370	206,081
Allocated support costs	77,074	30,021	56,142	163,237
	253,785	30,021	85,512	369,318
Other resources expended				
Transfers from local authorities on conversion	-	-	80,057	80,057
Governance costs including allocated support costs	-	-	20,036	20,036
	253,785	30,021	185,605	469,411

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

6 Resources expended (continued)

Net incoming/outgoing resources for the period include:

	31 August 2015 £
Fees payable to auditor - audit	3,525
- other audit services	2,075
	2,075

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £
Direct costs			
Teaching and educational support staff costs	-	176,711	176,711
Educational supplies	678	23,511	24,189
Staff development	-	2,747	2,747
Educational consultancy	-	389	389
Other direct costs	-	2,045	2,045
	678	205,403	206,081
Allocated support costs			
Support staff costs	8,238	66,836	75,074
FRS 17 service cost adjustment	-	2,000	2,000
Maintenance of premises and equipment	-	10,244	10,244
Cleaning	-	2,115	2,115
Rent, rates and utilities	-	17,196	17,196
Insurance	-	466	466
IT and website costs	-	24,739	24,739
Recruitment and support	-	905	905
Security and transport	-	4,097	4,097
Catering	-	19,763	19,763
Bank interest and charges	-	172	172
Interest on defined benefit pension scheme	-	1,000	1,000
Professional fees	-	2,922	2,922
Printing, postage and stationery	-	2,530	2,530
Subscriptions	-	2	2
Other support costs	-	12	12
	8,238	154,999	163,237
	8,916	360,402	369,318

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

8 Governance costs

	Restricted funds	Total 2015
	£	£
Legal and professional fees	14,157	14,157
Auditors' remuneration		
Audit of financial statements	3,525	3,525
Other audit services	2,075	2,075
Trustees' reimbursed expenses	<u>279</u>	<u>279</u>
	<u><u>20,036</u></u>	<u><u>20,036</u></u>

9 Conversion to an academy

On 1 February 2015 Lazonby C of E School converted to an academy within the Trust under the Academies Act 2010 and all the operations assets and liabilities were transferred to The Good Shepherd Multi Academy Trust from the Cumbria County Council Local Authority for £Nil consideration. A total deficit on local authority funds of £4,876 was transferred.

On 1 June 2015 Heversham C of E School converted to an academy within the Trust under the Academies Act 2010 and all the operations assets and liabilities were transferred to The Good Shepherd Multi Academy Trust from the Cumbria County Council Local Authority for £Nil consideration. A total deficit on local authority funds of £6,181 was transferred, which included a surplus on restricted PE Grant funds of £6,592, leaving a deficit on general funds of £12,773.

Both the transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as other resources expended.

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

	Restricted general fund	Total
	£	£
Budget deficit on LA funds	(11,057)	(11,057)
LGPS pension deficit	<u>(69,000)</u>	<u>(69,000)</u>
Net liabilities	<u><u>(80,057)</u></u>	<u><u>(80,057)</u></u>

The above net liabilities include £22,892 that were transferred as cash.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

10 Staff costs

2015
£

Staff costs during the period were:

Wages and salaries	209,324
Social security costs	10,189
Pension costs	26,272
Supply teacher costs	6,000
FRS 17 service cost adjustment	2,000
	<hr/>
	253,785
	<hr/>

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

31 August
2015
No

Charitable Activities

Teachers	4
Administration and support	9
Management	2
	<hr/>
	15
	<hr/>

No employees were paid salaries in excess of £60,000 during the period.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

11 Central services

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

- Central co-ordinated HR Support through an external provider
- Central co-ordinated Payroll Administration including an external provider
- Central finance service and support
- School effectiveness monitoring
- Other ad hoc support needs as they arise
- Union facilitation fees

The Trust charges for these services on the following basis:

- School proportion of de-delegated budget less library services costs
- School proportion of ESG income
- Equivalent cost that school paid prior to conversion for Payroll, HR and Finance services

The actual amounts charged during the year were as follows:

	31 August 2015
	£
Heversham St. Peter's C of E Primary School	2,206
Lazonby C of E School	9,431
	<hr/>
	11,637
	<hr/> <hr/>

12 Trustees' remuneration and expenses

The Trustees did not receive any remuneration or payments, other than expenses, from the Trust in respect of their role as Trustees.

During the period ended 31 August 2015, travel and expenses totalling £279 were reimbursed to 2 Trustees.

Related party transactions involving the Trustees are set out in note 24.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

13 Trustees' and officers' insurance

In accordance with normal commercial practice the Trust protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The Trust therefore contributes into the Department for Education's risk protection arrangement which is a voluntary arrangement for academies. It is an alternative to insurance and covers among other things employers liability, public liability, buildings and contents as well as Trustees and officers. It operates as a risk pooling scheme through which the costs of risk that materialise will be covered by government funds.

The cover for Trustees and officers is for up to £5,000,000 on any one claim and the cost for the period ended 31 August 2015 is included in the total insurance cost.

14 Debtors

	31 August 2015
	£
Trade debtors	1,731
Prepayments	63,361
VAT recoverable	19,966
	<hr/>
	85,058
	<hr/> <hr/>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

15 Creditors: amounts falling due within one year

	31 August 2015
	£
Trade creditors	45,857
Other taxation and social security	5,750
Accruals	22,934
Deferred income	33,263
	<hr/>
	107,804
	<hr/>
	31 August 2015
	£
Resources deferred in the period	33,263
	<hr/>

At the balance sheet date the Trust was holding grants received in advance for 2015/16 for:

Heversham St. Peter's C of E Primary School: £5,105 Free School Meals Funding.

Lazonby C of E School: £8,801 Free School Meals Funding and £950 capital donation for the purchase of a climbing frame.

Braithwaite C of E Primary School (converted to academy and joined the Trust on 1 September 2015): £18,407 balance on Devolved Formula Capital fund held by Carlisle Diocesan Board of Finance prior to conversion.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

16 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
Restricted general funds				
General Annual Grant (GAG)	230,613	(252,616)	22,003	-
Start Up Grants	121,554	(66,492)	-	55,062
Conversion Grants	108,822	(29,873)	(14,809)	64,140
Other Government Grants	23,571	(23,437)	6,128	6,262
Other Restricted Funds	4,701	(16,077)	26,330	14,954
Pension deficit	-	(72,000)	13,000	(59,000)
	<u>489,261</u>	<u>(460,495)</u>	<u>52,652</u>	<u>81,418</u>
Restricted fixed asset funds				
DfE Capital Grants	79,942	-	-	79,942
EFA Capital Maintenance	18,078	-	-	18,078
	<u>98,020</u>	<u>-</u>	<u>-</u>	<u>98,020</u>
Total restricted funds	587,281	(460,495)	52,652	179,438
Unrestricted funds				
Unrestricted general funds	35,613	(8,916)	(39,652)	(12,955)
Total funds	<u>622,894</u>	<u>(469,411)</u>	<u>13,000</u>	<u>166,483</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

16 Funds (continued)

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

Purpose of general restricted funds:

General Annual Grant (GAG) funding must be used for normal running costs of the Academies. Under the funding agreements with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Start Up Grants includes a two year £100,000 Primary Academy Chain Development Grant which is only available for use by the Trust for the establishment and development of the Trust as a whole. A total of £44,938 resources expended were allocated against the grant during the period. Also included is a non-government start up grant of £21,554 from Carlisle Diocesan Board of Finance, which was spent fully during the period.

Conversion Grants includes the remaining balances of ring-fenced EFA funding transferred on conversion for both Heversham St. Peter's C of E Primary School and Lazonby C of E School, along with a conversion grant for Ambleside as a sponsored academy. Each grant received is restricted to cover costs directly incurred as a result of schools converting to an Academy and joining the Trust. In total, £19,471 remains unspent at the period end. Also included is an EFA support grant of £45,000 for Ambleside C of E School to contribute towards expenses incurred by the Trust facilitating school improvement at Ambleside, which joined the Trust 1 October 2015. £44,669 remains unspent at the period end.

Other Government Grants includes EFA PE Grants, Nursery Early Years Funding, Infant Meal Funding and Eden DC Apprentice Grant, all of which were receivable during the period. Other than PE Grants, which is available to carry forward to future periods, all funding was spent fully in the period.

Other restricted funds includes deficits on LA funds on conversion for both Heversham St. Peter's C of E Primary School and Lazonby C of E School. Both deficits were funded by GAG funding in accordance with the Academy Accounts Direction 2014/15. Also included is school trip income, of which £145 remains unspent during the period, and unspent Lazonby C of E School conversion grant of £14,809 which is able to be transferred and used for advancement of education.

The Trust's share of the Local Government Pension Scheme assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet.

Purposes of restricted fixed asset funds:

EFA Capital Maintenance includes the remaining balances of ring-fenced EFA capital funding transferred on conversion for both Heversham St. Peter's C of E Primary School and Lazonby C of E School, along with EFA capital funding receivable in the period.

DfE Capital Funding is restricted funding received for the improvement of the heating system at Lazonby C of E School. Initial professional costs have been incurred but prepaid until capital work begins in 2015/16.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

16 Funds (continued)

Transfers:

A transfer of £17,649 was made from General Annual Grant (GAG) to Other Restricted Funds to cover the deficit on LA funds transferred on conversion allowable to be funded from GAG. A £6,592 surplus on PE Grant Funds was part of the deficit on conversion which cannot be used to fund general LA deficit. The PE Grant surplus of £6,128, after deducting £464 spent during the year, was transferred from Other Restricted Funds to Other Government Grants to carry forward the PE Grant to future periods.

A transfer of £39,652 was made from Unrestricted Funds to General Annual Grant (GAG) to cover expenses incurred in excess of GAG funding received in the year for both Lazonby C of E School and Heversham St. Peter's C of E primary School.

A transfer of £14,809 was made from Conversion Grants to Other Restricted Funds to reallocate the remaining unspent conversion grant for Lazonby C of E School which is able to be retained by the school and used for the advancement of education in accordance with the funding agreement.

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Heversham St. Peter's C of E Primary School	(7,691)
Lazonby C of E School	15,788
Central services	<u>119,366</u>
Total before fixed assets and pension reserve	127,463
DfE Capital Grants	98,020
Pension scheme liability	<u>(59,000)</u>
Total	<u><u>166,483</u></u>

Heversham St. Peter's C of E Primary School is carrying a net deficit of £7,691 on these funds because:

The school converted on 1st June with a deficit and, due to the short timescale, were not able to alter that position prior to conversion.

The Trust is taking the following action to return the academy to surplus:

The school and the Local Governing Body have put in place a recovery plan for the 2016/17 academic year which will aim to pay off the deficit within the year. This will come about due to a reduction in staffing, a review of contracts and a fundraising target that the Local Governing Body have set.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

16 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
Heversham St. Peter's C of E Primary School	36,806	9,814	7,535	16,334	70,489
Lazonby C of E School	139,905	23,275	20,504	59,829	243,513
Central services	-	55,431	1,331	18,590	75,352
Trust	<u>176,711</u>	<u>88,520</u>	<u>29,370</u>	<u>94,753</u>	<u>389,354</u>

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Current assets	-	235,267	98,020	333,287
Current liabilities	(12,955)	(94,849)	-	(107,804)
Pension scheme liability	-	(59,000)	-	(59,000)
Total net assets	<u>(12,955)</u>	<u>81,418</u>	<u>98,020</u>	<u>166,483</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

18 Financial commitments

Operating leases

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

Operating leases which expire:

	31 August 2015 £
Other	
Within two to five years	<u>447</u>

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	31 August 2015 £
Net income	153,483
Cash transferred on conversion to an academy trust	(22,892)
Pension deficit transferred on conversion	69,000
Interest receivable	(7)
FRS 17 interest on defined benefit pension scheme	1,000
FRS17 service cost adjustment	2,000
Increase in debtors	(85,058)
Increase in creditors	<u>107,804</u>
Net cash inflow from operating activities	<u>225,330</u>

20 Returns on investments and servicing of finance

	31 August 2015 £
Interest received	<u>7</u>
Net cash inflow from returns on investments and servicing of finance	<u>7</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

21 Analysis of changes in net funds

	At 4 December 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	-	248,229	248,229

22 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.

23 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cumbria 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 was 31 March 2012 and of the LGPS 31 August 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

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.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

23 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at 31 March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £14,722.

A copy of the valuation report and supporting documentation is on the Teachers' Pension website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, 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.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £14,932, of which employer's contributions totalled £11,550 and employees' contributions totalled £3,382. The agreed contribution rates for future years is 15 per cent for employers.

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

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

23 Pension and similar obligations (continued)

Principal actuarial assumptions

**At 31 August
2015**
%

Rate of increase in salaries	3.70
Rate of increase for pensions in payment/inflation	2.20
Discount rate for scheme liabilities	4.00
Inflation assumptions (CPI)	<u>2.20</u>

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

**At 31 August
2015**

Retiring today

Males retiring today	23.00
Females retiring today	25.60

Retiring in 20 years

Males retiring in 20 years	25.80
Females retiring in 20 years	<u>28.80</u>

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

**At 31 August
2015**
£

Equities	7,000
Government bonds	3,000
Other bonds	1,000
Property	2,000
Other	<u>1,000</u>
Total market value of assets	14,000
Present value of scheme liabilities - funded	<u>(73,000)</u>
Deficit in the scheme	<u><u>(59,000)</u></u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

23 Pension and similar obligations (continued)

The expected rates of return were:

	At 31 August 2015
	%
Equities	6.50
Government bonds	2.50
Other bonds	3.60
Property	6.10
Cash	<u>.50</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £Nil.

Amounts recognised in the statement of financial activities

	31 August 2015
	£
Current service cost	<u>(2,000)</u>
Total operating charge	<u>(2,000)</u>

Analysis of pension finance income/(costs)

	31 August 2015
	£
Interest on pension liabilities	<u>(1,000)</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is £13,000.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

23 Pension and similar obligations (continued)

Movements in the present value of defined benefit obligation

	31 August 2015
	£
Current service cost	13,000
Interest cost	1,000
Employee contributions	3,000
Actuarial gains	(13,000)
Pension deficits inherited on conversion	69,000
	<hr/>
At 31 August	<u>73,000</u>

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

	31 August 2015
	£
Employer contributions	11,000
Employee contributions	3,000
	<hr/>
At 31 August	<u>14,000</u>

The estimated value of employer contributions for next period is £22,000.

History of experience adjustments

Amounts for the current period are as follows:

	31 August 2015
	£
Present value of scheme liabilities	(73,000)
Fair value of scheme assets	14,000
	<hr/>
Deficit in the scheme	<u>(59,000)</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Period from 4 December 2014 to 31 August 2015

24 Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

During the period the Trust made the following related party transactions:

Carlisle Diocesan Board of Finance

(Member of Trust)

Carlisle Diocesan Board of Finance is custodian trustee for the school buildings which both Heversham St. Peter's C of E Primary School and Lazonby C of E School operate from. No formal lease is in place for the use of the buildings, and no rent is payable under the arrangement.

The Trust's central administration uses a building owned by Carlisle Diocesan Board of Finance. No formal lease is in place for the use of the building, and no rent is payable under the arrangement.

During the year Carlisle Diocesan Board of Finance incurred and recharged costs totalling £23,904 in setting up The Good Shepherd Multi Academy Trust.

Carlisle Diocesan Board of Finance also allocated up to £35,000 a year over two years towards the set up of the Trust and its initial running costs. Some of this money was used on set up costs prior to incorporation, with the remaining £21,554 from the first year's allocation being paid over to the Trust. At the balance sheet date the amount due to Carlisle Diocesan Board of Finance was £2,350.