

The Good Shepherd Multi Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

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 64

The Good Shepherd Multi Academy Trust

Reference and Administrative Details

Trustees (Directors)	N Appleton, Chair P J Freeman, Vice Chair M Mill H J Clarke W M M Rayner N W Kingdon (resigned 31 August 2018) The Venerable Doctor R D Pratt C McClean (appointed 21 September 2017) S Hughes (appointed 21 September 2017) A Martin (appointed 22 March 2018) 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 J Laker, Braithwaite C of E Primary School Head Teacher S Carrick, Ambleside C of E School Head Teacher O Harrison, Lorton School Head Teacher C Render & R Blake, Whitfield C of E Primary School Executive Head (by agreement with Wreay C of E School)
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 2018

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 2018. 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, Braithwaite C of E School which joined on 1 September 2015, Ambleside C of E School which joined on 1 October 2015, Lorton School which joined on 1 March 2017 and Whitfield C of E Primary School which joined on 1 September 2017. The academies have a combined pupil capacity of 529 and had a roll of 324 in the school census in October 2017.

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 - resigned 31st December 2017 - currently vacant)
M Wilson (in his capacity as nominated by the trustees of Carlisle Diocesan Board of Finance)
Andrew Towner (in his capacity as Chairman of the Carlisle Diocesan Board of Education)
N Appleton (in his 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 2018

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 2018

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.

Trade Union Facility Time

The Trust does not have any employee who is a trade union official.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

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 which is drawn down according to need every year. The Diocesan Director of Education, Michael Mill, works as Acting CEO for the Trust part time, but paid for by the Diocese. In the 17/18 academic year this is estimated to equate to donated services contribution of £28,096 by the Diocese to the Trust.

Central Trust staff previously paid to access IT facilities through the Diocesan network. However in August 2018 a new separate server facility and IT set up was purchased by the Trust. The central Trust staff occupy office space in the Diocesan Offices in Penrith and pay a proportional at cost amount for desk space in the building.

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 Friends of Whitfield School 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 2018

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 2018

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. We have an aspiration to set 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 2018

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 2018

Strategic Report

Achievements and performance

The Trust is delighted to have two of its schools receive 'Good' outcomes following Ofsted inspections during the 17-18 academic year. Lazonby had previously had a 'Good' report and Braithwaite 'Requires Improvement'. The reports recognised the significant progress made by the management teams and the contribution made by the Trust. It is increasingly clear that the Trust can demonstrate a proven track record of school improvement. This was further cemented following an Ofsted inspection of Ambleside early in the 18-19 academic year that moved them from 'Inadequate' to 'Good with outstanding features', which was the first time the school had a 'Good' grading in 15 years! Again the report commented on the benefit and support the school had received by being part of the Trust.

During the academic year 2017 - 2018, 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 fourth 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. External measures include outcomes at Ofsted.

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

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.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

Example:

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.

It should be noted none of our Trust schools are below the floor standard which is the minimum standard for pupil attainment and/ or progress that the government expects schools to meet.

Attainment

KS2 Attainment Overview 2018 - Trust Individual Schools and Aggregate, Compared with Schools Nationally and Cumbria Schools

(percentages are rounded; green highlight indicates outcomes are at or above the school's target; blue highlight indicates outcomes are below the school's target. Green text indicates outcomes are at or above national average; red indicates outcomes are below national average)

School/ Cohort 2018	Reading, Writing & Maths at Least Expected Standard 2018	Reading, Writing & Maths at Least Expected Standard 2017	Reading at Least Expected Standard 2018	Reading at Least Expected Standard 2017	Writing at Least Expected Standard 2018	Writing at Least Expected Standard 2017	Maths at Least Expected Standard 2018	Maths at Least Expected Standard 2017	GPS at Least Expected Standard 2018	GPS at Least Expected Standard 2017
Ambleside Cohort: 16	50%	45%	81% (56%)	55%	88% (73%)	73%	56% (56%)	82%	75%	64%
Braithwaite Cohort: 15	53%	67%	73% (73%)	89%	53% (60%)	78%	73% (73%)	100%	47%	89%
Lazonby Cohort: 8	38%	57%	50% (78%)	71%	100% (78%)	71%	50% (89%)	71%	50%	74%
Lorton Cohort: 8	63%	73%	88% (75%)	91%	63% (75%)	82%	88% (75%)	91%	75%	91%
Whitfield Cohort: 4	75%	50%	75% (75%)	50%	75% (75%)	50%	100% (75%)	50%	75%	50%
Cumbria	64%	61%	78%	74%	80%	77%	75%	74%	78%	76%
TGSMAT Cohort: 51	53%	61%	75%	78%	75%	76%	69%	88%	61%	80%
National	64%	61%	75%	71%	78%	77%	76%	75%	78%	77%
Difference TGSMAT/ National.	-11%	0%	0%	+7%	-3%	-1%	-7%	+13%	-17%	+3%

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

Attainment at KS2 in 2018 is lower than national and lower than in 2017. This was expected, as the 2017 cohort on average had lower outcomes at KS1. The schools agreed targets with school improvement partners in all three subjects (in brackets) and 4 out of the 5 schools achieved or exceeded these targets in at least two subjects. Reading, was at national, however, despite the lower ability cohort, and Writing was only just below national. This reflects very good progress in these subjects. Lazonby did not achieve target in reading and maths, although exceeded target in writing. There will be a strong focus on the teaching of reading and maths at Lazonby, as well as careful monitoring of the accuracy of teacher assessment in these subjects.

Targets have already been agreed with all schools for the 2019 KS2 SATs. Progress towards these targets will be revisited termly when School Improvement Partners visit the schools.

Progress

Trust Aggregate Progress 2017 & 2018, compared with Cumbria Schools

Percentiles	Reading	Writing	Maths
Top 5% of Schools			
Next 20%	2018 TGSMAT + 2.1	2018 TGSMAT + 1.9	
Next 15%			
Middle 20%	2017 TGSMAT + 0.5 2018 Cumbria 0.0 2017 Cumbria 0.0 National 0.0	2017 TGSMAT - 0.26 2018 Cumbria + 0.4 2017 Cumbria + 0.1 National 0.0	2018 TGSMAT + 0.02 2017 TGSMAT - 0.27 2018 Cumbria - 0.6 National 0.0
Next 15%			2017 Cumbria - 0.8
Next 20%			
Bottom 5%			

Although attainment overall for the Trust was lower in 2018 than in 2017, progress was better than in 2017, very strong in reading and writing, and better than Cumbria and National in all three subjects.

The 2018 Trust cohorts were generally lower achieving at KS1 than the 2017 cohorts, but, particularly in reading and writing, made good progress. Progress in maths was slightly better than Cumbria and National, but not as strong as in reading and writing. This was partly due to children who achieved the higher level at KS1 (Level 3) not quite achieving "greater depth" in the 2018 SATs.

Individual schools

Although attainment overall for the Trust schools is lower in 2018 than in 2017, progress is positive and improved for most schools. Progress for 4 out of the 5 schools was comparable to the top 25% of schools nationally (based on 2017 figures) in reading and writing.

The 2018 cohorts were generally lower achieving at KS1 than the 2017 cohort so progress is better even though attainment is lower.

Progress and attainment in maths will remain a focus for Lazonby and Ambleside, with Lazonby also focussing on progress and attainment in reading.

Lorton's good progress in reading needs to be matched, in 2019, by good progress in writing. This will be a focus for improvement.

Overall progress, which is the most significant measure, is better in all areas than in 2017 (see progress tables above) and in many schools/subjects, in the top 25% of schools. Although Lazonby (Reading and Maths) and Ambleside (Maths) show below average progress, the strong progress across other schools/subjects means that on average, children in the Trust schools made progress at or above national and above Cumbria.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

Key Stage 1 Subject Results 2018

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

School/ Cohort 2018	Reading at Least Expected Standard 2018	Reading at Least Expected Standard 2017	Writing at Least Expected Standard 2018	Writing at Least Expected Standard 2017	Maths at Least Expected Standard 2018	Maths at Least Expected Standard 2017
Ambleside Cohort: 9	77%	70%	66%	70%	66%	80%
Braithwaite Cohort: 3	33%	82%	33%	73%	33%	91%
Lazonby Cohort: 15	80%	29%	73%	21%	67%	29%
Lorton Cohort: 9	77%	80%	56%	70%	67%	60%
Whitfield Cohort: 7	86%	100%	100%	83%	86%	100%
TGSMAT Cohort: 43	77%	65%	70%	58%	67%	65%
Cumbria	75%	73%	69%	64%	75%	73%
National	74%	76%	66%	68%	73%	75%
Difference TGSMAT/ National.	+3%	-11%	+4%	-10%	-6%	-10%

Attainment at KS1 is at or above national average in reading across four of the five schools and in writing across three of the five schools. In maths, however, only Whitfield is above national average; this reflects, to some extent, the maths picture at KS2 and schools will have a strong focus on the teaching of maths in the current academic year. The Trust averages for KS1 are all significantly higher than in 2017, because the cohorts which underachieved were small (e.g. only 3 children in the Braithwaite KS1 cohort).

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

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 five schools, so a report from each of them follows:

Ambleside C of E School

In the second week of the autumn term, we finally had our long awaited Ofsted inspection. Ofsted judge us as a 'Good' School with 'Outstanding Features'. This is a marvellous achievement and we are incredibly pleased. As the report says, we have all worked really hard to get to this point. We are delighted that our ethos of taking learning outdoors and of engaging the local environment has been acknowledged as a strength of the school. We will continue in our commitment to ensure a well-rounded education that helps children to develop academically as well as spiritually and emotionally.

So as well having an Ofsted inspection, school life has continued to be busy and fun.

We have had Clem, the Ambleside trainee mountain rescue dog in school whilst we helped him learn his craft. He managed to find our 'missing' child easily. Mitchell was in the PE cupboard all along!

Staff have completely transformed our Key Stage 2 library into a wonderful rainforest full of tropical creatures. Most importantly, we have added lots of lovely new books. The children were very excited to see their new library and we hope it will all go towards boosting their love of reading.

Every child in school has taken part in sessions on the Life Education Bus. This is a wonderful way of learning all about life issues and health. The children look forward to their session each year and enjoy learning about their bodies, how to keep themselves safe and how look after their health. Puppets, lighting effects and special tutors make this an unforgettable experience, one which we value as part of our commitment to health and well-being.

Other events have included a Ukulele workshop for Years 5 and 6. This was a fun way to discover a new instrument. At the end of the afternoon, the children were confident enough to perform for the rest of the school. Thanks to a kind donation, we are now able to purchase our own set of ukuleles so that the children can continue playing.

Mrs Fish, our school cook, made us a delicious Royal Wedding Banquet to celebrate the wedding of Prince Harry and Meghan Markle. Parents were invited too and we had an excellent turnout. Our hall was decorated with Union Flags and the children enjoyed learning about who was getting married. Early Years went to St Mary's Church where Reverend Beverley carried out a beautiful 'wedding ceremony'. The children all dressed up in role for the special occasion. We had a bride and groom, bridesmaids, a best man and many guests. It was great fun!

As part of their topic 'The Big Five', Year 1 and 2 had a fabulous visit to The John Ruskin Museum in Coniston, learning all about famous Cumbrians. It was so lovely to hear the comments from the museum staff about the superb behaviour of the children.

We once again took a large group of our older children to Manchester Arena to take part in the biggest choir in the world event: 'Young Voices'. All the children (and parents) involved had a fabulous day, another valuable experience for the children.

We undertake many educational visits as a way to enhance and enrich the curriculum and we try to get outside as much as we can as we believe that fresh air and the outdoor environment is good for children's development. We have waterproof clothing for every child in school so that we can be out and about. Some of our other trips this year have included 'Peter Pan' at the Kendal College, The Lakeland Arts Trust workshop, the Tour of Britain, St Catherine's Wood to study our Stone Age topic, Hayes Garden Centre, The Apple Pie Café and Loughrigg Fell. There are so many places in our local area to boost our learning, and to that end, we tailor our curriculum accordingly.

Braithwaite CE Primary School

Our 'big news' for 2017/18 was our Ofsted in June 2018 which saw us rated 'good' after 3 years as a Trust school. This was very encouraging as it recognised the hard work by staff, pupils, the Local Governing Body and the Trust to make improvements to the school since the previous inspection in 2015. It also gives us a clear direction for further development to take the school forward. During the year school improvement work has focused on introducing the Maths Mastery approach (linking with developing reasoning and 'building learning power') and securing good progress in writing throughout the school. In Early Years the focus was on completing the outdoor learning area which was done in the Autumn term, thanks to the support of our local Rotary and Lions Clubs, as well as 'Friends of Braithwaite School' who gave donations towards this project; it is great to see this area in use daily to support learning in Early Years and Year 1. We have continued to work on linking our 12 Christian values to collective worship on a half termly rolling programme and have developed pupils' engagement with prayer. Pupil wellbeing has been a high priority and a 'wellbeing week' in June was a great way to bring health and wellbeing into the limelight.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

In September 2017 the school moved to a new class and staffing structure, following a reduction over previous years in pupil numbers. The school is now organised into 3 classes, named after local fells: Barrow Class (EYFS / Y1), Catbells Class (Y2/3/4) and Skiddaw Class (Y5/6). A 'Children in Need' ramble up Latrigg in November gave us an opportunity for each class to have their photo taken with their fell in the background and these photos were the start of the school having a 'Facebook' page in order to promote the school and communicate with parents and the community. We said goodbye to two senior teaching assistants but welcomed Miss Cowan who completed her apprenticeship and joined the school as a teaching assistant. Miss Cowan has taken over running the after school clubs which have continued to grow including new ideas such as Nature Club. Miss Rose joined the school in February 2018 to cover for Mrs Roe's maternity leave; Billy joined the Roe family in April so congratulations to them all!

The following gives a flavour of some of activities the children have been involved in:

- 'Wild Art' - Barrow class worked with parent and local artist, Claire Grant, on large scale outdoor art activities linked to different artists.
- FOBS cookbook - to celebrate 20 years of Mrs Dixon, our school cook, pupils and staff contributed to a cookbook of favourite recipes with wonderful photos of our budding chefs.
- Year 2, 3 and 4 pupils had a 2 day residential visit to Bassenfell Manor in Bassenthwaite in April during which they were able to take part in a lot of outdoor activities including camp craft, canoeing, abseiling and orienteering.
- In June Year 5 and 6 children took part in a 3 day residential visit to Liverpool which included a visit to a school in the city as well as museums in the docks area and the cathedral. A walk up Catbells was a great way to celebrate the end of SATs and Y5/6 pupils also had a number of sailing sessions on Derwentwater in the summer term.
- The whole school production of Aladdin in the summer term was another highlight of the year and we were very proud of everyone who took part (we had to adjust the time a bit so we could watch England's World Cup match afterwards!).
- Throughout the year we have had several 'learning together, growing together' days including a walk along the Keswick railway path and a Christmas Nativity crafts afternoon; we have dressed up for World Book Day (eventually - after being off school due to snow on the actual World Book Day) and had a 'Mad Hair day'; we've raised money for a number of charities including Motor Neurone Disease and for some projects in Malawi which were visited by one of our pupils.
- Sports events have included Hi 5 Netball, Hockey competitions, Cricket, Athletics, Summer touch rugby exhibition matches and of course Sports Day. We are very fortunate to have access to the Holiday Property Bond's swimming pool (opposite the school) for weekly swimming lessons.

Lazonby C of E School

This year at Lazonby C of E School we continue to work towards our vision of Dream, Believe, Achieve. We are encouraged in this by our 'Good' Ofsted outcome in December 2017 confirming that as a school we have addressed issues identified as a school and that we continue to move forward together.

Our residential program continues to be developed for our whole school. This year our Year 1 and 2 children spent the day problem solving and bouldering at a climbing wall then sleeping over in the hall in tents. Our Year 3 and 4 children travelled to Rydal Hall and stayed in the youth centre. Children enjoyed fish and chips in Ambleside after visiting the waterfalls and playing in the park. The following day they walked around Rydal Water and also made sculptures. Our Year 5 and 6 stayed at the Gillerthwaite Centre near Ennerdale. Their first day was spent canoeing and paddle boarding. For many of the children this was the highlight of their trip. The setting was beautiful even though the mist had come down and there were gusts of wind. The staff participated in the activities too, although Mr Davies spent more time in the water than on the paddle board! We continue to host a Transition Camp for 5 of our local schools. The year 6 children walk from the top of Hartside back to Lazonby where they then pitch their tents in the school field. This is followed by Swimming, a BBQ and singing round a camp fire. The following day the children are mixed into their secondary school groups in order for them to get to know each other and take part in problem solving activities. These residential trips are fantastic opportunities for children to develop not only new skills but also their personal, social and health education. They allow new skills to be learnt as well as opportunities to promote awe and wonder which is brought back into the classroom.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

Our Fair achiever award status renewal was successful and we were the second school in our area to offer a Fairtrade uniform option for our parents. Our wild area continues to be developed with support from Friends of Lazonby CE School, local businesses including a grant from the CO-OP. We now have a storage area to store the new equipment that was bought during the summer term. Within this garden we are looking forward to developing a space for reflection, exploration and collective worship.

We were delighted that our EYFS class was able to take part in the U Dance this year at Carlisle. The children worked incredibly hard to remember their dance routine and were certainly very brave performing in front of a large audience. Our EYFS and Year 1 children also performed a nativity and our Year 2 and 3 performed the Easter story at church. In the summer our year 4, 5 and 6 children performed the Greatest Showman. The costumes, acting and singing raised the roof; I'm sure Hugh Jackman would have enjoyed the show!

We have now finished the first part of renovating our school house. Our new EYFS toilet block is a big hit and the house has had a full rewire. We are using the majority of the space. We have gained an extra two intervention rooms, an archive room which doubles up as a drum kit room and we have located our Library upstairs also. Our children are now enjoying taking books out but we also use this space for our peripatetic music lessons. With numbers rising, we have been able to move to a four class structure. This has meant that the Headteacher's office has had to be relocated in to the old Library to give more space for our Year 5 and 6 children. This office space doubles up as a teaching space on a Monday as well as being used for meetings with parents, school council and LGB members. The old Head Teachers office is now known as 'The Den' and the children love the opportunity to work in this space.

We continue to raise standards in school and with the support of the Trust our teachers and members feel more informed and have a better understanding when looking at internal data on Scholar Pack as well as data from Fischer Family Trust and ASP. Our focus on writing last year has helped us to develop children's writing skills; this was helped through a member of staff becoming an English moderator. The way we teach mathematics by stages and not ages has helped with progress across all year groups. We will continue to monitor this and are now looking as to how we can help parents support their children at home.

We are looking forward to the year ahead and we have no doubt it will be just as busy. We will be revisiting our vision statement, developing our own GOALS (Global Outdoor Adventure Learning @ Lazonby CE school) booklet, developing the school house further and looking further into how our children, staff and members can flourish at Lazonby C of E School.

Lorton School

Staffing at Lorton remains the same for this academic year with all staff working together to provide fantastic opportunities for all our pupils.

Mrs Henderson has been trained as an Early Years Moderator and has visited several schools as part of the moderation process. The knowledge she gained from the training has helped us all within school.

The main project of installing a new Adventure Play area has finally taken a step forward. We have decided to use the existing site, rather than the Parish Field and we are only a matter of weeks away from hearing if our Lottery bid has been successful. The rest of the money will come from Friends of Lorton School who continue to work tirelessly raising funds for all sorts of extras in school.

Highlights of the year include:

- Our traditional annual Buttermere residential Yr 3- Yr 6.
- Each class having the opportunity to work with Helen's Herbs on plant, grow and cook sessions. (1 class each term). Thanks to a community grant, we are able to do this again this year.
- Continuation of whole school theme days, Harvest and Remembrance Day.
- Annual Christmas Tree Trip - Reception and Year 1.
- Year 4 - Yr 6 Keswick Theatre Trip.
- Reception and Year 1 / Years 2/3 Christmas Storyteller
- Christmas Concert
- Yr 3- Yr 4 Coniston Residential.
- Yr 5 - Yr 6 Newcastle Residential
- Sports Day.
- Several days across the year working with our National Trust Warden in our fabulous surroundings.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

Following on from the success of Mr Hoyle's Lion King production in July 2017, his class performed Jungle book in July 2018 - again, it was performed at the Kirkgate Centre and once again was written by Mr. Hoyle. It was a fabulous show, with a very professional feel to it!

Each class has also been fortunate to work with one of our parents on a 'Teaching Trees' project. We have a little piece of woodland in the village that a family has kindly granted us use of, and classes spend sessions or whole days there, taking our learning outside.

The academic year 2017/18 was our first full academic year working with the Trust and the support that we have received has enabled us all at Lorton to continue to move the school forward.

Whitfield C of E Primary School

Whitfield C of E Primary School opened as a sponsored academy on 1st September 2017. The school had received an inadequate grade at its last Ofsted inspection, and following determined efforts by the supportive school community, the Trust was chosen as the academy sponsor.

As part of the conversion process Whitfield benefitted from an extended car park which complies with both Health and Safety and Safeguarding requirements, new office space and a redecoration of the school building.

An Executive Headship model provides strategic leadership alongside a Head of School and the school operates 3 classes, Little Lapwings, Skylarks and Herons with part-time nursery provision taking place on two days.

Pupil numbers have risen during the academic year as the reputation of the School rapidly improves. The outcomes for all pupils have improved across the academic year 2017-2018, with accelerated progress evident across the school. This has been achieved by rapidly improving teaching and learning and precise target setting on an individual basis. Progress measured against national benchmarks saw Whitfield School placed in the top 5% of schools nationally (2018) which we were delighted with.

Teaching staff have had intensive and targeted CPD across 2017-2018. This programme directly addresses the school's weaknesses around the effectiveness of teaching, learning and assessment identified by OFSTED.

- Katherine Ayre- Church of England Professional Qualification of Headship.
- NQT event with the Rural Learning Alliance for the NQT (Upper KS 2)
- Staff INSETs on how to use LEXIA to support children with spelling, on differentiation and planning for all learners and on writing including moderation for Year 2
- On-going coaching, from an independent Consultant, on topics of lesson planning, learning objectives and success criteria.
- Writing moderation for Year 2 and Year 6 from Northumberland LA.
- The Trust School Improvement Officer, Cleo Cunningham, has taught outstanding lessons with the NQT observing as part of his professional development.

Enrichment across Whitfield School 2017-2018

- Bishop Christine from Newcastle Diocese visited school and spent time speaking to the children and then delivered an act of Collective Worship.
- South Tyneside Trail- Northumberland Water is working with Graeme Hopper and Whitfield School to design 16 sculptures in metal that will mark the water line along the South Tyne Trail.
- Friday afternoon enrichment sessions led by school staff and the Friends of Whitfield School Group give the children an opportunity to explore practical skills and develop their holistic learning. This included a Spring Seasonal afternoon. The foyer looked beautiful for the week before Easter with a decorated branch full of blown papier Mache eggs the children had made. The same committed parents keep running these wonderful afternoons which the children staff all really appreciate.
- An Easter gardens competition saw the children really enjoying making small world Easter gardens.
- A small team of parent volunteers have begun on the playground facelift including repainting the coloured lines and blackboards, controlling the willow and preparing the creative shed. A beautiful wooden table and chairs have been made and donated by Bill Pierce for the peace garden and a student came and worked with the children to create a sensory corner in the playground. We will plant sensory plants here to support emotional well-being in the children.
- Holly Clay from the Friends group came into school and wrote poetry with the children which they loved.
- The children and staff spent an afternoon in the Spinney moving logs to form the pathway they would like once our woodland classroom takes shape.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

- Clubs have continued to be run by a wonderful raft of volunteers: Drama Club, Gardening Club, Makaton Club and recently started 'Why Don't You? Craft Club. Such fabulous opportunities for the children. The children and adults from Drama Club performed their version of 'The Selfish Giant' to school and parents at the end of last term.
- Rosie Villiers- Stuart from the Friends Group continues to volunteer in every week to sing with the children before school on Thursdays.
- Year 4 have been on a joint Wastwater residential with Shaftoe and Allendale Primary schools.
- We had a visit from the NSPCC who led a collective worship session about 'Speak out, Stay safe'.

From a position of uncertainty, Whitfield C of E Primary School continues to thrive and provide a diverse, broad experience for the children, building on the support of the Trust. We look forward to the challenges that 2018-19 will bring, ensuring the very best education for all.

Going concern

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

Key non-financial performance indicators

Progress within the organisation will be measured in a number of ways but primarily through effective terms of reference for the committees and working towards clearly defined objectives with outcomes. Alongside the development of the Church of England's Vision for Education (for all schools not just church schools) the Trust continues a process of reviewing and updating the strategic 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 16-17 academic year the Trust successfully bid for an additional grant to strengthen its role as a sponsor and to assist in its growth. This enabled the employment of a School Improvement 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 were also agreed and continue to be monitored and updated. The appointment of 2 part time development officers also enabled us, among other things, to implement more robust clerking and administrative procedures to facilitate more effective LGB functions, develop a programme of LGB training, to implement new and emerging policies including meeting GDPR requirements and to update school and central Trust IT systems to meet the needs of the growing organisation.

In the 18-19 academic year we aim to continue to embed the areas developed by the project and work on other identified activity to further the work of the Trust.

Each school is visited on a termly basis by a Trust School Improvement Consultant 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. We are therefore really pleased that in the 17-18 academic year Lazonby School maintained its 'Good' status and Braithwaite moved from 'Requires Improvement' to 'Good'. In the early part of the 18-19 academic year Ambleside were also inspected moving from 'Inadequate' to 'Good with Outstanding features'. Also in the coming 18-19 academic year Lorton will be in the window for Ofsted inspection, having been part of the Trust since March 2017.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

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 (£1,638,232) which supports the educational aims of the Trust. As you can see from the accounts, this represents 67% of the Trusts total income in the year of £2,444,856. 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 was delivered across 2 academic years, affecting the surplus /deficit across the 2 year ends. 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/ Friends of Groups and the Local Governing Bodies is invaluable in the delivery of the organisation's educational aims.

Braithwaite were successful in obtaining a £104,456 grant from the DfE Condition Improvement Fund for the Heating Plant Replacement project.

As a fully sponsored school Whitfield were awarded a Start Up Grant A & B. The school anticipate spending these grants over a 3 year period.

We were accepted as sponsor for Dean C of E School in July 2018 and have received a sponsored School Grant for them.

It should be noted that the receipt of the CIF, the Whitfield Start Up Grants and Sponsored School Grants for Dean in advance of spend mean that we have an inflated bank balance at the end of the academic year.

We are pleased that all schools within the Trust are developing unrestricted surpluses and have operated better than budget over the year, due to ongoing prudent management and efficient budgeting. 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 £13,100 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 £2,445,892.

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 2018

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 to 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 £52,568, Braithwaite C of E Primary School of £44,692, Ambleside C of E School of £32,772, Lorton School of £84,839, Whitfield C of E Primary School £10,040 and centrally held a further £21,317. More details can be found in note 16.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

Investment policy

The Good Shepherd Multi Academy Trust was established by The Diocese of Carlisle to run schools in Cumbria. In this context, the purpose of an Investment Policy is to protect, as far as possible, the funds of the Trust held on deposit, against the failure of one or more financial institution and to limit from an ethical point of view where those funds are maintained. The policy does not provide for any facility to make risk-based investments such as gilts (ie stocks and shares).

The Trust aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns, but ensure the investments are such that there is no risk to the loss of these funds. The principals of these investments will be in line with the current Church of England Investment and Ethical Policy statements which excludes investment in activities that are materially inconsistent with Christian values.

Purpose of the Policy

- To ensure adequate cash balances are maintained in the current accounts to cover day-to-day working capital requirements.
- To ensure there is minimum risk of loss in the capital value of any cash funds invested.
- To optimise returns on invested funds.

Background

The Good Shepherd Multi Academy Trust is a limited company with charitable status. Multi academy trusts are able to make investments and these investments can be a good source of funding, but can expose the Trust to risks.

Any financial investment should be taken to obtain the best financial return with the level of risk considered to be acceptable. The Charity Commission (see Charities and investment matters: a guide for trustees; Published 1 October 2011) advises that trustees have several legal responsibilities when making financial investments.

Trustees must:

- Know and act within their Trust's powers to invest.
- Exercise care and skill when making investment decisions.
- Select investments that are right for the academy. This means taking account of:
 - How suitable any investment is for the Trust.
 - The need to diversify investments.
- Take advice from someone experienced in investment matters unless they have good reason for not doing so.
- Follow certain legal requirements if they are going to use someone to manage investments on their behalf.
- Review investments periodically.
- Explain their Investment Policy in their annual report.

Trustees must be clear about what they aim to achieve through financial investment. They must consider exactly what they want to do, how they intend to do it and what the timescale will be. They must also consider the Trust's long and short-term financial commitments as well as its expected income.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

Risk

All investments are usually associated with a certain degree of risk. Consequently, trustees must do all they can to manage risk levels.

Trustees must consider the level of risk they are able to accept.

They must be satisfied that the overall level of risk they are taking is appropriate for the Trust.

Prior to any decision to invest, regular monitoring of cashflow and current account balances must be in place to ensure immediate financial commitments can be met; and that the current accounts have adequate balances to meet forthcoming commitments .

The Trust will always be cautious with public money with which we are entrusted. It is the Trustees' aim to invest any money that is not required to cover anticipated expenditure and take steps to manage the risk associated and with financial investments.

Implementation

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 operations to Charities Aid Foundation which supports individual charities 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 numbers of cash or cheque deposits (which is standard across the industry).

The Trust also operates a bank account directly linked with an individual school. This is to enable ease of access to the account and a means of depositing cash in the rural area the school operates in. The decision to maintain an account like this is taken on a school by school basis. Money is not allowed to accrue in these accounts and is regularly transferred into CAF bank.

The Trust will construct such budgets and cash flow forecasts as are required to ensure the viability and sustainability of its activities and to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment.

From time to time, operational and strategic decisions will result in substantial cash balances at the bank over a sustained period. Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only in the institutions in Appendix A.

Prior to investing funds, The CEO must be satisfied that the cash flow predictions are accurate and that the amount/time period of the investment will not compromise the viability and sustainability of the activities of the Trust.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

The principles which the Board of Directors will adopt are as follows:

Where practicable the reserve is invested in tranches of up to £75,000.

Consideration should be given to investing each £75,000 tranche in a different authorised institution (see Appendix A)

The Trust will not place cash assets in shares, bonds or other such investment schemes.

Monitoring and evaluation

Periodically the interest rates being achieved will be reviewed and will be compared with other alternative investment opportunities that comply with the parameters of this policy.

The Chief Executive Officer (as Accounting Officer) and Trust Finance Officer are responsible for ensuring this policy is adhered to.

A schedule of current investments, including current account balances and cashflow forecasts will be reported at Trust Finance Committee meetings.

Review

The Trust Finance Committee will carry out a review of this policy on a regular basis to ensure that any new or changed legislation is adhered to.

Any change in policy requires the approval of the Trust Board via the Trust Finance Committee.

Appendix A

CAF Bank
HSBC Plc
The Cumberland Building Society
CCLA
National Westminster Bank Plc
Lloyds Bank Plc
Virgin Charity Accounts

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

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 5 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. In the 18/19 academic year the Trust proposes to work with the Diocese to take the first steps in recruiting a part time temporary 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.

Failure to maintain an effective Board comprising directors of appropriate calibre and skills has also been identified as a key risk. We managed to recruit a director with a finance background but are still short of a director with a strategic School Improvement background. This has been further exacerbated by the resignation of Nigel Kingdon on 31st August 2018. The Trust and its directors continues therefore to work with the DfE, Academy Ambassadors and other partners to identify potential new directors.

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
- Logistical difficulties of co-ordination and engagement as schools have a wide spread across the county
- 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.

Fundraising

The Good Shepherd Multi Academy Trust does not undertake any formal fundraising activity on behalf of the whole organisation, nor does it undertake any direct marketing.

However the individual schools do sometimes undertake fundraising activity in the form of events (fun run, cake stall etc) as they feel appropriate. All fundraising activity is closely monitored by the Headteachers and Local Governing Bodies in each school and conforms to recognised standards. Should there ever be any issues complaints will be dealt with using the Trust Complaints Policy.

All Trust schools receive money from the linked "Friends Of" groups which is generated through the fundraising efforts of these groups.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

Plans for future periods

In addition to the continued maintenance and enhancement of the activities of the Trust and its academies as identified elsewhere in this document, the Board plans to develop the Trust as follows over the coming year.

Under the oversight of the School Improvement Committee, to:

- Develop further the Trust School Improvement Strategy, maximise the effective deployment of expertise from within the Trust and its partners and plan for the development of a comprehensive school improvement service within the Trust as it grows.
- Ensure that all safeguarding policies and procedures are firmly embedded in the practice of the Trust and monitored by the Trust safeguarding officer to provide assurance and compliance.
- Stimulate discussion across the Trust academies of the curricular implications of 'life in all its fullness' leading to a richer pupil experience across the schools.

Under the oversight of the Personnel Committee, to:

- Respond to Trust growth by developing leadership structures and succession planning, including the appointment of a CEO, to provide the best possible leadership and management of the Trust and academies within available resources.
- Support the Trust School Improvement Strategy by securing appropriate staff development opportunities and entitlements.
- Prioritise staff health and well-being with a view to protecting and enhancing the experience of staff, and pupils, their families and communities.

Under the oversight of the Business Development and Communications Committee, to:

- Bring more schools into the Trust family.
- Further raise the profile of the Trust and its academies through external communications that celebrate the activities of the Trust and promote the benefits of being part of the Trust.

Under the oversight of the Finance Committee, to:

- Develop a set of performance indicators for the financial and administrative aspects of the Trust that will enhance the ability of the Board and officers to judge the effectiveness of business operations.
- Implement a schedule of internal audits that will test the Trust's internal controls, compliance and effectiveness in order to support business processes as the Trust grows.

Each of these committees will be responsible for reporting back to the board.

The Good Shepherd Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2018

Strategic Report

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 2018 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	5	6
H J Clarke	6	6
S Hughes	6	6
W M M Rayner	5	6
C McClean	4	6
A Martin	2	2
The Venerable Doctor R D Pratt	6	6
N W Kingdon	6	6

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 17/18 academic year there was 1 vacancy for an LGB director with the other seats being represented as follows:

- Simon Hughes – Joint Chair Lorton School
- Nigel Kingdon - Chair of Ambleside C of E School

The Trust continues to work directly with it's schools to fill the LGB director vacancies and has also instigated a link director role, where schools have a named director they can engage with.

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 Board therefore welcomed Andrew Martin on as a director with financial experience. There is still an identified gap for a School Improvement specialist which we are currently working to fill.

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. Gillian resigned from the committee following on from her resignation from the DBE. In order to supplement the links with the DBF, Ric Jaques, Head of Finance for the Diocese, was therefore asked to join the committee from May.

Attendance at finance committee meetings during the year was as follows:

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

Local Governing Bodies

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 continue to review suppliers to attain the best services we could and negotiate better price quotes from companies.

Having a director with links to the University of Cumbria 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 2018 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 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

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

- to appoint Dodd & Co Limited as internal auditor

The auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems and procurement
- Testing of control account/bank reconciliations
- Testing of income and debtors procedures
- Testing of fixed asset procedures and controls

On an annual basis, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's 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 internal auditor ;
- the work of the external auditor;

The Good Shepherd Multi Academy Trust

Governance Statement (continued)

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2018 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 2018

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 & 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 2017 to 2018;
- 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 2018 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 'Trust') for the year ended 31 August 2018, 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'.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Trust'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.

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:

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)

- 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust 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 Trust'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 Trust'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 Trust to cease to continue as a going concern.
- 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 Trust to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Trust 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.

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)

Use of our report

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

.....
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

6 December 2018

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 & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 Governing Body'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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 2017 to 31 August 2018 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 2018

The Good Shepherd Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	64,708	77,971	128,476	271,155
<i>Charitable activities:</i>					
Funding for the Trust's educational operations	3	-	2,041,149	-	2,041,149
Other trading activities	4	132,287	-	-	132,287
Investments	5	265	-	-	265
Total		197,260	2,119,120	128,476	2,444,856
Expenditure on:					
<i>Charitable activities:</i>					
Trust's educational operations	7	126,817	2,115,291	203,784	2,445,892
Net income/(expenditure)		70,443	3,829	(75,308)	(1,036)
Transfers between funds		571	(80,768)	80,197	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	-	108,000	-	108,000
Net movement in funds		71,014	31,061	4,889	106,964
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		175,214	(315,990)	716,290	575,514
Total funds/(deficit) carried forward at 31 August 2018		246,228	(284,929)	721,179	682,478

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 £	2016/17 Total £
Income and endowments from:					
Donations and capital grants	2	39,917	49,759	243,120	332,796
Transfer from local authority on conversion		-	(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		<u>175,214</u>	<u>(315,990)</u>	<u>716,290</u>	<u>575,514</u>

The Good Shepherd Multi Academy Trust

(Registration number: 09341374) Balance Sheet as at 31 August 2018

	Note	31 August 2018 £	31 August 2017 £
Fixed assets			
Tangible assets	13	692,810	688,077
Current assets			
Debtors	14	136,702	177,514
Cash at bank and in hand		<u>743,936</u>	<u>708,218</u>
		880,638	885,732
Creditors: Amounts falling due within one year	15	<u>(330,970)</u>	<u>(392,295)</u>
Net current assets		<u>549,668</u>	<u>493,437</u>
Total assets less current liabilities		<u>1,242,478</u>	<u>1,181,514</u>
Net assets excluding pension liability		1,242,478	1,181,514
Pension scheme liability	24	<u>(560,000)</u>	<u>(606,000)</u>
Net assets including pension liability		<u><u>682,478</u></u>	<u><u>575,514</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(284,929)	(315,990)
Restricted fixed asset fund		<u>721,179</u>	<u>716,290</u>
		436,250	400,300
Unrestricted funds			
Unrestricted general fund		<u>246,228</u>	<u>175,214</u>
Total funds		<u><u>682,478</u></u>	<u><u>575,514</u></u>

The financial statements on pages 38 to 64 were approved by the Trustees, and authorised for issue on 6 December 2018 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 2018

	Note	31 August 2018 £	31 August 2017 £
Net cash (outflow)/inflow from operating activities	19	(47,756)	162,248
Cash transferred on conversion into the Trust		-	33,983
Returns on investments and servicing of finance	20	265	69
Capital expenditure and financial investment	21	<u>83,209</u>	<u>192,670</u>
Increase in cash in the year		35,718	388,970
Cash and cash equivalents at 1 September		<u>708,218</u>	<u>319,248</u>
Cash and cash equivalents at 31 August	22	<u><u>743,936</u></u>	<u><u>708,218</u></u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 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 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Conversion to an academy

The conversion from a state maintained school to a 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 a school into the 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 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.

Sponsorship income

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

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

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 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'.

Transfer on conversion

Where assets and liabilities 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 to the net assets received.

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 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.

Charitable activities

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

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Tangible fixed assets

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

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

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

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

Asset class	Depreciation method and rate
Land	Not depreciated
Buildings	50 years straight line basis / over the term of the lease
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 and Whitfield C of E Primary 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 2017/18.

Lorton School uses a building held under 125 year lease with Cumbria County Council. In accordance with the Academies Accounts Direction 2017/18 this building has been capitalised and depreciated over the term of the lease. Whitfield C of E Primary School uses a building held under 20 year lease with The Whitfield Estate Trust. This building has been included as an operating lease at £nil committed cost in accordance with the lease terms.

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.

Financial Instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 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.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 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 2018 (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 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 Department for Education Group.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2018. 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 2018 £	Total 2017 £
Educational trips and visits	-	39,555	-	39,555	21,859
Capital grants	-	-	128,476	128,476	243,120
Other donations	64,708	38,416	-	103,124	67,817
	<u>64,708</u>	<u>77,971</u>	<u>128,476</u>	<u>271,155</u>	<u>332,796</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

3 Funding for Trust's educational operations

	Restricted funds £	2017/18 Total £	2016/17 Total £
DfE/ESFA revenue grants			
GAG School Budget Share	1,583,394	1,583,394	1,358,262
GAG Pupil Premium	44,623	44,623	50,600
ESFA Infant Meal Funding	46,230	46,230	47,707
GAG Education Services Grant	10,215	10,215	24,664
ESFA Rates Relief	6,789	6,789	7,289
ESFA Start-up Grant	50,000	50,000	-
ESFA Conversion Grants	70,000	70,000	110,000
	<u>1,811,251</u>	<u>1,811,251</u>	<u>1,598,522</u>
Other government grants			
LEA Early Years Funding	57,458	57,458	33,191
Other Government Grants	83,040	83,040	36,682
Regional Growth Fund	-	-	140,000
LEA SEN Funding	24,599	24,599	23,782
SLDC Flood Grant	-	-	4,760
	<u>165,097</u>	<u>165,097</u>	<u>238,415</u>
Non-government grants and other income			
Apprentice Grants	-	-	3,000
Kelsick Trust	64,801	64,801	58,416
	<u>64,801</u>	<u>64,801</u>	<u>61,416</u>
Total grants	<u>2,041,149</u>	<u>2,041,149</u>	<u>1,898,353</u>

4 Other trading activities

	Unrestricted funds £	Total 2018 £	Total 2017 £
Catering income	73,067	73,067	56,050
School shop sales	3,284	3,284	4,202
School club income	23,854	23,854	29,686
Music services	2,385	2,385	4,592
School fund surplus received after conversion	-	-	33,983
Other sales	29,697	29,697	27,719
	<u>132,287</u>	<u>132,287</u>	<u>156,232</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

5 Investment income

	Unrestricted funds £	Total 2018 £	Total 2017 £
Short term deposits	265	265	69

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2018 £	Total 2017 £
Trust's educational operations					
Direct costs	1,270,119	-	227,435	1,497,554	1,194,742
Allocated support costs	332,504	375,957	239,877	948,338	963,815
	1,602,623	375,957	467,312	2,445,892	2,158,557
	1,602,623	375,957	467,312	2,445,892	2,158,557

Net incoming/outgoing resources for the year include:

	2018 £	2017 £
Fees payable to auditor - audit	5,500	5,500
- other audit services	2,250	2,250
Operating lease rentals	4,561	4,088
Depreciation	40,534	23,882

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

7 Trust's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
Direct costs					
Teaching and educational support staff costs	2,752	1,267,367	-	1,270,119	1,016,339
Educational supplies	8,417	132,113	-	140,530	117,347
Examination fees	-	300	-	300	300
Staff development	-	20,608	-	20,608	15,047
Educational consultancy	-	51,173	-	51,173	28,178
Other direct costs	-	14,824	-	14,824	17,531
	<u>11,169</u>	<u>1,486,385</u>	<u>-</u>	<u>1,497,554</u>	<u>1,194,742</u>
Allocated support costs					
Support staff costs	37,976	246,528	-	284,504	275,836
Defined benefit pension scheme service cost adjustment	-	48,000	-	48,000	49,000
Depreciation	-	-	40,534	40,534	23,882
Maintenance of premises and equipment	-	55,003	163,250	218,253	252,110
Cleaning	-	45,217	-	45,217	41,324
Rent, rates and utilities	-	64,533	-	64,533	81,623
Insurance	-	7,420	-	7,420	6,704
IT and website costs	-	30,697	-	30,697	21,288
Recruitment and support	-	6,560	-	6,560	6,792
Security and transport	-	30,917	-	30,917	15,651
Catering	77,672	46,438	-	124,110	95,658
Bank interest and charges	-	155	-	155	299
Interest on defined benefit pension scheme	-	14,000	-	14,000	10,000
Professional fees	-	8,854	-	8,854	18,344
Printing, postage and stationery	-	12,250	-	12,250	18,601
Subscriptions	-	624	-	624	1,150
Governance costs	-	11,710	-	11,710	35,233
Other support costs	-	-	-	-	10,320
	<u>115,648</u>	<u>628,906</u>	<u>203,784</u>	<u>948,338</u>	<u>963,815</u>
	<u><u>126,817</u></u>	<u><u>2,115,291</u></u>	<u><u>203,784</u></u>	<u><u>2,445,892</u></u>	<u><u>2,158,557</u></u>

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.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Conversion to an academy trust

On 1 September 2017 Whitfield C of E Primary School converted to an academy within the Trust under the Academies Act 2010 and all the operations assets and liabilities were transferred to Local Authority for £Nil consideration. There was a total deficit on local authority funds of £102,790 at the date of transfer. This was a deficit on general funds, with PE and Devolved Formula Capital grants holding a £Nil balance. As a sponsored school the transfer to the Trust was made with £Nil funds.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

9 Staff

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	1,257,681	1,048,663
Social security costs	77,734	68,569
Pension costs	214,379	169,881
Supply teacher costs	7,887	1,993
Staff restructuring costs	-	10,555
Staff absence insurance income	(3,058)	(7,486)
Operating costs of defined benefit pension schemes	48,000	49,000
	1,602,623	1,341,175

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:

	2018 No	2017 No
Charitable Activities		
Teachers	40	41
Administration and support	21	19
Management	5	5
	66	65

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 £279,590 (2017 - £294,473).

The Diocesan Director of Education, Michael Mill, works as Acting CEO for the Trust part time, but paid for by the Diocese. In the 17/18 academic year this is estimated to equate to donated services contribution of £28,096 (2017 - £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 2018 (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 maximise 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.

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 5% 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 Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

10 Central services (continued)

The actual amounts charged during the year were as follows:

	2018 £
Lazonby C of E School	16,831
Braithwaite C of E Primary School	13,042
Ambleside C of E School	19,294
Lorton School	13,501
Whitfield C of E Primary School	23,942
	<hr/> <hr/> 86,610

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 2018, travel and subsistence expenses totalling £1,722 (2017 - £2,178) were reimbursed or paid directly to 3 trustees (2017 - 3).

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 (RPA) 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 total cost of the RPA cover for the period ended 31 August 2018 is £7,160 and is included in the total insurance cost.

The cover for Trustees and officers is for up to £5,000,000 on any one claim.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Tangible fixed assets

	Long Leasehold land and buildings £	Furniture and Fixtures £	Plant and Equipment £	Total £
Cost				
At 1 September 2017	557,094	142,920	12,521	712,535
Additions	-	6,915	38,352	45,267
At 31 August 2018	<u>557,094</u>	<u>149,835</u>	<u>50,873</u>	<u>757,802</u>
Depreciation				
At 1 September 2017	-	20,890	3,568	24,458
Charge for the year	2,971	32,590	4,973	40,534
At 31 August 2018	<u>2,971</u>	<u>53,480</u>	<u>8,541</u>	<u>64,992</u>
Net book value				
At 31 August 2018	<u>554,123</u>	<u>96,355</u>	<u>42,332</u>	<u>692,810</u>
At 31 August 2017	<u>557,094</u>	<u>122,030</u>	<u>8,953</u>	<u>688,077</u>

14 Debtors

	2018 £	2017 £
Trade debtors	6,044	8,114
VAT recoverable	66,140	49,948
Prepayments	64,518	119,452
	<u>136,702</u>	<u>177,514</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	211,301	162,553
Other taxation and social security	22,720	22,470
Other creditors	-	10,320
Accruals	58,016	154,846
Deferred income	<u>38,933</u>	<u>42,106</u>
	<u><u>330,970</u></u>	<u><u>392,295</u></u>

	2018
	£
Deferred income at 1 September 2017	42,106
Resources deferred in the period	38,933
Amounts released from previous periods	<u>(42,106)</u>
Deferred income at 31 August 2018	<u><u>38,933</u></u>

At the balance sheet date the Trust was holding grants received in advance for 2018/19 for:

Lorton School: £5,736 Universal Infant Free School Meals Funding and £330 Pupil Premium.

Lazonby C of E School: £9,177 Universal Infant Free School Meals Funding and £2,885 Pupil Premium. Lottery match funding of £935.

Braithwaite C of E Primary School: £2,678 Universal Infant Free School Meals Funding and £1,810 Pupil Premium.

Ambleside C of E School: £3,790 Universal Infant Free School Meals Funding and £7,775 Pupil Premium.

Whitfield C of E Primary School: £2,167 Universal Infant Free School Meals Funding and £1,650 Pupil Premium.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	53,124	1,638,232	(1,676,294)	(8,180)	6,882
Regional Academy Growth Grants	115,557	50,000	(80,964)	(31,762)	52,831
Conversion Grants	69,173	70,000	(1,600)	(39,850)	97,723
Other Government Grants	19,850	218,116	(201,904)	-	36,062
Other Restricted Funds	32,306	142,772	(92,529)	(976)	81,573
Pension Deficit	<u>(606,000)</u>	-	<u>(62,000)</u>	<u>108,000</u>	<u>(560,000)</u>
	<u>(315,990)</u>	<u>2,119,120</u>	<u>(2,115,291)</u>	<u>27,232</u>	<u>(284,929)</u>
Restricted fixed asset funds					
DfE Capital Grants	93,547	104,456	(130,765)	4,300	71,538
ESFA Capital Maintenance	52,561	24,020	(25,545)	(5,290)	45,746
Kelsick ICT Grant	2,327	-	(1,395)	-	932
Big Lottery Fund Grant	10,761	-	(3,587)	-	7,174
Property on conversion	557,094	-	-	-	557,094
Revenue funded capital projects	-	-	<u>(42,492)</u>	<u>81,187</u>	<u>38,695</u>
	<u>716,290</u>	<u>128,476</u>	<u>(203,784)</u>	<u>80,197</u>	<u>721,179</u>
Total restricted funds	400,300	2,247,596	(2,319,075)	107,429	436,250
Unrestricted funds					
Unrestricted general funds	<u>175,214</u>	<u>197,260</u>	<u>(126,817)</u>	<u>571</u>	<u>246,228</u>
Total funds	<u><u>575,514</u></u>	<u><u>2,444,856</u></u>	<u><u>(2,445,892)</u></u>	<u><u>108,000</u></u>	<u><u>682,478</u></u>

Material Transfers:

A transfer of £32,537 was made from the ESFA School grant within Conversion Grants to General Annual Grant (GAG) as reimbursement for costs incurred at Whitfield C of E Primary School.

A transfer of £39,547 was made from the General Annual Grant (GAG) to Restricted Fixed Assets Funds to fund the School House upgrade at Lazonby School.

A transfer of £11,959 was made from the MAT Growth Grant to Restricted Fixed Assets Funds to fund an IT project.

A transfer of £19,803 was made from the Whitfield Start Up Grant to Restricted Fixed Assets Funds to fund an IT upgrade at Whitfield Primary School.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

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

	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	<u>-</u>	<u>557,094</u>	<u>-</u>	<u>-</u>	<u>557,094</u>
	<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>(30,270)</u>	<u>2,816,341</u>	<u>(2,158,557)</u>	<u>(52,000)</u>	<u>575,514</u>

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total £
Lazonby C of E School	107,791
Braithwaite C of E Primary School	57,007
Ambleside C of E School	101,292
Lorton School	53,252
Whitfield C of E Primary School	49,838
Central services	<u>152,119</u>
Total before fixed assets and pension reserve	521,299
Capital Grants	721,179
Pension scheme liability	<u>(560,000)</u>
Total	<u>682,478</u>

At the year end, the Trust held free reserves for Lazonby C of E School of £52,568, Braithwaite C of E Primary School of £44,692, Ambleside C of E School of £32,772, Lorton School of £84,839, Whitfield C of E Primary School £10,040 and centrally held a further £21,317.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (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 2018.

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 £12,493 and £10,261 respectively remains unspent.

Conversion Grants includes a conversion grant of £70,000 for Dean School which is to join the Trust in 18/19. Each conversion grant received is restricted to cover costs directly incurred as a result of schools converting to an Academy and joining the Trust.

Start Up Grants includes £50,000 for Whitfield Primary School, the fund is restricted to contribute towards leadership and other costs to build up pupil numbers.

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 DfE funding receivable in the period for all 5 schools.

DfE Conditions Improvement Grant Funding for capital works is restricted funding. An allocation of £104,456 was received for a heating plant replacement at Briathwaite C of E School.

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 2018 (continued)

16 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2018 £
Lazonby C of E School	257,690	51,726	35,928	122,391	467,735
Heversham St. Peter's C of E Primary School	-	-	-	-	-
Braithwaite C of E Primary School	244,887	59,221	38,832	160,847	503,787
Ambleside C of E School	356,747	48,494	69,981	108,575	583,797
Lorton School	252,894	32,110	19,251	93,233	397,488
Whitfield C of E Primary School	165,075	41,602	31,766	28,166	266,609
Central services	-	92,177	32,622	61,143	185,942
Trust	<u>1,277,293</u>	<u>325,330</u>	<u>228,380</u>	<u>574,355</u>	<u>2,405,358</u>
					Total 2017 £
Lazonby C of E School					404,731
Heversham St. Peter's C of E Primary School					211,428
Braithwaite C of E Primary School					410,658
Ambleside C of E School					701,777
Lorton School					211,519
Whitfield C of E Primary School					-
Central services					<u>194,562</u>
Trust					<u>2,134,675</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2017/18 Total funds £
Tangible fixed assets	-	-	692,810	692,810
Current assets	246,228	606,041	28,369	880,638
Current liabilities	-	(330,970)	-	(330,970)
Pension scheme liability	-	(560,000)	-	(560,000)
	<u>246,228</u>	<u>(284,929)</u>	<u>721,179</u>	<u>682,478</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2016/17 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)
	<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 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	3,068	2,543
Amounts due between one and five years	8,462	3,450
Amounts due after five years	13,600	14,400
	<u>25,130</u>	<u>20,393</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

	31 August 2018	31 August 2017
	£	£
Net (expenditure)/income	(1,036)	657,784
Depreciation	40,534	23,882
Cash transferred on conversion to an academy trust	-	(33,983)
Donated capital and capital grants	(128,476)	(243,120)
Interest receivable	(265)	(69)
FRS 17 interest on defined benefit pension scheme	14,000	10,000
FRS17 service cost adjustment	48,000	49,000
Decrease/(increase) in debtors	40,812	(76,432)
(Decrease)/increase in creditors	(61,325)	211,280
Pension deficit transferred on conversion	-	121,000
Land and building transferred on conversion	-	(557,094)
Net cash (outflow)/inflow from operating activities	(47,756)	162,248

20 Cash flows from financing activities

	31 August 2018	31 August 2017
	£	£
Interest received	265	69
Net cash provided by financing activities	265	69

21 Capital expenditure and financial investment

	31 August 2018	31 August 2017
	£	£
Purchase of tangible fixed assets	(45,267)	(50,450)
Capital funding received from sponsors and others	128,476	243,120
Net cash inflow from capital expenditure and financial investment	83,209	192,670

22 Analysis of cash and cash equivalents

	31 August 2018	31 August 2017
	£	£
Cash at bank and in hand	743,936	708,218
Total cash and cash equivalents	743,936	708,218

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 2018 (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)
- 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%.

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 £131,147 (2017: £101,607). 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 an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (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 2018 was £104,682, of which employer's contributions totalled £67,607, employees' contributions totalled £21,450 and deficit recovery contributions totalled £15,625. 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 fiscal 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.

When Whitfield C of E Primary School joined the Trust the 4 part time support staff at the school were part of the Northumberland LGPS. The Trust therefore applied to the Secretary of State for the Ministry of Housing, Communities and Local Government for a direction order to substitute Cumbria County Council Pension Fund for Northumberland County Council Pension fund for all staff at Whitfield School from 1st September 2017. This was approved on 6th April 2018.

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

	2018 %	2017 %
Rate of increase in salaries	3.60	3.70
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	2.80	2.50
Inflation assumptions (CPI)	2.10	2.20

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

	2018	2017
Retiring today		
Males retiring today	23.20	23.10
Females retiring today	25.80	25.70
Retiring in 20 years		
Males retiring in 20 years	25.50	25.40
Females retiring in 20 years	28.50	28.40

Sensitivity analysis

	2018 £	2017 £
Discount rate +0.1%	533,000.00	581,000.00
Mortality assumption – 1 year increase	579,000.00	624,000.00
CPI rate +0.1%	587,000.00	631,000.00

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

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

	2018	2017
	£	£
Equities	268,000	210,000
Government bonds	96,000	78,000
Other bonds	35,000	27,000
Property	50,000	35,000
Cash and other liquid assets	32,000	23,000
Other	69,000	55,000
	<u>550,000</u>	<u>428,000</u>
Total market value of assets	<u>550,000</u>	<u>428,000</u>

The actual return on scheme assets was £23,000 (2017 - £28,000).

Amounts recognised in the statement of financial activities

	31 August	31 August
	2018	2017
	£	£
Current service cost	128,000	108,000
Net interest cost	14,000	10,000
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	4,000	5,000
Admin expenses	2,000	2,000
	<u>148,000</u>	<u>125,000</u>
Total operating charge	<u>148,000</u>	<u>125,000</u>

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

	31 August	31 August
	2018	2017
	£	£
At start of period	1,034,000	632,000
Conversion of academy trusts	-	201,000
Current service cost	128,000	108,000
Interest cost	26,000	17,000
Employee contributions	21,000	17,000
Actuarial (gain)/loss	(97,000)	55,000
Losses or gains on curtailments	4,000	5,000
Benefits paid	(6,000)	(1,000)
	<u>1,110,000</u>	<u>1,034,000</u>
At 31 August	<u>1,110,000</u>	<u>1,034,000</u>

The Good Shepherd Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

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

	31 August 2018 £	31 August 2017 £
At start of period	428,000	258,000
Conversion of academy trusts	-	80,000
Interest income	12,000	7,000
Actuarial gain/(loss)	11,000	3,000
Employer contributions	86,000	66,000
Employee contributions	21,000	17,000
Benefits paid	(6,000)	(1,000)
Effect of non-routine settlements	(2,000)	(2,000)
At 31 August	<u>550,000</u>	<u>428,000</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.

Expenditure related party transactions

During the year the academy made the following related party transactions:

Carlisle Diocesan Board of Finance

(Member of the 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 totalling £9,559 for provision of support services to the Trust schools, and purchasing materials, provision of IT support/ system access and provision of serviced office accommodation on behalf of the central Trust staff. This is recharged on and at a cost basis.

In entering into the transaction the Trust has complied with the requirements of the Academies Financial Handbook 2017.

The element above £2,500 has been provided 'at no more than cost' and Carlisle Diocesan Board of Finance has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Carlisle Diocesan Board of Finance was £Nil (2017 - £Nil).

Income related party transactions

During the year the academy made the following related party transactions:

Carlisle Diocesan Board of Finance

(Member of the Trust)

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 3 years of operation £54,000 was utilised. For the 17/18 period a further £13,100 was agreed and has been accrued for in the accounts.