

Registration number: 09341374

The Good Shepherd Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2017

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

The Good Shepherd Multi Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 26
Governance Statement	27 to 30
Statement on Regularity, Propriety and Compliance	31
Statement of Trustees' Responsibilities	32
Independent Auditor's Report on the Financial Statements	33 to 35
Independent Reporting Accountant's Assurance Report on Regularity	36 to 37
Statement of Financial Activities incorporating Income and Expenditure Account	38 to 39
Balance Sheet	40
Statement of Cash Flows	41
Notes to the Financial Statements	42 to 63

The Good Shepherd Multi Academy Trust

Reference and Administrative Details

Trustees (Directors)	The Reverend Canon E M Smith, Chair (resigned 31 December 2016) N Appleton, Chair P J Freeman, Vice Chair M Mill H J Clarke S Fraser (resigned 31 August 2017) W M M Rayner M Regan (resigned 5 May 2017) The Reverend P H Vivash (resigned 7 October 2016) N W Kingdon The Venerable Doctor R D Pratt (appointed 11 May 2017) C McClean (appointed 21 September 2017) S Hughes (appointed 21 September 2017) Members are disclosed on page 3 of the accounts
Company Secretary	A Gerke
Senior Management Team	M Mill, Accounting Officer A Gerke, Business Manager A Davies, Lazonby C of E School Head Teacher C Cunningham, Heversham St. Peter's C of E Primary School Head Teacher (resigned 31 December 2016) J Laker, Braithwaite C of E Primary School Head Teacher S Carrick, Ambleside C of E School Head Teacher S Edmondson, Heversham St. Peter's C of E Primary School Head Teacher (secondment from 1 January to 31 August 2017) O Harrison, Lorton C of E Primary School Head Teacher (from conversion on 1 March 2017)
Principal and Registered Office	19-24 Friargate PENRITH CA11 7XR
Company Registration Number	09341374
Auditors	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW

The Good Shepherd Multi Academy Trust

Reference and Administrative Details (continued)

Bankers

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

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

Cumberland Building Society
Lake Road
AMBLESIDE
LA22 0AD

Lloyds Bank Plc
50 Main Street
COCKERMOUTH
CA13 9LU

Cumberland Building Society
15 Middlegate
PENRITH
CA11 7PG

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operated five small rural primary academy schools during the year, Lazonby C of E School, which joined on 1 February 2015, Heversham St Peter's C of E School, which joined on 1 June 2015 and was closed on 31 August 2017, Braithwaite C of E Primary School which joined on 1 September 2015, Ambleside C of E School which joined on 1 October 2015 and Lorton School which joined on 1 March 2017. Its academies have a combined pupil capacity of 589 and had a roll of 332 in the school census in October 2016.

Since the year end Whitfield C of E Primary School has joined the Trust meaning at the date of this report the Trust comprises of five small rural academy schools.

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 (M Bonner is nominated by it for the purpose)
M Wilson (in his capacity as trustee of Carlisle Diocesan Board of Finance)
Andrew Towner (in his capacity as Chairman of the Carlisle Diocesan Board of Education) from 28th February 2017. This member position was previously vacant due to the resignation of The Venerable K Roberts on 17 April 2016.
The Reverend Canon E M Smith until 31 December 2016 and then N Appleton from 1 January 2017 (in their 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.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Method of recruitment and appointment or election of Trustees

The members of The Trust appoint the Trustees, apart from co-opted trustees who are agreed by the directors. Up to three Trustees are appointed by the members from the Chairs of the Local Governing Bodies of the academies within the Trust. Agreement of appointment of Trustees by the members can take place at the AGM or by email circulation between times, in which case a response is required from all members to ratify the appointment.

There are two elements to the process for appointing Trustees.

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

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 central 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.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

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.

Arrangements for setting pay and remuneration of key management personnel

The process for pay progression and salary levels for the head teachers is set out in the Teachers Pay Policy which is based on standard practice across schools and reflects the salary bands agreed at a national level by the unions.

The process for pay progression and salary levels for central Trust staff reflects standard practice used by Cumbria County Council, that has been adapted by the Trust to make it fit for purpose.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

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 four C of E 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 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. In the 16/17 academic year this is estimated to equate to donated services contribution of £27,900 by the Diocese to the Trust.

Central Trust Staff access IT facilities through the Diocesan network. In June 2016 the central Trust staff moved into the Diocesan Offices in Penrith. The Trust now pays a proportional at cost amount for desk space in the building.

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 who attended Heversham Church of England Primary School prior to its closure on 31 August 2017. The Foundation made an annual payment equivalent to the interest on the small endowment to the school.

Kelsick's Educational Foundation exists to provide financial support to individuals, schools and groups under the terms of the Will of Ambleside's greatest benefactor, John Kelsick, who bequeathed land in trust in 1723 to provide education for the young people of the town. The foundation gives an annual grant to support Ambleside C of E school and is also the landlord of both Millan's Park Playing Field and the school playground on the opposite side of Vicarage Road.

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

Friends of Lazonby School, Friends of Ambleside School, Friends of Braithwaite School, Friends of Lorton School and Heversham Parent School Association are the Parent Teachers Associations that fundraise on behalf of each of the schools and contribute towards requested identified expenditure.

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 central risk register and the LGB's maintain individual school risk registers.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

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

Mission, Vision and Values

Our mission as a Trust is to support learning in the communities of Cumbria and neighbouring areas by providing high-quality educational opportunities and resources for those communities through the operation of academies. We will do this in collaboration with other like-minded organisations and community groups.

Our core aim is to provide all children with excellent educational provision within a caring and supportive ethos that is rooted in Christian values. We believe that every child has a right to educational excellence through high quality schooling. The success of pupils, in the broadest sense, lies at the heart of what we do.

We also aim to promote the provision of facilities for wider learning including recreation or other leisure time occupation for the benefit of the inhabitants of the areas served by our academies. We do this in the interests of social welfare and with the object of improving the condition of life of these inhabitants.

Our vision for education is that everyone should be able to 'have life in all its fullness'. This requires educating for wisdom, knowledge and skills, educating for hope and aspiration, educating for community and living well together and educating for dignity and respect as described in the Church of England Vision for Education, 2016.

Our vision as an organisation is to be driven by Christian values. We seek to ensure all our values drive the operation of the Trust from strategic governance through to the minutiae of daily activities.

Each of our academies has its own distinctive statement of its vision and values but collectively we value

- trustworthiness, honesty and openness,
- humility, empathy and forgiveness,
- social responsibility, good stewardship and sacrificial service.

We believe everyone is important and everyone has something to contribute. We believe those outside our academies are as important as those within and we value collaboration and mutual support. We believe that we are on a shared journey and should be there for one another so that no one need feel isolated. We seek to be responsive and adaptable to the needs and aspirations of all who join us on this journey.

We believe education has both immediate and lifelong relevance and thus school is as much about making the most of childhood and adolescence as it is about preparing best for adulthood. We commit ourselves to both.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Objectives, strategies and activities

Composition, Governance and Structures

As our family grows we intend to build Learning Communities in which our academies work with one another, with other schools and academies and with other providers of formal and informal education in their areas. At the core of the Learning Communities will be one or more of our academies. We will allow our Trust governance structures to evolve and adapt in such a way as to support local decision-making, local accountability and local collaboration. This may involve a tier of governance between that of the Trust Board and the Local Governing Body of each individual academy. This will enable the Trust to continue to support learning flexibly across the region without becoming too cumbersome or too remote from local communities. The Learning Communities approach means that there is no need to limit the size of our Trust. Thus we can genuinely offer a home for any church schools in the diocese plus as many other schools as wish to join us and are happy to sign up to our values and ethos. We expect that larger primary and some secondary academies will join the family in due course. We recognise the diversity of Cumbria and the differing needs and contributions of academies related to their size, location and age phase and will ensure that our family is structured in a way that supports, values and empowers each one from the smallest village primary school to the largest urban secondary school. We will also seek opportunities to contribute to provision for those children and young people who have special educational needs through enhanced provision in mainstream academies and through specialist provision in special academies and alternative provision. This may involve setting up new academies through the Free Schools or other programmes and will involve partnerships and collaboration with other education providers.

Finance and Administration

We aim to be financially independent of the Diocese of Carlisle, self-supporting based on government recurrent funding plus conversion/sponsorship grants and sustainable due to reserves and additional income sources enabling us to navigate through challenging times and invest in more bountiful times. To achieve this we will need to increase in size by recruiting more schools, especially larger ones. The received wisdom is that a total of 3000 pupils are needed for full sustainability. We will be characterised as now by good stewardship that ensures resources are used to maximise the benefit to the pupils in our academies. Any reserves will be managed through prudent, low-risk and ethical investment. We will continue to improve the range and quality of services provided to our academies by the central service unit (and any distributed parts of that unit).

Educational Outcomes

The quality of our education provision must be judged by national statutory measures but also by our own mission and values. In particular, we must ensure we focus on 'life in all its fullness' and thus consider the full breadth of the curriculum and pupil development in the broadest sense. We will develop a detailed framework for reviewing the quality of all our provision together with the tools necessary to collect the evidence to inform and support the judgements we make. This will involve all stakeholders. In order to meet our aspirations for the best possible educational experience for the pupils in our academies we will need to invest in our workforce, including those who support and advise academy leaders. We will need to face the particular challenges faced by tiny rural schools in a harsh economic climate through structural, financial and social measures that provide the best opportunities for the continued provision of high-quality education in those communities.

Influence and Reputation

Through our partnerships with the Diocese, the University of Cumbria, other MATs and other bodies we will continue to be recognised as an innovative, research-informed, values-driven, leading multi-academy trust. In an imperfect educational world where the rules of engagement can be changed at very short notice through government intervention and policy shifts, we will remain well-informed of current educational thinking in all quarters and contribute to educational debate where the opportunity presents itself, be that at local, national or international level. Our staff will be happy, professionally well-developed and in demand for training and support to other MATs as we seek to share our growing expertise and experience with others for the overall benefit of learners everywhere. The parents of the children in our schools will be fully engaged and committed to the success of their school and the Trust and where appropriate we will draw on their expertise to further the work of the Trust and the development of Learning Communities.

We will seek to share our resources in ways that will benefit all within our communities. We will promote education and well-being for all and seek to ensure that within the Trust we have great schools at the heart of their communities.

The Good Shepherd Multi Academy Trust
Trustees' Report for the Year Ended 31 August 2017

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 Year Ended 31 August 2017

Strategic Report

Achievements and performance

During the academic year 2016 – 2017, there has been significant progress across our academies. Progress is measured in a number of ways but primarily through effective terms of reference for committees and by working towards clearly defined objectives and targets. This is supported in the data below, which demonstrates that the schools are performing well in most areas and that, in the Trust's third year, outcomes for our pupils have hugely improved overall.

The School Improvement Committee receives regular reports from the schools and consultants, enabling it to effectively monitor performance against agreed targets.

The success of the Trust depends upon the performance of its individual schools and the regular monitoring of school progress is crucial.

Progress is also measured through feedback. There is 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 particular through a clearly defined review process. In addition to this, officers and directors will take opportunities to access informal feedback through their networks.

How are outcomes measured nationally in the Primary KS2 SATs tests 2017

Attainment

This is the percentage of pupils in Year 6 achieving the 'expected standard' in English reading, English writing, grammar, punctuation, spelling and mathematics at the end of key stage 2.

Care must be exercised when interpreting percentages in the data that follows due to the small cohorts in our academies.

Scaled Scores

Children's results in each test are reported using a scaled score. A scaled score of 100 represents the expected standard for each test. If a child achieves a scaled score of 100 or more it means that the child is working at or above the expected standard in the subject. If a child achieves a scaled score of less than 100 it means that the child is working below the expected standard. The highest scaled score possible is 120, and the lowest is 80. The scaled scores are then converted to a progress score for each child by subtracting the child's predicted scaled score, based on prior attainment at KS1, from the child's actual scaled score. *A school's scaled score will be taken as an average of all the eligible pupils' scaled scores in the year group.*

Example:

	Predicted Scaled Score	Actual Scaled Score	Progress
Child "A"	102.45	97.00	-5.45
Child "Z"	101.97	106.00	+4.03
School Average	102.21	101.50	-0.71

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

Pupils' Average Progress

Progress scores are centred around 0, with most schools within the range of -5 to +5. A score of 0 means pupils in this school on average do about as well at KS2 as those with similar prior attainment nationally.

A positive score means pupils in that school, on average do better at KS2 as those with similar prior attainment nationally.

A negative score means pupils in that school, on average do worse at KS2 as those with similar prior attainment nationally. A negative score does not mean that pupils did not make any progress; rather it means they made less progress than other pupils nationally with similar starting points. For example, if a school has a maths score of -4 this would mean that on average pupils in this school achieved 4 scaled scores less than other pupils nationally with similar starting points.

Floor standard (It should be noted none of our Trust schools are below the floor standard.)

The floor standard is the minimum standard for pupil attainment and / or progress that the government expects schools to meet. No school will be confirmed as being below the floor until December 2017 when schools' performance tables are published. In 2017, a school will be above the floor if:

- at least 65% of pupils meet the expected standard in English reading, English writing and mathematics; or
- the school achieves sufficient progress scores in all three subjects: At least -5 in English reading, -5 in mathematics and -7 in English writing. To be above the floor, the school needs to meet either the attainment or the entire progress element.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

Key Stage 2 subject results 2017

(percentages are rounded; green indicates outcomes are at or above national average; red indicates outcomes are below national average)

	Reading, Writing & Maths at Least Expected Standard	Reading at Least Expected Standard	Writing at Least Expected Standard	Maths at Least Expected Standard	GPS at Least Expected Standard	Progress Reading	Progress Writing	Progress Maths
Ambleside Cohort: 11	45%	55%	73%	82%	64%	-3.5	-3.4	-3.1
Braithwaite Cohort: 9	67%	89%	78%	100%	89%	4.51	-1.87	1.17
Heversham Cohort: 3	67%	100%	67%	100%	100%	4.01	1.28	-0.68
Lazonby Cohort: 7	57%	71%	71%	71%	74%	1.95	-0.58	-2.67
Lorton Cohort: 11	73%	91%	82%	91%	91%	0.25	3.33	1.26
TGSMAT Cohort: 41	61%	78%	76%	88%	80%	0.78	-0.15	-0.29
Cumbria	61%	74%	70%	67%	70%	0	-0.1	-0.8
National	61%	72%	76%	75%	77%			
Difference TGSMAT/Nat.	0%	6%	0%	13%	3%			

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

Attainment at KS2 shows a positive picture with the majority of Trust schools performing at or above national averages in most areas, resulting in the Trust average being in line with or above national averages in every subject. The proportion of pupils in the Trust achieving at least age expectations is significantly above national average in both reading (+6%) and mathematics (+13%).

Average attainment for the Trust is also significantly higher than in the 2016 KS2 SATs; the proportion of pupils achieving at least the expected standard in mathematics rose by 29% in 2017; in writing there was an increase of 14% and in reading, 10%.

Progress, in all schools except Ambleside, is close to or above national expectations (see table below) and in reading, pupils at Braithwaite and Heversham made progress well above the national average; similarly pupils at Lorton made progress well above the national average in writing.

Key Stage 1 Subject Results 2017

(percentages are rounded; green indicates outcomes are at or above national average; red indicates outcomes are below national average)

	Reading at Least Age Expected Standard	Writing at Least Age Expected Standard	Maths at Least Age Expected Standard
Ambleside (Cohort: 10)	70%	70%	80%
Braithwaite (Cohort: 11)	82%	73%	91%
Heversham (Cohort: 3)	100%	100%	100%
Lazonby (Cohort: 14)	29%	21%	29%
Lorton (Cohort: 10)	80%	70%	60%
TGSMAT (Cohort: 48)	65%	58%	65%
Cumbria	73%	64%	73%
National	76%	68%	75%
Difference TGSMAT/National	-11%	-10%	-10%

Attainment at KS1 is at or above national average in almost all subjects across four of the five schools. The Trust average, however, is lower than national, due to the underperformance of one school, Lazonby, which had the largest cohort.

Individual School Performance

Ambleside C of E Primary School:

At KS2, the school's combined attainment figure of 45% is the same as in 2016, however in GPS, there was an improvement of 19% on 2016 and in mathematics the improvement was 27%. Writing was static at 73%, close to the national average.

The school's focus on GPS and mathematics has been very successful and in-school data shows that it is sustainable.

Reading results were not as high as predicted. This was due to historical underachievement which has now been addressed through changes in staffing and appropriate professional development. Progress for the 2017 cohort in reading was better during year 6 than in previous years, but not sufficient to redress the underachievement of previous years for a significant proportion of pupils.

The school has produced a thorough rapid improvement plan for reading and there is encouraging in-school data demonstrating widespread improvements in reading, resulting in accelerated progress already.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

KS1 results were close to or above national averages in all subjects.

Results for phonics and Early Years continue to be excellent.

Braithwaite C of E Primary School:

The school's rigorous focus on basic skills, underpinned by the introduction of "Building Learning Power" has clearly been very successful, with KS2 outcomes being at or above national averages in all areas. In-school data shows that these improvements are sustainable.

Improvements on 2016 are impressive, and reflect the school's very effective improvement planning.

In reading, there was an increase of 14%; in writing, 28%; in maths, 36% and in GPS, 25%.

The school recognises that there now needs to be a focus on ensuring that writing outcomes are as strong as in other subjects and this is a focus for the current academic year.

KS1 outcomes were also consistently above national averages, supporting a very positive picture of a hugely improved school.

Heversham St Peter's C of E Primary School:

Attainment and progress at KS2 was close to or above national averages but there was a very small cohort, so one child slightly underachieving had a significant effect on outcomes which would otherwise have been 100% as in 2016.

At KS1, 100% of the cohort achieved at least age expected outcomes.

Lazonby C of E Primary School:

Outcomes at KS2 were only slightly below national averages, and showed significant improvement on 2016. The proportion of children achieving the expected standard in reading rose by 15%; in writing there was a rise of 23%; in GPS there was a rise of 22% and in mathematics the improvement was 29%.

This was the results of a focused and effective school improvement strategy.

Outcomes at KS1 were below expected and below national averages. The following measures have therefore been put in place to ensure that this cohort of children show a rapid improvement over the coming year:

Reading: Children have been placed in more focused ability groups and those who are targeted will read daily to the teacher. There will be a focus on reading comprehension.

Writing: Individualised plans will be created for specific children needing additional support. Work will be better differentiated to support all children's learning. There will be appropriate challenge for higher ability children as well as increased opportunity for all children to write in other areas of the curriculum.

GPS: At the beginning of every English lesson children will complete 5-10 mins GPS work. Children will be placed in appropriate ability groups for spelling. There will be individual plans in place for specific children to support their learning. Also, additional GPS lessons will be added to the timetable.

Maths: Children will be taught in smaller ability groups and those who have fallen behind will be targeted for extra support. There will be weekly maths workshops and a focus on learning times tables in a fun way.

Lorton Primary School

Outcomes at KS2 were well above national averages in all subjects and progress scores in all subjects were also consistently positive. This represents a huge improvement on 2016 outcomes, notably in reading, which rose by 24% and writing which saw a rise of 49%.

At KS1, pupil outcomes were above national averages in reading and writing and below in mathematics. This is being addressed through a clear focus on mathematics in school improvement planning.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

School Annual Reports

In addition to the narrow range of national measures of attainment, we value children's development and achievements in the broadest sense through the richness of educational experiences our schools offer. The best way of giving context to the work of the Trust is therefore to highlight some of the activities undertaken in our four schools, so a report from each of them follows:

Ambleside C of E School

This year has seen the installation of an entirely new IT infrastructure in school. We now have up to the minute systems throughout the school that will support the education of the children not only in computing but in every subject of the curriculum. This has been funded by the grant that the school received on conversion to an academy as part of the Trust.

The children were treated to a fabulous music workshop run by the Cumbria Music Hub. Everyone had great fun solving the musical clues and joining in with percussion and singing to create a special orchestra for the day.

Our school council has been lucky enough to contribute towards the fantastic design for the new play park in Rothay Park, which was damaged in the floods. Our class representatives were brilliant at gathering the views of their classmates which were passed on to the SLDC.

We participated in National Outdoor Classroom Day and every child spent virtually the entire day outdoors, including registration, lessons and even assembly. We value learning in the outdoors highly and are always looking for ways to teach creatively in the school wildlife garden, the playgrounds and further afield.

We try to visit St Mary's Church as often as we can as part of our curriculum. The church is such a wonderful resource for lots of subjects, not just RE. This year activities have included:

- Art work based on the features of the Church,
- Participation in the 'Experience Harvest' event
- Involvement in the Experience Easter activities.

All the activities at the church are run by a host of wonderful volunteers to whom we are extremely grateful. We do so value community support.

We think it's important to educate the whole child and make sure that they grow as a confident, happy individual and not focus purely on the academic side of learning. We try to support our children by offering an engaging and stimulating curriculum, which requires them to develop vital life skills such as teamwork and perseverance and how to cope with difficult challenges and situations. Some of the activities over the year include:

- Children from years 1 to 6 delighted in watching a professional theatre performance about anti-bullying. It was a very powerful but entertaining way to engage the children in discussion about what can be a very tricky subject. The children in Key Stage 2 then went on to take part in a follow up workshop, exploring ways to deal with bullying and the effects it can have on children.
- World Book Day came around again and one of the highlights was the older children pairing up and reading to the younger ones.
- The Early Years children and years 1 and 2 took a trip on the boat to the Reading Festival at Wray Castle.
- Years 3 and 4 had a special day out at Tullie House in Carlisle as part of their topic on Egyptians.
- Years 3 to 6 took part in an archery day here in School. They had expert tuition and had a fabulous day of practice and challenges.
- Children from year 1 to year 6 had a fabulous day when Outdoor Education students from the University of Cumbria led activities and challenges with the classes.
- Children participated in the Rydal Mound Poetry Awards with two pupils from Ambleside receiving awards. The competition was open to pupils from across the county.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

Braithwaite C of E School:

During this year we have continued to focus on aspects of our school improvement work:

- Read Write Inc – building on the introduction of Read Write Inc Phonics in 2015/16 we introduced the spelling programme into Year 3 to 6 from September 2016.
- Early Years – following the investment in indoor provision the focus last year moved to outside and a project was started to transform the outdoor provision to reflect the new approach indoors. This work is to be completed in the Autumn term 2017.
- Building Learning Power – we have been particularly focusing on developing reasoning skills in our Building Learning Power work over this last year. This has particularly supported our work in maths as developing reasoning skills has boosted attainment in the area.

We have also been embedding the school's mission statement of 'Learning Together, Growing Together' through having times when the whole school or different ages worked together in mixed age groups. The first of these was just before Christmas when each class used their Building Learning Power skills to teach other pupils of different ages. We started to incorporate the first 6 of our 12 Christian values in Collective Worship with 'Trust' and 'Love' the focus values in the Autumn term, followed by 'Forgiveness' and 'Hope' with 'Friendship' and 'Thankfulness' in the summer term. A collective worship group has been one way we have tried to help pupils become more engaged with worship but a prayer space in St Herbert's Church in May was also great for helping pupils take an active role in prayer and worship.

Another big success has been the establishment of a model for before and after school clubs which should be sustainable and cover its costs. This has meant we are now able to provide a consistent child care offer to cover the hours from 8:00am to 5:30pm.

In addition a few other highlights of the year have been:

- Den day – held in June when the whole school had a day out near the theatre in Keswick to build dens, cook marshmallows over the campfire and make traps. We learnt about working together and about life in the Stone Age, thanks to National Trust's Roy who led the day. We also raised funds for Save the Children through the day.
- Year 5 & 6 climbing – in the summer term Year 5 & 6 pupils had a series of activities including a number of climbing sessions leading to an outdoor rock climb and ghyll scramble as well as visit to Jump Mania, all as part of the Outdoor and Adventurous strand of PE.
- Lots of other sporting and PE activities including weekly sports coaching and after school clubs, sports events in the Keswick Cluster, summer touch rugby coaching and cricket coaching, as well as a successful '100 mile challenge' and 'Bike to school' week, all designed to encourage pupils to be active and get fit.
- A range of visits and out of school activities including a fell walk, local visits to find out about rivers and ways that flooding is being prevented, visit to Eycott Hill nature reserve, tour of the nativity displays in Keswick and visit to the library and a rather cold 'Pirate Adventure' round Derwentwater.
- 'Hoodwinked': - whole school production of the story of Robin Hood which was enjoyed by everyone; Year 5 and 6 took the main parts but everyone from Reception to Year 6 was involved in some way.
- Training the school to be 'Dementia Friendly' – this involved a member of our Local Governing Body delivering training to staff, LGB members and pupils

We said some goodbyes over the year – including to Rev Peter Vivash and his wife, Mo, a loss to the school, church and village but also to the Local Governing Body. We said goodbye to Miss Monaghan and Mrs Jones, two of our Senior Teaching Assistants, at the end of the year; Miss Monaghan has taken up a place on a PGCE to train as a primary school teacher whilst Mrs Jones is taking early retirement. We also wished Mr Strachan our music teacher farewell at Easter. Miss Cowan joined us last year and successfully completed her level 3 Teaching Assistant Apprenticeship. In addition we welcomed a number of new members of the Local Governing Body who have strengthened our team and extended our expertise.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

Heversham St Peter's C of E School

After over 170 years, Heversham St Peter's C of E School closed at the end of the 2017 academic year. The changing character of the village meant that there were simply not enough local children to sustain it. The academic year 2016-17 was therefore a very special one. The pupils who attended for the full year were lucky to enjoy a year filled with joy, discovery and learning. Memories were recalled and shared and new ones made.

The school's strong links with St Peter's Church continued throughout the year with members coming into school and visits to the church, to celebrate key moments including a special Service of Thanksgiving to celebrate the life and history of the school.

Our link with Dallam for PE saw the children using their facilities and sports coaches and attending a variety of sports tournaments. The children also took swimming lessons for two terms and by Easter all of the children were able to swim at least 25m unaided. A great achievement for those who had never been swimming before September!

As part of our regular school activity the children took part in the following activities throughout the year:

- Year 6 pupils represented Heversham as part of the South Lakes "Pupil Parliament".
- Engaging in the "Sing Up" initiative where all the children learnt a variety of songs before joining together with schools from across the North West for a day of music and performance.
- All of the pupils took part in the "Swimsafe" programme and Lake Wardens' water safety course in Windermere, the Keswick Mountain Festival Triathlon.
- Learning more about the environment and conservation of the Hincaster Trailway; including making log bug hotels, bird boxes and clearing Himalayan balsam.
- There were many trips this years, some of the highlights included:
 - The whole school enjoyed the Pantomime in Lancaster.
 - A trip to Manchester by train to see the play 'Gangsta Granny' and visit the Museum of Science and industry.
 - A visit to the open farm day at Heaves Farm.
 - Year 2 and 3 enjoyed two trips to 'Sensory Stories' at Bleasdale School in Silverdale.
 - Year 2 and 3 also had an adventurous three days, they visited Kendal Climbing wall, Treetop Nets and the woodland trail at Sizergh Castle.
 - Year 4, 5 and 6 spent two nights in Liverpool as part of an action packed residential trip.
 - Year 2, 3 and 4 had trips to Bowness to see 'Where's Peter Rabbit?' and visit The World of Beatrix Potter Attraction as well as Wray Castle to try 'wild art'.

With the retirement of Cleo Cunningham in December the school welcomed Suzanne Edmondson from St Patrick's School Endmoor as Executive Head for two terms. During this time the two schools were able to come together to enjoy different activities including 'Carnival Workshops' culminating in participation in the Staveley Carnival. The Year 5 and 6 children joined St Patrick's for 4 days of outdoor adventure at the Tower Wood Activity centre.

During the final weeks of term the children chose to learn and discover more about the history of the school. Working with the Morecambe Bay Partnership the children hosted an Oral History event with former staff, pupils and parents to create an Oral History resource. This was followed up with an Open Afternoon and Evening event where the children presented what they'd learnt about the school's history from inception to present day. This culminated in the production of a professionally published book chronicling the history of the school.

2016-17 was a special year at Heversham St Peter's and it was made so by an army of people. Thanks are due to members of the Local Governing Body, especially Chair Jane Clarke and member Jane Fell for their dedication and determination to provide the best for the school, to the Heversham School Parents' Association who contributed to the cost of many of the magnificent activities the children enjoyed and to the teaching staff past and present for creating such a positive and inspiring learning environment.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

Lazonby C of E School

The Local Governing Body continues to grow in strength and numbers and not only do they now feel more informed but also more involved. We continue to use their strengths as a Local Governing Body and we will continue to build upon that this academic year.

In July we had our SIAMS inspection and were graded good. We were pleased with the outcome of this report and felt it was a true reflection of the journey Lazonby C of E School had been on over the past 12 months. Our job now is to continue to embed what we are already doing well. With the introduction of the Church of England's vision for education we have looked at how this might look in our school. We have worked with staff and the Local Governing Body and continue to look at how this will be the 'golden thread' through our work here.

The work on the school house has come across many hurdles but we will continue to find a path to develop what will be an important part of our school. At the end of the summer term we re-arranged our classes so that we could accommodate a four class structure in September. Staff worked through the holidays to ensure that there was a smooth transition from a three class structure in the morning to a four class structure. In the afternoon we still sit as three classes but this works. We now offer full time nursery provision which is taken up by a handful of parents. Our breakfast and after school clubs continue to thrive and are both very popular with our families.

In addition a couple of highlights of the year have been:

Our residential trips to The Ennerdale Scout centre for years 3 to 6 were really successful. Here the children took part in outdoor and adventurous activities such as walking, paddle boarding, canoeing and environmental activities. Our year 1 and 2 children had their first residential which was a sleep over in the hall which followed a visit to Eden rock in Carlisle (a bouldering centre). The majority of children slept really well and we will be repeating this again this year.

Our work in the community and with the church continues to strengthen. Our older children continue to 'serve' at Eden Court (residential home). We have continued to worship at St. Nicholas Church and we have also sung in the community on several occasions. One of our highlights was singing at the Church heads conference and leading the worship.

Our Year 4, 5 and 6 children performed at the Sands Centre at U Dance. The children were fantastic ambassadors and produced a well choreographed piece for performance.

We are supported by Friends of Lazonby School who continue to buy additional items for us, this year they have bought 12 tablet PC's which are well used in school. They have also bought controllable vehicles for our early years as well as paying for our online subscriptions for our mathematics homework.

Lorton School

September 2016 saw 2 new members of staff, Mr Hoyle replacing Mr Liles as Year 4, 5 and 6 class teacher on a permanent basis and Miss Hogarth covering Julia Wilson's 'sabbatical' year until July 2017. Both members of staff had a huge positive impact and settled in well to life at Lorton.

September 2017 has seen the return of Mrs Wilson who now job shares Year 2/3 with Mrs Lewis – who also works as a STA 3.5 days per week. Other than that, staffing remains stable and most importantly very happy.

Joining the Trust on 1st March 2017 saw the staff and Local Governing Board at Lorton School seize the opportunity to revive the school's School Improvement Plan. We had a Saturday in May at a local hotel where we set the key priorities for the 3 years ahead. Alongside this we have also rewritten the school's Self Evaluation Form and we have enjoyed working alongside Chris Ashcroft as our School Support Officer.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

Our main project (that was put to one side whilst we converted) is the relocation/new adventure play area onto the Parish field. We are thrilled to have Paragon Play working with us to submit an Awards For All bid, which along with funds already raised, could see a new playground being built in early 2018 (subject to finalising a lease).

Highlights of the year include:

- Our traditional annual Buttermere residential year 3 to year 6.
- Each class having the opportunity to work with Helen's Herbs on plant, grow and cook sessions. (1 class each term).
- Continuation of whole school theme days, Harvest and British Values.
- Year 2 and 3 Senhouse Museum trip.
- Annual Christmas tree Trip – Reception and Year 1.
- Year 4, 5 and 6 Keswick Theatre trip.
- Reception and Year 1 Christmas Storyteller.
- Christmas concert.
- Year 3 to 6 Sponsored climb at Workington Sports Centre to raise money for Adventure Playground.
- Year 6 Local Technology Challenge - 2nd Place!!
- Rotary football competition.
- Year 3 and 4 Skiddaw house residential.
- Year 5 and 6 Barcaple residential
- Sports day.
- Summer production of 'The Lion King' in the Kirkgate Theatre, Cockermouth. Year 4, 5 and 6 excelled themselves with wonderful acting and singing skills. A great first production written by Mr Hoyle himself!

All of the above is only possible because of the dedication of every single member of staff who are always seeking to develop. In particular, this year, Alison Fielden completed Maths Recovery Training and Laura Henderson has qualified as an Early Years Moderator for the Local Authority.

We look forward to another packed academic year ahead; our first full academic year as part of The Good Shepherd Multi Academy Trust.

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.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

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. Alongside the development of the Church of England's Vision for Education (for all schools not just church schools) the trust is reviewing its main priorities which will provide a re-focus on key performance indicators in each area.

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. During the year the Trust successfully bid for an additional grant to strengthen its role as a sponsor and to assist the growth of the MAT. This has enabled the employment of a consultant to focus on developing processes to monitor school performance in a much more systematic way at school level and by directors, e.g. using common record keeping through Scholar Pack which can be monitored centrally. Realistic but challenging targets for each school have been agreed. The appointment of 2 part time development officers has also enabled us to implement more robust administrative procedures to enable LGBs to function more effectively. At the same time training needs and a plan will be produced to promote succession planning and better local governance.

An important context is that in the coming year 3 schools will be in the window for Ofsted inspection. There is an increasing likelihood that inspection will take place for the schools and possibly the Trust at the same time.

Each school is visited on a termly basis and reports submitted to Trust meetings, in particular the assessment of the predicted outcomes for Early Years development, phonics and SATs results at year 2 and 6. Consultants now have clear agendas for schools that ensure full coverage of key performance and activities such as safeguarding.

A system of monitoring meetings is in place and where necessary 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.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

Financial review

The main source of income into the schools within the Trust is the General Annual Grant (GAG) received from the Education and Skills Funding Agency (£1,433,526) which supports the educational aims of the Trust. As you can see from the accounts, this represents 51% of the Trusts total income in the year of £2,816,341. More about the activity of the Trust can be found elsewhere within the report.

The Trust was successful in March 2017 in being awarded a £70,000 Sponsor Capacity Grant and a £70,000 MAT Growth Grant both part of the Regional Academy Growth Fund from the DfE. The fund is a restricted grant and is to be delivered across 2 academic years. The overall aim of the Regional Academy Growth Fund is to support successful trusts to grow and improve standards in underperforming schools.

The income within the "other trading activities" 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 rolls.
- 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 organisation's educational aims.

Ambleside have been successful in obtaining money from the DfE Condition Improvement Fund for two large capital projects: Roofing works for £142,540 and external fabric replacement for £36,502.

It should be noted that the receipt of the CIF and the two Regional Academy Growth Fund Grants in advance of spend mean that we have an inflated bank balance at the end of the academic year.

We are pleased that 4 schools are developing unrestricted surpluses and that all 5 schools operated better than budget over the year, due to prudent management. This puts them in a better position to manage unforeseen events and changes in pupil numbers, which can have such a big impact on the sustainability of small rural primary schools. The details of this can be found within the reserves policy.

We were also pleased that the outturn for the central Trust was also better than budget, but it has however been necessary to ask the Diocese of Carlisle to support the operation of the central Trust with a donation of £19,000 from the ring fenced allocation to cover the in year deficit of central Trust operations (excluding pension provision.)

Total expenditure over the year has been £2,158,557.

The pension deficit for the Local Government Pension Scheme inherited through the transfer of staff on TUPE from the schools is detailed within note 24. 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 the cessation of the Trust, and the pension scheme continuing to operate and have members, the possibility of the liability crystallising is very remote.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

Reserves policy

As a small Multi Academy Trust, comprising for the purposes of this report five 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 ESFA 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.
- Effectively manage potential staffing changes, including redundancy costs, as a result of the reduction in pupil numbers
- Develop targeted support for identified pupils that do not receive additional funding
- Deliver identified one off projects (that may also take longer than an academic year to develop enough funds for) such as:
 - Refurbishment projects not fundable through other sources to enhance provision at the school
 - Capital Projects that require match funding
 - Identified bespoke delivery that is over and above normal school activity and that enhances the educational provision
 - Fund unforeseen expenditure

Schools should aim to establish restricted reserves equivalent to 10 -12% of annual income unless they were planning for specific scenarios/projects, in which case the reserve target could be increased.

The generation of free reserves by the schools from other activities, in addition to the restricted reserves, will be encouraged and supported.

The reserves policy will be reviewed annually.

At the year end, the Trust held free reserves for Lazonby C of E School of £45,810, Braithwaite C of E Primary School of £37,878, Ambleside C of E School of £29,639, Lorton School of £42,778 and centrally held a further £19,109. More details can be found in note 16.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Strategic Report

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 main deposits 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.)

The Trust also operates three bank accounts directly linked with individual schools. This is to enable ease of access to bank accounts and a means of depositing cash in the rural areas our schools operate in. Money is not allowed to accrue in these accounts and is regularly transferred into the CAF accounts.

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 Year Ended 31 August 2017

Strategic Report

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 which the Trust is exposed to and details action taken to mitigate those risks. Below is an overview of the 4 red risks currently identified and the process for managing these risks.

The principal risk 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 a large number of small rural schools as actual or potential members of the Trust, and with income being proportional to the number of pupils but costs proportional to the number of schools, the point at which the Trust becomes sustainable is difficult to define. To mitigate this risk we need to ensure the success of the Trust and subsequent close monitoring of performance, work with the DfE so a consistent message given to schools, undertake marketing - targeting schools to visit and encourage schools within the Trust to spread the message.

Currently the Diocesan Director of Education for the Diocese of Carlisle undertakes the role of acting CEO. This is an identified risk to the Trust, due to the competing amount of time required for both roles. This relates to the need for the Trust to grow and become sustainable, one of the definitions of sustainability being the ability to pay for and employ directly a CEO.

Key staff turnover is another high risk. With all the schools being small as well as the central staff team, key staff leaving could have a big impact and result in difficult interregna. There is also a recognised difficulty in Cumbria recruiting to leadership posts. The Trust is therefore working on developing a supportive and innovative senior management structure which has succession planning at its core.

Changes to academy funding, linked with continued increase in costs and the government policy on education funding in general, including the introduction of the National Funding Formula, all have an impact on our schools and the sustainability of the Trust as a whole. To continue to mitigate the impact as far as practically possible, the Trust and its school actively manage their spend and is continuing to explore opportunities for reducing cost.

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

- Not enough good and outstanding schools join to get the right balance
- Failure to manage health and safety responsibilities
- Increase in costs make financial incentives to convert less favourable
- Trust unable to demonstrate effectiveness in supporting School Improvement (SI)
- Pupil outcome results not adequately predicted/ not met agreed target
- Ineffective monitoring & challenge
- Level of pension liability becomes unaffordable

These risks are managed through a combination of review, monitoring, engagement, budget review, understanding of the risk and succession planning.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

Plans for future periods

The Trust has a business planning cycle that identifies key priorities for the next academic year with clear milestones.

The key areas identified in this way are:

Composition, Governance and Structures

By 1 September 2018 we will aim to have:

- Recruited additional schools, bringing the total pupil roll to more than 1000.
- Established at least one clustered group of academies within the Trust operating as the basis for a Learning Community with new governance tier in place as appropriate.
- Ensured the Trust has suitable structures, services and processes to enable a secondary school to join.
- Fully embedded systems and processes of monitoring and supporting local governing bodies.
- Explored opportunities for the inclusion of SEN/alternative provision within the Trust and set a timescale for developing this.
- Directors and members of local/second tier governing bodies continuing to show the commitment, knowledge, skills and understanding needed to support the operation and strategic development of the Trust having undertaken any necessary training.

Finance and Administration

By 1 September 2018 we will aim to have:

- Established a set of financial performance indicators with milestones that are used to monitor progress towards strategic objectives.
- Ensured our financial procedures and audited accounts continue to meet all requirements of Companies' House, the Charity Commission and the Department for Education.
- Reviewed our banking and investments to ensure they continue to be fit for purpose and involve organisations with an ethical stance in keeping with that of the Trust.
- Agreed with the Diocesan Boards of Finance and Education a plan with timescale for the reduction to zero of the salary subsidy for the Trust CEO.
- Maximised opportunities to obtain additional funding through grants from DfE and other bodies and explored other sources of income including commercial income.
- Developed models for distributed operation of some central business services where this is beneficial.
- Continued to ensure each academy within the Trust is financially viable without the need for cross-subsidy and retains the ownership of its reserves.
- Established procedures for groups of academies to pool resources, including reserves, for specific projects that span more than one academic (financial) year.
- Created a clear structure for the development, review and dissemination of centrally held policies for academies to use or adapt.

Educational Outcomes

By 1 September 2018 we will aim to have:

- All our converter academies rated as good or outstanding in Ofsted terms with good schools seeking to become outstanding.
- Developed clear plans and targets that are agreed, implemented and monitored for 'supported schools'.
- Sponsored academies will achieve at least a good rating by the time of their first Ofsted inspection as an academy within the Trust.
- Achieved academic outcomes by national measures that are above the average for Cumbria having developed clear systems to set challenging and realistic targets that are monitored in a systematic and transparent way.
- Developed a set of measures to assess the impact of our values on the success of pupils in its broadest sense.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2017

- Developed academy leadership and management structures that can support the continued provision of high quality education in rural communities.
- Implemented a professional development framework and policy for staff.
- Developed further our monitoring processes and systems to ensure systematic and effective support to academies

Influence and Reputation

By 1 September 2018 we will aim to have:

- Developed partnership agreements with other organisations to support research and the professional development of staff.
- Developed and used a clear external communications strategy to raise the profile of the Trust so that it is recognised and respected widely.
- Developed a community engagement strategy/framework to support the building of learning communities and the provision of wider community services through our academies.

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.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 6 December 2017 and signed on its behalf by:

.....
N Appleton
Trustee

.....
M Mill
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. He is 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 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
N Appleton	6	6
M Mill	6	6
P J Freeman	6	6
H J Clarke	6	6
S Fraser	4	6
W M M Rayner	5	6
M Regan	1	4
The Reverend Canon E M Smith	2	2
The Reverend P H Vivash	1	1
The Venerable Doctor R D Pratt	0	2

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. During the 16/17 academic year these directors were represented as follows:

- Jane Clarke Chair of Heversham St Peter's C of E School
- Rev Peter Vivash Joint Chair of Braithwaite C of E School resigned in October 2016
- Nigel Kingdon Chair of Ambleside C of E School

An election took place in the summer term and Simon Hughes was appointed as a director from 21st September 2017. Simon is joint Chair of Lorton School. With the closure of Heversham school at the end of the academic year Jane Clarke was no longer eligible to remain as a LGB Chair director. However since Jane has lots of experience and expertise to bring to the Board and was one of the founding directors it was decided that she should remain on the Board as an ordinary director.

As the Trust develops it is important to review its activity and to complete an audit, with input from internal Trust staff and directors as well as external advisers experienced in Multi Academy Trust operations, strategy and governance.

Within its governance arrangements the Trust operates an annual review process for the Chair of the Board and the chairs of the standing committees. The directors are also asked to contribute to an annual skills audit to identify any gaps or weaknesses in the make up of the Board.

With the changes in directors on the Board over the academic year a number of gaps have been identified. The Trust has therefore been working with the Academy Ambassadors programme run by the DfE. This programme works to identify potential directors with the skills required. On 21st September 2017 the directors therefore welcomed Claire McClean who was recruited through this process.

At the point of agreement of the Annual Report the Board still had an identified gap for a School Improvement specialist and a director with a financial background.

The Good Shepherd Multi Academy Trust

Governance Statement (continued)

Finance Committee

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose 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 ESFA

As agreed by The Board of Trustees, Gillian Troughton, who is a member of The Diocesan Board of Education, is also a member of the committee as well as 3 Trust directors. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
The Reverend Canon E M Smith	1	1
N Appleton	2	2
W M M Rayner	3	3
M Mill	3	3
The Venerable Doctor R D Pratt	1	1
G Troughton (non-trustee)	1	3

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.

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 Good Shepherd Multi Academy Trust

Governance Statement (continued)

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 the University of Cumbria and Carmel Education Trust enables us to secure advice and good practice at no cost to the Trust.

The Diocese of Carlisle has a number of school effectiveness consultants. By using this resource we have been able to ensure better value for money as we were able to access specialist advice and good practice tailored to the trust.

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 year ended 31 August 2017 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 year ending 31 August 2017 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 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 Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an 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 year in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Good Shepherd Multi Academy Trust

Governance Statement (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 6 December 2017 and signed on its behalf by:

.....
N Appleton
Trustee

.....
M Mill
Accounting officer
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 and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

.....
M Mill
Accounting officer

6 December 2017

The Good Shepherd Multi Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who act as the governors of The Good Shepherd Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 ESFA/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 6 December 2017 and signed on its behalf by:

.....
M Mill
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

Opinion

We have audited the financial statements of The Good Shepherd Multi Academy Trust (the 'Academy') for the year ended 31 August 2017, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

The Good Shepherd Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Good Shepherd Multi Academy Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 32), the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.

The Good Shepherd Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Good Shepherd Multi Academy Trust (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during 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

Date:.....

The Good Shepherd Multi Academy Trust

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

In accordance with the terms of our engagement letter dated 10 December 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Good Shepherd Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to The Good Shepherd Multi Academy Trust and the ESFA 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 Good Shepherd Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Board of Trustee's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 29 January 2015 and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 year from 1 September 2016 to 31 August 2017 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 Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 ESFA.

The Good Shepherd Multi Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Good Shepherd Multi Academy Trust and the Education and Skills 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 year from 1 September 2016 to 31 August 2017 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

6 December 2017

The Good Shepherd Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	39,917	49,759	243,120	332,796
Transfer from local authority on conversion	8	-	(128,203)	557,094	428,891
<i>Charitable activities:</i>					
Funding for the Trust's educational operations	3	-	1,898,353	-	1,898,353
Other trading activities	4	156,232	-	-	156,232
Investments	5	69	-	-	69
Total		196,218	1,819,909	800,214	2,816,341
Expenditure on:					
<i>Charitable activities:</i>					
Trust's educational operations	7	124,833	1,799,690	234,034	2,158,557
Net income		71,385	20,219	566,180	657,784
Transfers between funds		25,559	(33,579)	8,020	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(52,000)	-	(52,000)
Net movement in funds/(deficit)		96,944	(65,360)	574,200	605,784
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		78,270	(250,630)	142,090	(30,270)
Total funds/(deficit) carried forward at 31 August 2017		175,214	(315,990)	716,290	575,514

The Good Shepherd Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2016 £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	16,970	25,368	117,023	159,361
<i>Charitable activities:</i>					
Funding for the Trust's educational operations	3	-	1,430,616	-	1,430,616
Other trading activities	4	144,233	-	-	144,233
Investments	5	35	-	-	35
Total		161,238	1,455,984	117,023	1,734,245
Expenditure on:					
<i>Charitable activities:</i>					
Trust's educational operations	7	71,940	1,605,413	576	1,677,929
Other resources expended	8	-	79,069	-	79,069
Net income/(expenditure)		89,298	(228,498)	116,447	(22,753)
Transfers between funds		1,927	70,450	(72,377)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(174,000)	-	(174,000)
Net movement in funds/(deficit)		91,225	(332,048)	44,070	(196,753)
Reconciliation of funds					
Total (deficit)/funds brought forward at 1 September 2015		(12,955)	81,418	98,020	166,483
Total funds/(deficit) carried forward at 31 August 2016		78,270	(250,630)	142,090	(30,270)

The Good Shepherd Multi Academy Trust

(Registration number: 09341374) Balance Sheet as at 31 August 2017

	Note	31 August 2017 £	31 August 2016 £
Fixed assets			
Tangible assets	13	688,077	104,415
Current assets			
Debtors	14	177,514	101,082
Cash at bank and in hand		<u>708,218</u>	<u>319,248</u>
		885,732	420,330
Creditors: Amounts falling due within one year	15	<u>(392,295)</u>	<u>(181,015)</u>
Net current assets		<u>493,437</u>	<u>239,315</u>
Total assets less current liabilities		<u>1,181,514</u>	<u>343,730</u>
Net assets excluding pension liability		1,181,514	343,730
Pension scheme liability	24	<u>(606,000)</u>	<u>(374,000)</u>
Net assets/(liabilities) including pension liability		<u><u>575,514</u></u>	<u><u>(30,270)</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(315,990)	(250,630)
Restricted fixed asset fund		<u>716,290</u>	<u>142,090</u>
		400,300	(108,540)
Unrestricted funds			
Unrestricted general fund		<u>175,214</u>	<u>78,270</u>
Total funds		<u><u>575,514</u></u>	<u><u>(30,270)</u></u>

The financial statements on pages 38 to 63 were approved by the Trustees, and authorised for issue on 6 December 2017 and signed on their behalf by:

.....
N Appleton
Trustee

.....
M Mill
Trustee

The Good Shepherd Multi Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2017

	Note	31 August 2017 £	31 August 2016 £
Net cash inflow from operating activities	19	162,248	14,762
Cash transferred on conversion into the Trust		33,983	44,190
Returns on investments and servicing of finance	20	69	35
Capital expenditure and financial investment	21	<u>192,670</u>	<u>12,032</u>
Increase in cash in the year		388,970	71,019
Cash and cash equivalents at 1 September		<u>319,248</u>	<u>248,229</u>
Cash and cash equivalents at 31 August	22	<u><u>708,218</u></u>	<u><u>319,248</u></u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017

1 Accounting policies

Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Good Shepherd Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

Conversion to an academy

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from to an Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in [(for net gain) Donations - transfer from local authority on conversion/ (for net loss) Charitable activities - transfer from local authority on conversion] in the Statement of Financial Activities and analysed under unrestricted funds, 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 Trust 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 and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Transfer on conversion

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

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Charitable activities

These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

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 or 10 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

Excluding Lorton School, 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 2016/17. Lorton School uses a building held under 125 year lease with Cumbria County Council. In accordance with the Academies Accounts Direction 2016/17 this building has been capitalised and depreciated over the term of the lease.

As no lease is in place for the other school 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.

With the termination of the Funding Agreement for Heversham St Peter's C of E School, by The Secretary of State, the school building reverted back to the care of the custodian trustees.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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.

Pension benefits

Retirement benefits to employees of the academy 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 academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24 the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

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 and Skills 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 with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
Other voluntary income					
Educational trips and visits	-	21,859	-	21,859	25,368
Capital grants	-	-	243,120	243,120	117,023
Other donations	39,917	27,900	-	67,817	16,970
	<u>39,917</u>	<u>49,759</u>	<u>243,120</u>	<u>332,796</u>	<u>159,361</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

3 Funding for Trust's educational operations

	Restricted funds £	Total 2017 £	Total 2016 £
DfE/ESFA revenue grants			
GAG School Budget Share	1,358,262	1,358,262	1,205,892
GAG Pupil Premium	50,600	50,600	23,949
ESFA Infant Meal Funding	47,707	47,707	31,328
GAG Education Services Grant	24,664	24,664	25,547
ESFA Rates Relief	7,289	7,289	11,523
ESFA Conversion Grants	110,000	110,000	-
	<u>1,598,522</u>	<u>1,598,522</u>	<u>1,298,239</u>
Other government grants			
LEA Early Years Funding	33,191	33,191	51,259
Other Government Grants	36,682	36,682	28,351
LEA SEN Funding	23,782	23,782	9,617
Regional Growth Fund	140,000	140,000	-
SLDC Flood Grant	4,760	4,760	-
	<u>238,415</u>	<u>238,415</u>	<u>89,227</u>
Non-government grants and other income			
Kelsick Trust	58,416	58,416	42,300
Start-up grant	-	-	850
Apprentice Grants	3,000	3,000	-
	<u>61,416</u>	<u>61,416</u>	<u>43,150</u>
Total grants	<u>1,898,353</u>	<u>1,898,353</u>	<u>1,430,616</u>

4 Other trading activities

	Unrestricted funds £	Total 2017 £	Total 2016 £
Catering income	56,050	56,050	43,389
School shop sales	4,202	4,202	8,022
School club income	29,686	29,686	26,817
Music services	4,592	4,592	5,591
School fund surplus received after conversion	33,983	33,983	48,002
Other sales	27,719	27,719	12,412
	<u>156,232</u>	<u>156,232</u>	<u>144,233</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

5 Investment income

	Unrestricted funds £	Total 2017 £	Total 2016 £
Short term deposits	69	69	35

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2017 £	Total 2016 £
Trust's educational operations					
Direct costs	1,016,339	-	178,403	1,194,742	1,070,486
Allocated support costs	324,836	405,643	233,336	963,815	607,443
	1,341,175	405,643	411,739	2,158,557	1,677,929
Other resources expended					
Transfers from local authorities on conversion	-	-	-	-	79,069
	1,341,175	405,643	411,739	2,158,557	1,756,998

Net incoming/outgoing resources for the year include:

	2017 £	2016 £
Fees payable to auditor - audit	5,500	4,250
- other audit services	2,250	600
Operating lease rentals	4,088	2,261
Depreciation	23,882	576

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

7 Trust's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
Direct costs					
Teaching and educational support staff costs	701	1,015,638	-	1,016,339	927,403
Educational supplies	11,157	106,190	-	117,347	91,089
Examination fees	-	300	-	300	27
Staff development	-	15,047	-	15,047	20,206
Educational consultancy	-	28,178	-	28,178	18,511
Other direct costs	-	17,531	-	17,531	13,250
	<u>11,858</u>	<u>1,182,884</u>	<u>-</u>	<u>1,194,742</u>	<u>1,070,486</u>
Allocated support costs					
Support staff costs	65,050	210,786	-	275,836	205,107
Defined benefit pension scheme service cost adjustment	-	49,000	-	49,000	5,000
Depreciation	-	-	23,882	23,882	576
Maintenance of premises and equipment	-	49,540	202,570	252,110	109,650
Cleaning	-	41,324	-	41,324	29,917
Rent, rates and utilities	-	81,623	-	81,623	69,822
Insurance	-	6,704	-	6,704	8,659
IT and website costs	-	21,288	-	21,288	15,039
Recruitment and support	-	6,792	-	6,792	6,380
Security and transport	-	15,651	-	15,651	14,013
Catering	47,925	47,733	-	95,658	90,288
Bank interest and charges	-	299	-	299	273
Interest on defined benefit pension scheme	-	10,000	-	10,000	6,000
Professional fees	-	18,344	-	18,344	11,994
Printing, postage and stationery	-	18,601	-	18,601	11,899
Subscriptions	-	1,150	-	1,150	326
Governance costs	-	35,233	-	35,233	22,500
Other support costs	-	2,738	7,582	10,320	-
	<u>112,975</u>	<u>616,806</u>	<u>234,034</u>	<u>963,815</u>	<u>607,443</u>
	<u><u>124,833</u></u>	<u><u>1,799,690</u></u>	<u><u>234,034</u></u>	<u><u>2,158,557</u></u>	<u><u>1,677,929</u></u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

7 Trust's educational operations (continued)

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs include the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

8 Conversion to an academy trust

On 1 March 2017 Lorton 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 Local Authority for £Nil consideration. A total deficit on local authority funds of £7,203 was transferred, which was partly made up of restricted PE Grant surplus funds of £5,901 and Devolved Formula Capital surplus funds of £4,442. General funds were in deficit totalling £17,546 on conversion.

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

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

	Restricted general fund	Restricted fixed asset fund	Total
	£	£	£
Tangible fixed assets			
Leasehold land and buildings	-	557,094	557,094
Budget deficit on LA funds	(7,203)	-	(7,203)
LGPS pension deficit	<u>(121,000)</u>	<u>-</u>	<u>(121,000)</u>
Net (liabilities)/assets	<u><u>(128,203)</u></u>	<u><u>557,094</u></u>	<u><u>428,891</u></u>

The above net assets include £Nil that were transferred as cash.

In 2016, £79,069 was recognised as other resources expended relating to the conversion of Braithwaite C of E School and Ambleside C of E Primary School to academies within the Trust.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

9 Staff

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	1,041,177	929,263
Social security costs	68,569	50,284
Pension costs	169,881	146,964
Supply teacher costs	1,993	205
Staff restructuring costs	10,555	5,794
Operating costs of defined benefit pension schemes	49,000	5,000
	1,341,175	1,137,510
		2017 £
Staff restructuring costs comprise:		
Redundancy payments		10,555

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

The average number of persons (including senior management team) employed by the Trust during the year was as follows:

	2017 No	2016 No
Charitable Activities		
Teachers	13	11
Administration and support	17	15
Management	5	4
	35	30

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £294,473 (2016 - £209,824).

The Diocesan Director of Education, Michael Mill, works as Acting CEO for the Trust part time, but paid for by the Diocese. In the 16/17 academic year this is estimated to equate to donated services contribution of £27,900 by the Diocese to the Trust. This has not been included in the employee benefits figure stated above.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

10 Central services

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

Providing a framework for improvement by:

- Support/ engagement with School Improvement consultants through at least termly contact providing focused reports and advice. Monitoring and sharing school outcomes to ensure schools receive appropriate challenge and support. Common monitoring systems and processes across academies in the Trust.
- Additional support for sponsored and supported schools
- Support and advice from a dedicated central team of staff and access to identified consultants.
- Co-ordination of termly heads meetings - meetings arranged for one day a term to foster common approaches share ideas and good practice. Develop and identify delivery of shared training, as well as support the direction of the Trust as it grows and develops. Input to review of Trust services and policy.
- Bi annual staff conference - to support staff learning and enable them to feel part of a wider organisation and meet shared objectives, ethos and values
- Policy Management - developing Trust wide policies and templates that are fit for purpose within the Trust setting and removing the need for policy review and adoption at LGB level. The policies schools need to adopt/ develop are clearly identified as are website requirements.
- Regular Trust briefings - on new policies, new areas to be considered/ worked on, for example risk management, changes in legislation
- Named link director for each school who will develop knowledge of the school for input into the Board and central Trust development
- Annual health check and review of Scheme of Delegation with LGB to ensure the Trust and the school are working effectively together and improving/ learning as the Trust develops and grows
- Support during and after Ofsted inspection
- Attendance at LGB meetings when requested. Providing reports, standard agendas and training for LGBs and reviewing and advising on LGB responsibilities
- Access to national MAT networks through the National Society and strong links with local teaching school alliances
- Providing a recognised voice for our schools in CASL and with the Local Authority.
- Future developments of cluster model/regional hubs approach to maximize local skills in local schools providing staff development opportunities
- Joint staff development opportunities - facilitated/ identified through head teachers meetings/ staff conference
- Promoting achievement through effective communication and newsletters
- Trust membership of NGA (National Governance Association) providing information, advice and guidance to Local Governing Bodies and school leaders

Providing support for organisational effectiveness by:

- HR and payroll - centrally delivered and supported by Strictly Education a specialist in education employment plus central Trust staff member to ensure organisational compliance, consistency of approach within the values of the Trust, undertake pension returns etc
- Monitoring and Challenge - of educational delivery and financial management
- Finance Management including annual external audit and twice yearly DFE returns, regular budget reviews, transparent authorisation/ procurement process, all school monies within one finance system including school fund activity
- Savings through on-going identification and procurement of services, through benchmarking and knowledge across school budgets and school contracts
- Union Facilitation Fee. The Trust as an employer has termly meetings with union reps to discuss policy development and ensure on-going local representation for any issues in Trust schools and ensure consistent employment arrangements for staff and help ensure good staff relations.
- Legal and financial compliance with charity and company law as well as DFE requirements
- Encouraging school sustainability through management of reserves appropriate to individual circumstances

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

10 Central services (continued)

On becoming part of the Trust each school agrees to a financial contribution for delivery of central services. The recharge contribution is based on a minimum of 4% of the central government income excluding pupil premium and capital grants. (This may be increased depending on the agreed Scheme of Delegation with each school). This means that the Trust income from the schools will be directly linked to the number of pupils the schools have and will fluctuate as pupil numbers fluctuate.

The underlying principle that the Trust will operate is one of efficient and effective service delivery striving for economies of scale wherever possible.

The actual amounts charged during the year were as follows:

	2017
	£
Heversham St. Peter's C of E Primary School	11,460
Lazonby C of E School	14,851
Braithwaite C of E Primary School	14,904
Ambleside C of E School	19,254
Lorton School	14,689
	<hr/>
	75,158
	<hr/>

11 Related party transactions - 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 year ended 31 August 2017, travel and expenses totalling £2,178 (2016 - £674) were reimbursed to 3 (2016 - 3) Trustees.

Related party transactions involving the Trustees are set out in note 25.

12 Trustees' and officers'

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 of £6,302 for the period ended 31 August 2017 is included in the total insurance cost.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

13 Tangible fixed assets

	Fixtures and fittings £	Leasehold land and buildings £	Computer equipment £	Total £
Cost				
At 1 September 2016	96,373	-	8,618	104,991
Additions	46,547	-	3,903	50,450
Transfer on conversion	-	557,094	-	557,094
At 31 August 2017	<u>142,920</u>	<u>557,094</u>	<u>12,521</u>	<u>712,535</u>
Depreciation				
At 1 September 2016	-	-	576	576
Charge for the year	20,890	-	2,992	23,882
At 31 August 2017	<u>20,890</u>	<u>-</u>	<u>3,568</u>	<u>24,458</u>
Net book value				
At 31 August 2017	<u>122,030</u>	<u>557,094</u>	<u>8,953</u>	<u>688,077</u>
At 31 August 2016	<u>96,373</u>	<u>-</u>	<u>8,042</u>	<u>104,415</u>

The Trust's transactions relating to land and buildings included the taking up of a leasehold on Lorton C of E Primary School school for £Nil consideration over a term of 125 years.

14 Debtors

	2017 £	2016 £
Trade debtors	8,114	6,577
VAT recoverable	49,948	61,813
Prepayments	119,452	32,692
	<u>177,514</u>	<u>101,082</u>

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	162,553	49,777
Other taxation and social security	22,470	16,690
Other creditors	10,320	-
Accruals	154,846	77,655
Deferred income	42,106	36,893
	<u>392,295</u>	<u>181,015</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

15 Creditors: amounts falling due within one year (continued)

	2017 £
Deferred income at 1 September 2016	36,893
Resources deferred in the period	42,106
Amounts released from previous periods	<u>(36,893)</u>
Deferred income at 31 August 2017	<u><u>42,106</u></u>

At the balance sheet date the Trust was holding grants received in advance for 2017/18 for:

Lorton School: £6,246 Universal Infant Free School Meals Funding and £1,610 Pupil Premium.

Lazonby C of E School: £9,815 Universal Infant Free School Meals Funding and £3,445 Pupil Premium.

Braithwaite C of E Primary School: £6,118 Universal Infant Free School Meals Funding and £1,775 Pupil Premium.

Ambleside C of E School: £9,177 Universal Infant Free School Meals Funding and £3,920 Pupil Premium.

16 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	28,754	1,433,526	(1,378,273)	(30,883)	53,124
Regional Academy Growth Grants	-	140,000	(24,443)	-	115,557
Conversion Grants	28,265	110,000	(56,438)	(12,654)	69,173
Other Government Grants	30,654	148,651	(162,856)	3,401	19,850
Other Restricted Funds	35,697	108,732	(118,680)	6,557	32,306
Pension Deficit	<u>(374,000)</u>	<u>(121,000)</u>	<u>(59,000)</u>	<u>(52,000)</u>	<u>(606,000)</u>
	<u>(250,630)</u>	<u>1,819,909</u>	<u>(1,799,690)</u>	<u>(85,579)</u>	<u>(315,990)</u>
Restricted fixed asset funds					
DfE Capital Grants	79,942	219,042	(207,990)	2,553	93,547
ESFA Capital Maintenance	47,707	24,078	(24,649)	5,425	52,561
Kelsick ICT Grant	4,535	-	(1,395)	(813)	2,327
Big Lottery Fund Grant	9,906	-	-	855	10,761
Property on conversion	-	557,094	-	-	557,094
	<u>142,090</u>	<u>800,214</u>	<u>(234,034)</u>	<u>8,020</u>	<u>716,290</u>
Total restricted funds	(108,540)	2,620,123	(2,033,724)	(77,559)	400,300
Unrestricted funds					
Unrestricted general funds	<u>78,270</u>	<u>196,218</u>	<u>(124,833)</u>	<u>25,559</u>	<u>175,214</u>
Total funds	<u><u>(30,270)</u></u>	<u><u>2,816,341</u></u>	<u><u>(2,158,557)</u></u>	<u><u>(52,000)</u></u>	<u><u>575,514</u></u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

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 2017.

The Trust was successful in March 2017 in being awarded a £70,000 Sponsor Capacity Grant and a £70,000 MAT Growth Grant both part of the Regional Academy Growth Fund from the DfE. The fund is a restricted grant and is to be delivered across 2 academic years. The overall aim of the Regional Academy Growth Fund is to support successful trusts to grow and improve standards in underperforming schools. At the period end £58,294 and £57,263 respectively remains unspent.

Conversion Grants includes the remaining balances of ring-fenced ESFA funding transferred on conversion for Lorton School of £8,299, along with a conversion grant of £110,000 for Whitfield School which is to join the Trust in 2017/18. Each conversion grant received is restricted to cover costs directly incurred as a result of schools converting to an Academy and joining the Trust. Also included is an ESFA School Improvement grant for Ambleside C of E School to contribute towards expenses incurred by the Trust facilitating school improvement at Ambleside C of E School, £7,312 remains unspent at the period end, which will be spent on on-going school improvement plans for 2017/18.

SLDC Flood Grant funding of £4,760 was awarded to Ambleside C of E School for mitigation works in the school kitchen to reduce the risk and impact of future flooding.

Other Government Grants includes ESFA 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.

The Trust's share of the Local Government Pension Scheme assets is 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:

ESFA Capital Maintenance includes the remaining balance of ring-fenced Devolved Formula Capital (DFC) funding transferred on conversion for Lorton School, along with DFC funding receivable in the period for all 4 schools.

DfE Conditions Improvement Grant Funding 2017/18 for capital works is restricted funding. An allocation of £142,540 was received for the roofing works at Ambleside C of E School, along with £36,502 for external fabrications works also at Ambleside C of E School.

DfE Environmental Improvement Grant (EIG) funding of £40,000 was awarded to Whitfield C of E Primary School as a fully sponsored school. A range of works were undertaken to improve pupil learning spaces and address safeguarding issues.

Purpose of unrestricted funds:

Each school generates unrestricted funds through donations and sponsorship, school club income and music, catering and uniform sales. All income has been included as unrestricted as there is no specific designated purpose for the income and how it should be spent. The schools and Trust are free to spend the available reserves on any matter in line with the overall aims and objectives.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

16 Funds (continued)

Transfers:

A transfer of £21,766 was made from the ESFA School grant within Conversion Grants to General Annual Grant (GAG) as reimbursement for costs relating to improvements at Ambleside C of E Primary School.

A transfer of £7,203 was made to Other Restricted Funds to cover the deficit inherited on the conversion of Lorton School, this represents surplus funds of £5,901 for PE Grants, £4,442 of Devolved Formula Capital Funding and a General Annual Grant (GAG) deficit of £17,546.

A transfer of £813 was made to Conversion Grants from Restricted Fixed Asset Funds to move the unspent Capital Grant monies under the terms of the grant to Ambleside C of E School.

A transfer of £8,299 was made from Unrestricted General Funds to Conversion Grants to move the unspent Conversion Grants money on the conversion of Lorton School.

A transfer of £2,500 was made from Restricted General Funds to Restricted Fixed Asset Funds to allocate PE Grant to aid the funding of an outdoor play project at Braithwaite C of E School.

Transfers were made from Restricted General Funds to Unrestricted Funds which totalled £645 relating to unspent Trip income.

A transfer of £855 was made from Unrestricted Funds to Restricted Fixed Asset Funds to provide match funding for the Big Lottery Grant.

A transfer of £11,418 was made from Restricted General Funds to Unrestricted Funds to cover historical general deficits which are able to be covered by the current year General Annual Grant under spend in the year of closure of Heversham St Peter's C of E School as agreed with the ESFA.

A transfer of £1,034 was made from Unrestricted Funds to ESFA Capital Maintenance for donations received as contributions to capital projects.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total £
Lazonby C of E School	87,885
Braithwaite C of E Primary School	49,969
Ambleside C of E School	101,234
Lorton School	22,297
Central services	<u>203,839</u>
Total before fixed assets and pension reserve	465,224
Capital Grants	716,290
Pension scheme liability	<u>(606,000)</u>
Total	<u><u>575,514</u></u>

Heversham St Peter's C of E primary School terminated its agreement with the Secretary of State and closed on 31 August 2017. Upon closure, any unspent DfE funding is to be repaid. At the year end there were unspent balances of £1,466 from PE Grants, £7,582 from Devolved Formula Capital and £1,272 from GAG Funding. All balances have been expensed in the SOFA and included as Other Creditors in note 15. All remaining unrestricted funds of £6,448 were transferred to the Trust's closing unrestricted funds, leaving Heversham C of E Primary School with £Nil reserves carried forward.

Analysis of academies by cost

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

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

16 Funds (continued)

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2017 £
Lazonby C of E School	237,293	48,090	31,570	87,778	404,731
Heversham St. Peter's C of E Primary School	104,646	46,981	20,161	39,640	211,428
Braithwaite C of E Primary School	253,336	65,011	35,046	57,265	410,658
Ambleside C of E School	297,526	48,547	65,840	289,864	701,777
Lorton School	123,943	34,361	9,532	43,683	211,519
Central services	-	70,441	17,021	107,100	194,562
Academy Trust	<u>1,016,744</u>	<u>313,431</u>	<u>179,170</u>	<u>625,330</u>	<u>2,134,675</u>

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	688,077	688,077
Current assets	175,214	682,305	28,213	885,732
Current liabilities	-	(392,295)	-	(392,295)
Pension scheme liability	-	(606,000)	-	(606,000)
Total net assets	<u>175,214</u>	<u>(315,990)</u>	<u>716,290</u>	<u>575,514</u>

18 Commitments under operating leases

Operating leases

At 31 August 2017 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	2,543	3,213
Amounts due between one and five years	3,450	4,443
Amounts due after five years	<u>14,400</u>	<u>15,200</u>
	<u>20,393</u>	<u>22,856</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

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

	2017 £	2016 £
Net income/(expenditure)	657,784	(22,753)
Depreciation	23,882	576
Cash transferred on conversion to an academy trust	(33,983)	(44,190)
Donated capital and capital grants	(243,120)	(117,023)
Interest receivable	(69)	(35)
FRS 17 interest on defined benefit pension scheme	10,000	6,000
FRS17 service cost adjustment	49,000	5,000
Increase in debtors	(76,432)	(16,024)
Increase in creditors	211,280	73,211
Pension deficit transferred on conversion	121,000	130,000
Land and building transferred on conversion	(557,094)	-
Net cash inflow from operating activities	162,248	14,762

20 Cash flows from financing activities

	31 August 2017 £	31 August 2016 £
Interest received	69	35
Net cash provided by financing activities	69	35

21 Capital expenditure and financial investment

	31 August 2017 £	31 August 2016 £
Purchase of tangible fixed assets	(50,450)	(104,991)
Capital funding received from sponsors and others	243,120	117,023
Net cash inflow from capital expenditure and financial investment	192,670	12,032

22 Analysis of cash and cash equivalents

	At 31 August 2017 £	At 31 August 2016 £
Cash at bank and in hand	708,218	319,248
Total cash and cash equivalents	708,218	319,248

23 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.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

24 Pension and similar obligations

The Trust'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 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- 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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £101,607 (2016: £92,426).
A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

24 Pension and similar obligations (continued)

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 year ended 31 August 2017 was £85,616, of which employer's contributions totalled £68,274 and employees' contributions totalled £17,342. The agreed contribution rates for future years is 16.8 per cent for employers with deficit recovery contributions of £15,500, £15,800 and £16,100 due for the years 2017/18, 2018/19 and 2019/20 respectively. Employees rates are calculated using Local Government Pension Scheme employee contributions procedures, which have now been banded.

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.

Principal actuarial assumptions

	At 31 August 2017	At 31 August 2016
	%	%
Rate of increase in salaries	3.70	3.30
Rate of increase for pensions in payment/inflation	2.20	1.90
Discount rate for scheme liabilities	2.50	2.10
Inflation assumptions (CPI)	2.20	1.80

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 2017	At 31 August 2016
Retiring today		
Males retiring today	23.10	23.10
Females retiring today	25.70	25.70
Retiring in 20 years		
Males retiring in 20 years	25.40	25.90
Females retiring in 20 years	28.40	28.90

Sensitivity analysis

	At 31 August 2017	At 31 August 2016
	£	£
Discount rate +0.1%	581,000.00	354,000.00
Mortality assumption – 1 year increase	624,000.00	385,000.00
CPI rate +0.1%	631,000.00	395,000.00

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

24 Pension and similar obligations (continued)

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

	At 31 August 2017	At 31 August 2016
	£	£
Equities	210,000	129,000
Government bonds	78,000	51,000
Other bonds	27,000	19,000
Property	35,000	27,000
Cash and other liquid assets	23,000	8,000
Other	55,000	24,000
	428,000	258,000
	428,000	258,000

The actual return on scheme assets was £28,000 (2016 - £38,000).

Amounts recognised in the statement of financial activities

	31 August 2017	31 August 2016
	£	£
Current service cost	108,000	58,000
Net interest cost	10,000	6,000
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	5,000	-
Admin expenses	2,000	1,000
	125,000	65,000
	125,000	65,000

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

	31 August 2017	31 August 2016
	£	£
At start of period	632,000	73,000
Conversion of academy trusts	201,000	279,000
Current service cost	108,000	58,000
Interest cost	17,000	13,000
Employee contributions	17,000	15,000
Actuarial (gains)/losses	55,000	205,000
Losses or gains on curtailments	5,000	-
Benefits paid	(1,000)	(11,000)
	1,034,000	632,000
At 31 August	1,034,000	632,000

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

24 Pension and similar obligations (continued)

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

	31 August 2017 £	31 August 2016 £
At start of period	258,000	14,000
Conversion of academy trusts	80,000	149,000
Interest income	7,000	6,000
Actuarial gains/(losses)	3,000	31,000
Employer contributions	66,000	54,000
Employee contributions	17,000	15,000
Benefits paid	(1,000)	(11,000)
Effect of non-routine settlements	(2,000)	-
At 31 August	<u>428,000</u>	<u>258,000</u>

25 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 year the Trust made the following related party transactions:

Carlisle Diocesan Board of Finance

(Member of Trust)

The Diocesan Board of Education offers support to Trust schools via a number of mechanisms, some of which are charged for. These include conferences, training and head teacher's performance management.

Carlisle Diocesan Board of Finance is custodian trustee for the school buildings which three of the five member schools of the Trust operate from. No formal lease is in place for the use of the buildings, and no rent is payable under the arrangement.

During the year the central administration staff occupied serviced office accommodation within the Diocesan offices in Penrith.

During the year Carlisle Diocesan Board of Finance incurred and recharged costs totaling £7,781 for provision of support services to the Trust schools, and purchasing materials, provision of IT support/ system access, buildings insurance and provision of serviced office accommodation on behalf of the central Trust staff. This is recharged on and at a cost basis.

Carlisle Diocesan Board of Finance has ring fenced money towards the set up of the Trust to enable it to grow and achieve a sustainable size. In the first 2 years of operation £35,850 was utilised. For the 16/17 period a further £19,000 was agreed and has been accrued for in the accounts. At the balance sheet date the amount due to Carlisle Diocesan Board of Finance was £7,407.