

**THE GOOD SHEPHERD CATHOLIC TRUST  
[FORMERLY KNOWN AS THE PALMER CATHOLIC ACADEMY]**

**Trustees' Report and Financial Statements**

**For the year ended 31 August 2018**



**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
ACADEMY]  
(A company limited by guarantee)**

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**Reference and Administrative Details  
For the year ended 31 August 2018**

<b>Members</b>	Bishop A Williams A Squires (resigned 1 September 2018) M Leslie-Povoas (resigned 1 September 2018) Fr S Myers (appointed 1 September 2018) R Simpson (appointed 1 September 2018)
<b>Trustees</b>	J Anthony, Chair (appointed 1 September 2018) <sup>1</sup> T Alexander, Vice Chair A Moise-Dixon, Head Teacher (resigned 1 September 2018) Fr S Connolly E McHugh, Staff (resigned 1 September 2018) G Durcan, Parent (resigned 1 September 2018) R Melder, Parent J Jacobson, Parent (resigned 1 September 2018) J Bau-Mann S Herbert, Parent (resigned 1 September 2018) M Leslie-Povoas M Corcoran (appointed 1 September 2018) Fr A Headon (appointed 1 September 2018) <sup>1</sup> G Reynolds (appointed 1 September 2018) <sup>1</sup> N Scott (appointed 3 December 2018)
	<sup>1</sup> member of the Finance and Personnel Committee
<b>Company registered number</b>	07696155
<b>Company name</b>	The Good Shepherd Catholic Trust [formerly known as The Palmer Catholic Academy]
<b>Principal and registered office</b>	The Palmer Catholic Academy Aldborough Road South Seven Kings Ilford Essex IG3 8EU
<b>Company secretary</b>	N Islam
<b>Senior management team</b>	Ms A Moise-Dixon, Headteacher Mr P Norris, Deputy Headteacher Mr P Downey, Deputy Headteacher Mr N Islam, Director of Finance & Resources
<b>Independent auditors</b>	Williams Giles Limited Chartered Accountants Statutory Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH

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**Reference and Administrative Details of the Academy, its Trustees and Advisers  
For the year ended 31 August 2018**

**Advisers (continued)**

<b>Bankers</b>	Natwest plc 643 High Road Seven Kings Ilford Essex IG3 8RD
<b>Solicitors</b>	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB
<b>Surveyors</b>	Roffmarsh Partnership Limited 29A Acacia Drive Maldon Essex CM9 6AW

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**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 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in Redbridge and the Roman Catholic Diocese of Brentwood. It has a pupil capacity of 1,200 and had a roll of 1,112 in the school census on October 2017.

**Structure, governance and management**

**a. Constitution**

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of association are the primary governing document of the academy trust.

The Trustees of The Good Shepherd Catholic Trust [formerly known as The Palmer Catholic Academy] are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Good Shepherd Catholic Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

**b. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable 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.

**c. Trustees Indemnities**

Since the incorporation of the Charitable Company on 1st August 2011 the Governors (directors) have been indemnified in respect of their legal liability for financial loss as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £25,000,000.

**d. Method of recruitment and appointment or election of Trustees**

The processes for appointing or electing the various types of Governor at The Good Shepherd Catholic Trust are as follows:

- 1) **Foundation Governors** – The Diocesan Bishop may appoint up to 6 foundation governors. No fewer than 4 shall be parents of registered pupils attending the Academy at the date of appointment.

In addition to their overall role as Governors, the Foundation Governors are appointed for the purpose of securing that the Catholic Ethos of the Academy is preserved and developed.

- 2) **Parent Governors** – The Academy may appoint up to 2 Parent Governors. Parents, including guardians, of registered pupils at the Academy are eligible to stand as individuals for election as a Parent Governor. They are elected by other parents at the Academy as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent Governor elections.

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**Trustees' Report (continued)  
For the year ended 31 August 2018**

If insufficient parents stand for election, the Governing Body must appoint Parent Governors to bring their number up to that required by the Articles of Association. Such appointed Parent Governors would preferentially be parents or guardians of registered pupils at the Academy. If, however, no such parents are willing to undertake the role then the Governing Body can appoint any person who is the parent or guardian of one or more school-age children.

- 3) Staff Governors – 1 Staff Governor is elected by the Academy staff as an individual, representative of the staff of the Academy. Both teaching and support staff paid to work at the Academy are eligible for staff governorship. Suitable procedures have been put in place for the conduct of Staff Governor elections.
- 4) Ex Officio Governor – the Headteacher is automatically appointed as a Governor of the Academy.
- 5) Co opted Governors – the Governing Body may appoint up to 3 co opted governors provided that as any such governors are appointed that the number of foundation governors increases proportionally to ensure that a majority of the governors are foundation governors.
- 6) Additional Governors – These may be appointed by either the Secretary of State for Education or the Diocesan Bishop should they see fit to do so and in consultation with the Academy.

**e. Policies and procedures adopted for the induction and training of Governors**

Following their appointment/election all new Governors receive an introduction to their role from the Chair and Headteacher, this introduction includes tours of the Academy and the opportunity to meet other members of Academy staff.

The Governing Body of The Good Shepherd Catholic Trust is committed to providing adequate opportunities for Governors to undertake and receive suitable training so as to enable them to undertake their role more effectively.

Additionally Governors with specific roles within the Governing Body are strongly encouraged to undertake specific training.

The Governors are members of the National Governor Association (NGA).

The Governors have subscribed to the Local Authority Governors training and Inset programme.

**f. Organisational structure**

Before conversion to Academy status on 1st August 2011, The Palmer Catholic School was a Voluntary Aided School. The relative autonomy of a voluntary aided school meant that the former Governing Body was structured to undertake similar roles to those required of the governors of an academy. Consequently, whilst the extra responsibilities of the governing body of the Academy Trust have been recognised, its structure still reflects its very successful predecessor.

At The Good Shepherd Catholic Trust the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of committees.

Members of the Senior Management (SMT) and Leadership Team (SLT), in addition to the Headteacher, attend Governors' meetings as appropriate.

The Governors are responsible for the strategic management of the Academy; deciding and setting key aspects of the Academy, including strategic direction, annual budgets, senior staff appointments, policy changes, etc. Operational management is the responsibility of the Headteacher and staff. The latter is carried out at a number of levels, i.e. by the Senior Leadership Team and Heads of Year.

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**Trustees' Report (continued)  
For the year ended 31 August 2018**

Academy policies are developed by the Headteacher and senior members of the Academy's staff, to reflect both the strategic direction agreed by the Governors and also statutory requirements. These policies are approved and adopted by the Governing Body, and implemented as procedures and systems by the SLT and other designated members of staff.

During the period 1st September 2017 and 31st August 2018 the full Governing Body met 5 times.

**g. Pay policy for key management personnel**

The rules for determining the pay of key management personnel (for the purposes of this definition this includes the Headteacher, Deputy Headteachers and Assistant Headteachers who sit on the SLT) are set out in the School Teacher's Pay and Conditions Document (STPCD).

Arrangements for setting the pay and remuneration of the academy's key management personnel are reviewed by the Finance and Personnel committee and approved by the governing body. The academy follows the pay arrangements for maintained schools in England and Wales for teachers and support staff. The academy's teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The academy adheres to Local Government pay arrangements for support staff and follows the Local Government pay spine.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time** £

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**i. Related Parties and other Connected Charities and Organisations**

The Good Shepherd Catholic Trust is a single academy.

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**Trustees' Report (continued)  
For the year ended 31 August 2018**

**Objectives and Activities**

**a. Objects and aims**

The principal activity of The Good Shepherd Catholic Trust is to provide a quality, free education for young people aged 11 to 19, who desire a Catholic education for their child and live in the area local to the Academy and from feeder parishes.

**b. Objectives, strategies and activities**

The Governing Body is determined to maintain the traditional ethos, values, standards and achievements of the academy, whilst continuing to work to fulfil the academy's medium and longer term development plans.

The aims of the Academy rest on the following principles:

The advancement 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 a Catholic school which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic Canon Law applying thereto including any trust deed governing the use of the land used by the Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to advice and following directives issued by the Diocesan Bishop.

The main objectives of the Academy for the year ended 31st August 2018 is summarised below:

- To ensure that every student receives high quality education in terms of resourcing, tuition and care based on Gospel values
- Secure higher achievement of all groups of learners at key stage 4 and post-16
- Continue to develop leadership capacity and achievement
- To improve the effectiveness of the Academy by continual review of the curriculum and organisational structure
- To improve the percentage of outstanding lessons being taught in the academy
- Robust governance and oversight of the strategic direction and finances of the Academy
- To ensure the operation of the Academy demonstrates good value for money and efficient and effective use of resources
- To maximise income generation through hire of Academy facilities

To ensure that standards are continually raised the Academy, the Governing Body and the Leadership Team:

- Operates a robust quality assurance calendar which monitors the quality of teaching, learning and outcomes;
- Evaluates, monitors and supports curriculum departments and other aspects of the Academy to secure outcomes;
- Develops a personalised learning programme across the Academy to raise standards further across the academy.

**c. Public benefit**

The Governors have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by The Good Shepherd Catholic Trust is the maintenance and development of the high quality education provided by the School for over 50 years, to the young people of Ilford and the surrounding parishes.

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**Trustees' Report (continued)  
For the year ended 31 August 2018**

**Achievements and performance**

Analysis of public examination outcomes for the academic year 2017/18.

<b>GCSE Results</b> %	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
A*-A (9-7)	27	19	19	15
5+ A*-C including English/Maths (9-4)	76	72	60	54
Basics 4+ English/Maths	80	80	68	57

<b>School</b>	<b>Progress 8</b>	<b>Attainment 8</b>	<b>% achieving grade 5+ in English &amp; Maths</b>	<b>% achieving EBacc</b>
Palmer Catholic Academy	0.418	52.38	64.3	4.39
Redbridge	0.48	53	56.7	4.72
National	-0.02	44.3	39.9	4.03

<b>A Level Results</b> %	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
A*- A	13	22	17	17
A*- B	36	42	40	38
A*- C	65	66	72	66
A*- E	91	99	98	98

To ensure standards are continually raised, the academy:

- Continues to operate a programme of observations of lessons, to monitor the quality of teaching and the progress that students are making in their learning.
- Operates a programme of learning area reviews, to rigorously monitor the performance of individual subjects against a wide range of challenging targets.
- Continues to operate a programme of appraisal reviews, to monitor staff performance, provide support to ensure that individual staff targets are achieved through staff development training.
- Tracks and tackles underachievement as indicated by a number of measures, e.g., by subject, and ability groups.
- Rigorously analyses pupil attainment, attendance and behaviour data by gender, ethnicity, pupil premium status and a host of other criteria to identify any underachieving groups and intervene as appropriate.
- Tracking and monitoring of pupil behaviour in lessons to eliminate instances of low level disruption.
- Actively promotes good/outstanding teaching and other practices across the academy trust by sharing best practice.

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**Trustees' Report (continued)  
For the year ended 31 August 2018**

The measures put in place over the past few years continue to improve on our overall AS/A level success. This year at A Level we experienced a drop in results. However, we have robust plans in place to mitigate the impact of this. We are very pleased that the GCSE results were maintained and/or excelled from previous years.

**a. Key performance indicators**

During the 12 month period to 31st August 2018 The Good Shepherd Catholic Trust has controlled and managed its expenditure to ensure that it operated within the funding available through the General Annual Grant. The Academy from its total budget extracted key indicators to monitor progress against budgets over the year. These internal budgets are based on benchmarking where appropriate with previous years.

**b. Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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.

**Financial review**

In the current climate of uncertainty about future funding, Governors have made it a priority to ensure that high standards are maintained within the framework of a budget that is sustainable, and have been rigorous in evaluating any proposals for additional expenditure.

Most of the Academy's income is obtained from the Department for Education via the Education & Skills Funding Agency in the form of the General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Funds have also been received from students to pay for a wide range of educational visits and activities, and these have been applied to the associated costs.

The Academy received the Devolved Formula Capital Grant (DFC) which in accordance with the Charities SORP 2015, is shown in the Statement of Financial Activities as restricted fixed asset funds.

The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period covered by this report was covered by the GAG received from the DfE and other income, such as voluntary income, activities for generating funds and investment income.

The Governors are concerned with the large deficit that the Local Government Pension Fund is reporting.

Key financial policies adopted or reviewed during the year include the Finance Policy which establishes the framework for financial management, including the key financial responsibilities of the Board, its committees and the key officers of the academy, as well as delegated authority for spending decisions.

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**Trustees' Report (continued)  
For the year ended 31 August 2018**

**a. Principal risks and uncertainties**

The principal risks and uncertainties facing the Academy are as follows:

**Financial Risk** – The Academy is operating in a period of considerable financial uncertainty with regard to public funding. Variations year on year in the numbers of 6th form students joining the Academy, stemming from local demographic trends is having an effect upon funding levels; year on year reductions in the per capita funding of students in the Academy; and the deficit in the Local Government Pension Scheme, possibly leading to an increase in employer contribution rates.

**Failures in governance and/or management** - The risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - The continuing success of the Academy Trust depends on maintaining the highest educational standards in order to continue to attract applicants in sufficient numbers. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - Governors continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child safeguarding policies and procedures, health & safety, training, support and discipline, in order to protect vulnerable young people in its care.

**Staffing** - The success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning to minimise the risk resulting from major changes in key staff.

**Fraud and mismanagement of funds** - The Academy uses the services of an external auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Good Shepherd Catholic Trust has a robust risk management regime in place.

**b. Reserves policy**

The Academy is aware of the requirement to balance current and future needs. The Academy always aims to set a balanced budget.

After careful analysis the Academy has deemed that the adequate range of reserves should be no greater than 12% of combined restricted and unrestricted general annual grant.

**c. Investment Policy**

Apart from cash held for the operation of the Academy, The Good Shepherd Catholic Trust has no realisable investments. With respect to its cash holdings the Governing Body has adopted a low risk strategy. In addition to the main current account the Academy maintains an instant access deposit account. Suitable sweeping and switching procedures are in place at the Academy's bankers to ensure that adequate funds are available in the current account whilst maintaining a balance in the deposit account as high as possible.

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**Trustees' Report (continued)  
For the year ended 31 August 2018**

**Fundraising**

Under the provisions of the Charities (Protection and Social Investment) Act requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, any amounts receivable are presented in our accounts as "voluntary income" and include legacies and donations. The Academy regularly reviews its fundraising objectives and targets and investing in its fundraising activities accordingly. In relation to the above we confirm that all solicitations are managed internally without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the Senior Leadership Team.

**Plans for future periods**

Central to the work of The Good Shepherd Catholic Trust is its commitment to further develop and enhance the educational experience of its students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in its holistic approach to educating young people including extracurricular activities and in essential life skills; so as to increase the number of opportunities open to its students when they move on to further training, apprenticeships or higher education and ultimately employment.

The Governors recognise that through good financial management they have been able to invest and improve significantly the quality of the built environment of the Academy. The Governors wish to continue this programme of developments to further improve the teaching spaces and facilities for both staff and students.

**The Academy**

- Will continue to aim to attract high calibre teachers and support staff in order to deliver its objectives;
- Will continue to work with partner schools to improve the educational opportunities for students in the wider community;
- Will continue to seek capital investment to improve facilities;
- Will continue to promote a wide range of extra-curricular activities;
- Will continue to raise standards through improved data collection and intervention strategies;
- Will manage finances efficiently and effectively in order to ensure value for money;
- Will continue with the on-going push in improving outcomes for the young people it serves;
- Will continue with the whole academy focus on improving literacy levels of all students; and
- Will continue to improve behaviour and attendance through raising aspirations

**Funds held as custodian**

During the period from 1st September 2017 to 31st August 2018 The Good Shepherd Catholic Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

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**Trustees' Report (continued)  
For the year ended 31 August 2018**

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Auditors**

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Finance and Premises committee.

The Trustees' report was approved by order of the board of trustees, as the company directors, on 13 December 2018 and signed on its behalf by:



**J Anthony**  
Chair of Trustees

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**Governance Statement**

**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that The Good Shepherd Catholic Trust [formerly known as The Palmer Catholic Academy] 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 the Headteacher, 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 Catholic Trust [formerly known as The Palmer Catholic Academy] and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 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
Fr S Connolly	3	5
J Bau-Mann	5	5
E McHugh, Staff	5	5
A Moise-Dixon, Head Teacher	5	5
G Durcan, Parent	5	5
R Melder, Parent	5	5
J Jacobson, Parent	4	5
T Alexander, Vice Chair	4	5
J Anthony, Chair	0	0
S Herbert, Parent	3	5
M Leslie-Povoas	5	5
M Corcoran	0	0
Fr A Headon	0	0
G Reynolds	0	0
N Scott	0	0

The Finance and Personnel Committee is a sub-committee of the main board of trustees. Its purpose is to achieve the effective management of resources for the benefit of the pupils and further development of the Academy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Leslie-Povoas	3	3
A Moise-Dixon	3	3
G Durcan	2	3
J Jacobson	3	3

**Review of Value for Money**

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

The Accounting Officer considers how the academy 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,

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**Governance Statement (continued)**

including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

I accept that as Accounting Officer of The Good Shepherd Catholic Trust I am responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education & Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

The governing body is accountable for the way in which the academy's resources are allocated to meet the objectives set out in the academy's development plans. Governors need to secure the best possible outcome for students, in the most efficient and effective way. This will lead to continuous improvement in the academy's achievements and services.

Over the last financial period, The Good Shepherd Catholic Trust has continued to take a wide range of steps to ensure that the education standards and levels of attainment for all pupils have continued to improve.

The Academy has focussed on improving the quality of teaching across the academy by ensuring teachers set challenging targets for pupils, by ensuring teachers provide feedback to pupils that helps move their learning forward and by involving parents and children more in their education. The Academy has continued to keep the staffing structure under review. This has led to a rationalisation of senior leadership posts with some amalgamation of posts to effect greater efficiency.

The Academy has internal controls in place to ensure strict financial procedures are followed. The Academy's governance arrangements include regular monitoring by the governing body, including the Finance & Personnel Committee. They receive regular financial reports and ask relevant questions as evidenced in the minutes.

The Academy benefits from the provision by Williams Giles Ltd of a suitably qualified Independent Reviewer (IR). The IR reviews key financial policies, systems and procedures and presents reports to the Finance and Personnel Committee.

The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure that The Palmer Catholic Academy continues to develop and remain a popular successful oversubscribed academy. The Governing Body also received and approves the Annual Accounts and the External Auditors Management Report.

Monthly budget monitoring reports are produced and reviewed regularly by the Director of Finance & Resources and the Headteacher and any necessary remedial action taken to address any significant variances that may have an impact on the budget outturn. This has ensured that spending is within budget and forward plans are agreed and implemented. This regular monitoring ensures the best use of resources and prevents waste.

The Good Shepherd Catholic Trust deploys equipment, materials and services to provide student and staff with resources which support quality of teaching and quality of learning.

Contract evaluation exercises are routinely undertaken to assess all contracts against the marketplace to ensure that these remain competitive.

**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 academy 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 Good Shepherd Catholic Trust [formerly known as The Palmer Catholic Academy] for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

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**Governance Statement (continued)**

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy 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 academy trust's significant risks, that has been in place for the year 1 September 2017 to 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 academy 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 Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Williams Giles Limited, the external auditors, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of wages and salaries
- review of VAT claims
- review of budget monitoring process and management reporting
- review of governance arrangement and procedures
- review of contract management and procurement processes

On a termly basis, the external auditors report to the board of trustees through the finance and personnel committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
ACADEMY]**

**(A company limited by guarantee)**

**Governance Statement (continued)**

**Review of Effectiveness**


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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Personnel 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 13 December 2018 and signed on their behalf, by:

  
**J Anthony**  
Chair of Trustees

  
**A Moise-Dixon**  
Accounting Officer

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
ACADEMY]**

**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of The Good Shepherd Catholic Trust [formerly known as The Palmer Catholic Academy] I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



**A Moise-Dixon  
Accounting Officer**

Date: 13 December 2018

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
ACADEMY]**

**(A company limited by guarantee)**

**Statement of Trustees' Responsibilities  
For the year ended 31 August 2018**

The Trustees (who 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 issued 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 then apply them consistently;
- observe the methods and principles of 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 of trustees on 13 December 2018 and signed on its behalf by:

  
**J Anthony**  
Chair of Trustees

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
ACADEMY]**

**(A company limited by guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of The Good Shepherd  
Catholic Trust [formerly known as The Palmer Catholic Academy]**

**Opinion**

We have audited the financial statements of The Good Shepherd Catholic Trust [formerly known as The Palmer Catholic Academy] (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
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**Independent Auditors' Report on the Financial Statements to the Members of The Good Shepherd  
Catholic Trust [formerly known as The Palmer Catholic Academy]**

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic 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 academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
ACADEMY]**

**(A company limited by guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of The Good Shepherd  
Catholic Trust [formerly known as The Palmer Catholic Academy]**

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

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

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

**Use of our report**

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



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

**Williams Giles Limited**

Chartered Accountants  
Statutory Auditors

12 Conqueror Court  
Sittingbourne  
Kent

ME10 5BH

Date: 19 December 2018

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC ACADEMY]**

**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to The Good Shepherd Catholic Trust [formerly known as The Palmer Catholic Academy] and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 13 November 2012 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 Catholic Trust [formerly known as The Palmer Catholic Academy] during the year 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 Catholic Trust [formerly known as The Palmer Catholic Academy] and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Good Shepherd Catholic Trust [formerly known as The Palmer Catholic Academy] 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 Catholic Trust [formerly known as The Palmer Catholic Academy] and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Good Shepherd Catholic Trust [formerly known as The Palmer Catholic Academy]'s accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of The Good Shepherd Catholic Trust [formerly known as The Palmer Catholic Academy]'s funding agreement with the Secretary of State for Education dated 29 July 2011, 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 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
ACADEMY]**

**(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to The Good Shepherd Catholic  
Trust [formerly known as The Palmer Catholic Academy] and the Education & Skills Funding Agency  
(continued)**

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

**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 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alastair Crawford FCA

**Williams Giles Limited**

Chartered Accountants  
Statutory Auditors

12 Conqueror Court  
Sittingbourne  
Kent  
ME10 5BH

Date: 19 December 2018

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC ACADEMY]**

(A company limited by guarantee)

**Statement of Financial Activities incorporating Income and Expenditure Account  
For the year ended 31 August 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset fund 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
Donations and capital grants	2	-	-	23,699	23,699	23,508
Charitable activities	3	-	6,189,053	-	6,189,053	6,140,494
Other trading activities	4	203,021	22,690	-	225,711	232,952
Investments	5	1,436	-	-	1,436	1,964
Other income		-	-	-	-	7,618
<b>Total income</b>		<b>204,457</b>	<b>6,211,743</b>	<b>23,699</b>	<b>6,439,899</b>	<b>6,406,536</b>
<b>Expenditure on:</b>						
Raising funds		104,733	35,172	-	139,905	172,475
Charitable activities		14,097	6,219,049	277,727	6,510,873	6,349,622
<b>Total expenditure</b>	8	<b>118,830</b>	<b>6,254,221</b>	<b>277,727</b>	<b>6,650,778</b>	<b>6,522,097</b>
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>85,627</b>	<b>(42,478)</b>	<b>(254,028)</b>	<b>(210,879)</b>	<b>(115,561)</b>
Actuarial gains on defined benefit pension schemes	23	-	276,000	-	276,000	631,000
<b>Net movement in funds</b>		<b>85,627</b>	<b>233,522</b>	<b>(254,028)</b>	<b>65,121</b>	<b>515,439</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		516,831	(420,248)	11,293,541	11,390,124	10,874,685
<b>Total funds carried forward</b>		<b>602,458</b>	<b>(186,726)</b>	<b>11,039,513</b>	<b>11,455,245</b>	<b>11,390,124</b>

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
ACADEMY]**

**(A company limited by guarantee)  
Registered number: 07696155**

**Balance Sheet  
As at 31 August 2018**

	Note	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		11,023,259		11,285,815
<b>Current assets</b>					
Debtors	16	136,914		175,356	
Cash at bank and in hand		1,175,600		1,034,165	
		<u>1,312,514</u>		<u>1,209,521</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(224,528)</u>		<u>(282,212)</u>	
<b>Net current assets</b>			<u>1,087,986</u>		<u>927,309</u>
<b>Total assets less current liabilities</b>			<u>12,111,245</u>		<u>12,213,124</u>
Defined benefit pension scheme liability	23	<u>(656,000)</u>		<u>(823,000)</u>	
<b>Net assets including pension scheme liabilities</b>			<u><u>11,455,245</u></u>		<u><u>11,390,124</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	18	469,274		402,752	
Restricted fixed asset fund	18	11,039,513		11,293,541	
Restricted income funds excluding pension liability		<u>11,508,787</u>		<u>11,696,293</u>	
Pension reserve		<u>(656,000)</u>		<u>(823,000)</u>	
Total restricted income funds			<u>10,852,787</u>		<u>10,873,293</u>
Unrestricted income funds	18		<u>602,458</u>		<u>516,831</u>
<b>Total funds</b>			<u><u>11,455,245</u></u>		<u><u>11,390,124</u></u>

The financial statements on pages 23 to 46 were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:

  
**J Anthony**  
Chair of Trustees

  
**A Moise-Dixon**  
Accounting Officer

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
ACADEMY]**

**(A company limited by guarantee)**

**Statement of Cash Flows  
For the year ended 31 August 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	<u>162,312</u>	<u>289,457</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		1,436	1,964
Purchase of tangible fixed assets		<u>(15,224)</u>	<u>(15,782)</u>
<b>Net cash used in investing activities</b>		<u>(13,788)</u>	<u>(13,818)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>148,524</b>	275,639
Cash and cash equivalents brought forward		<u>1,034,165</u>	<u>758,526</u>
<b>Cash and cash equivalents carried forward</b>	21	<u><u>1,182,689</u></u>	<u><u>1,034,165</u></u>

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC ACADEMY]**

**(A company limited by guarantee)**

**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), judgments and key sources of estimation uncertainty, is set out below.

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Good Shepherd Catholic Trust [formerly known as The Palmer Catholic Academy] constitutes a public benefit entity as defined by FRS 102.

**1.2 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy 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.

**1.3 Income**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
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**(A company limited by guarantee)**

**Notes to the Financial Statements  
For the year ended 31 August 2018**

**1. Accounting Policies (continued)**

**1.4 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.

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
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**(A company limited by guarantee)**

**Notes to the Financial Statements  
For the year ended 31 August 2018**

**1. Accounting Policies (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The academy trust company occupies land (including buildings) which are owned by its Trustees who are The Roman Catholic Diocese of Brentwood. The Trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies the land and buildings under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land and buildings to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land including buildings.

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC ACADEMY]**

**(A company limited by guarantee)**

**Notes to the Financial Statements  
For the year ended 31 August 2018**

**1. Accounting Policies (continued)**

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% Straight Line
Furniture and fixtures	-	10% Reducing Balance
Plant and equipment	-	33% Straight Line

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 incorporating income and expenditure account.

**1.6 Operating leases**

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

**1.7 Debtors**

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

**1.8 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.9 Liabilities and provisions**

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

**1.10 Taxation**

The academy 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 academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
ACADEMY]**

**(A company limited by guarantee)**

**Notes to the Financial Statements  
For the year ended 31 August 2018**

**1. Accounting Policies (continued)**

**1.11 Pensions**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 23, 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 academy 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 incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.12 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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.

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**1. Accounting Policies (continued)**

**1.13 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 August 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. Income from donations and capital grants**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset fund 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Capital Grants	-	-	23,699	23,699	23,508
<b>Total 2017</b>	-	-	23,508	23,508	

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**3. Funding for Academy's educational operations**

	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	5,726,596	5,726,596	5,733,473
Other DfE/ESFA grants	21,001	21,001	27,647
Pupil premium	291,612	291,612	295,921
	<hr/>	<hr/>	<hr/>
	<b>6,039,209</b>	<b>6,039,209</b>	<b>6,057,041</b>
<b>Other government grants</b>			
Other government grants	118,580	118,580	83,453
SEN funding	31,264	31,264	-
	<hr/>	<hr/>	<hr/>
	<b>149,844</b>	<b>149,844</b>	<b>83,453</b>
	<hr/>	<hr/>	<hr/>
	<b>6,189,053</b>	<b>6,189,053</b>	<b>6,140,494</b>
	<hr/>	<hr/>	<hr/>
Total 2017	<b>6,140,494</b>	<b>6,140,494</b>	

**4. Other trading activities**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Hire of facilities	52,680	-	52,680	49,146
Exam fees	-	433	433	2,277
School trips	26,739	-	26,739	29,954
Other income	123,602	22,257	145,859	151,575
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>203,021</b>	<b>22,690</b>	<b>225,711</b>	<b>232,952</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	<b>204,240</b>	<b>28,712</b>	<b>232,952</b>	

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**5. Investment income**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Investment income - local cash	1,436	-	1,436	1,964
<b>Total 2017</b>	<b>1,964</b>	<b>-</b>	<b>1,964</b>	

**6. Direct costs**

	<b>Educational operations £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Educational supplies	298,152	298,152	184,476
Examination fees	58,064	58,064	95,945
Staff development	13,527	13,527	16,632
Other direct costs	24,066	24,066	14,884
Agency supply costs	161,247	161,247	304,367
Staff restructuring costs	-	-	19,607
Wages and salaries	3,081,366	3,081,366	3,152,972
National insurance	329,875	329,875	325,527
Pension cost	462,897	462,897	509,143
	<b>4,429,194</b>	<b>4,429,194</b>	<b>4,623,553</b>
<b>Total 2017</b>	<b>4,623,553</b>	<b>4,623,553</b>	

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**7. Support costs**

	Educational operations £	Total 2018 £	Total 2017 £
LGPS costs	21,000	21,000	27,202
Educational supplies	14,044	14,044	17,858
Recruitment and support	18,078	18,078	21,476
Maintenance of premises and equipment	122,295	122,295	82,094
Cleaning	127,334	127,334	141,001
Rent & rates	45,258	45,258	14,637
Light & heat	196,368	196,368	44,680
Insurance	54,859	54,859	54,086
Security & transport	1,189	1,189	3,159
Catering	38,103	38,103	47,939
Interest and charges	(11,106)	(11,106)	4,033
Computer costs	27,716	27,716	19,463
Printing, postage and stationery	10,890	10,890	25,679
Other support costs	148,520	148,520	112,210
Loss on disposal of fixed assets	53	53	-
Wages and salaries	746,659	746,659	645,896
National insurance	61,734	61,734	50,968
Pension cost	180,958	180,958	143,098
Depreciation	277,727	277,727	270,590
	<u>2,081,679</u>	<u>2,081,679</u>	<u>1,726,069</u>
Total 2017	<u>1,726,069</u>	<u>1,726,069</u>	

During the year ended 31 August 2018, the academy incurred the following Governance costs:  
£14,044 (2017 - £17,858) included within the table above in respect of Educational operations.

**8. Expenditure**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	139,905	139,905	172,475
Support costs	-	-	-	-	-
Educational operations:					
Direct costs	4,035,385	-	393,809	4,429,194	4,623,553
Support costs	989,351	255,341	836,987	2,081,679	1,726,069
	<u>5,024,736</u>	<u>255,341</u>	<u>1,370,701</u>	<u>6,650,778</u>	<u>6,349,622</u>
Total 2017	<u>5,151,578</u>	<u>305,227</u>	<u>1,065,292</u>	<u>6,522,097</u>	

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9. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	<u>277,727</u>	<u>270,590</u>

10. Auditors' remuneration

	2018 £	2017 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	8,750	8,750
Fees payable to the academy's auditor and its associates in respect of:		
Internal audit services	2,400	2,400
All other services	6,708	6,708

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**11. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,828,025	3,798,868
Social security costs	391,609	376,495
Operating costs of defined benefit pension schemes	643,855	652,241
	4,863,489	4,827,604
Agency staff costs	161,247	304,367
Staff restructuring costs	-	19,607
	5,024,736	5,151,578

Staff restructuring costs comprise:

**b. Staff numbers**

The average number of persons employed by the academy during the year was as follows:

	2018 No.	2017 No.
Teachers	76	60
Support staff	59	53
Senior Leadership team	5	4
	140	117

**c. Higher paid staff**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	7	8
In the band £70,001 - £80,000	2	1
In the band £90,001 - £100,000	1	1

**d. Key management personnel**

The key management personnel of the academy 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 academy trust was £351,470 (2017: £338,390).

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**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£	£
E McHugh, Staff	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
A Moise-Dixon, Head Teacher	Remuneration	95,000-100,000	90,000-95,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to no Trustees).

**13. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31st August 2018 was included in the total insurance cost.

**14. Other finance income**

	2018	2017
	£	£
Interest income on pension scheme assets	53,000	37,798
Interest on pension scheme liabilities	(74,000)	(65,000)
	<u>(21,000)</u>	<u>(27,202)</u>

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**Notes to the Financial Statements  
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**15. Tangible fixed assets**

	Buildings on church land £	Bicycles & PE Equipment £	Fixtures & Fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2017	12,767,048	3,000	115,374	160,962	13,046,384
Additions	-	-	1,946	13,278	15,224
Disposals	-	-	(100)	-	(100)
At 31 August 2018	<u>12,767,048</u>	<u>3,000</u>	<u>117,220</u>	<u>174,240</u>	<u>13,061,508</u>
<b>Depreciation</b>					
At 1 September 2017	1,553,324	3,000	53,856	150,389	1,760,569
Charge for the year	255,341	-	6,341	16,045	277,727
On disposals	-	-	(47)	-	(47)
At 31 August 2018	<u>1,808,665</u>	<u>3,000</u>	<u>60,150</u>	<u>166,434</u>	<u>2,038,249</u>
<b>Net book value</b>					
At 31 August 2018	<u><u>10,958,383</u></u>	<u><u>-</u></u>	<u><u>57,070</u></u>	<u><u>7,806</u></u>	<u><u>11,023,259</u></u>
At 31 August 2017	<u><u>11,213,724</u></u>	<u><u>-</u></u>	<u><u>61,518</u></u>	<u><u>10,573</u></u>	<u><u>11,285,815</u></u>

**16. Debtors**

	2018 £	2017 £
VAT	67,345	97,786
Prepayments and accrued income	69,569	77,570
	<u>136,914</u>	<u>175,356</u>

**17. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	43,940	101,641
Other taxation and social security	100,764	97,826
Other creditors	70,374	71,195
Accruals and deferred income	9,450	11,550
	<u>224,528</u>	<u>282,212</u>

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**Notes to the Financial Statements  
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**18. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Unrestricted funds	516,831	204,457	(118,830)	-	-	602,458
<b>Restricted funds</b>						
General Annual Grant (GAG)	402,752	5,726,596	(5,660,074)	-	-	469,274
Other DfE/ESFA Grants	-	21,001	(21,001)	-	-	-
Pupil premium	-	291,612	(291,612)	-	-	-
Other government grants	-	118,580	(118,580)	-	-	-
SEN funding	-	31,264	(31,264)	-	-	-
Generated income	-	22,690	(22,690)	-	-	-
Pension reserve	(823,000)	-	(109,000)	-	276,000	(656,000)
	<u>(420,248)</u>	<u>6,211,743</u>	<u>(6,254,221)</u>	<u>-</u>	<u>276,000</u>	<u>(186,726)</u>
<b>Restricted fixed asset fund</b>						
Assets held for depreciation	11,293,541	-	(277,727)	15,224	-	11,031,038
Devolved capital	-	23,699	-	(15,224)	-	8,475
	<u>11,293,541</u>	<u>23,699</u>	<u>(277,727)</u>	<u>-</u>	<u>-</u>	<u>11,039,513</u>
Total restricted funds	<u>10,873,293</u>	<u>6,235,442</u>	<u>(6,531,948)</u>	<u>-</u>	<u>276,000</u>	<u>10,852,787</u>
Total of funds	<u><u>11,390,124</u></u>	<u><u>6,439,899</u></u>	<u><u>(6,650,778)</u></u>	<u><u>-</u></u>	<u><u>276,000</u></u>	<u><u>11,455,245</u></u>

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

Unrestricted funds are applied to the general work of the Academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the Academy's fixed assets.

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**18. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>General funds</b>						
Unrestricted funds	470,709	206,204	(160,082)	-	-	516,831
<b>Restricted funds</b>						
General Annual Grant (GAG)	204,353	5,746,295	(5,547,896)	-	-	402,752
Other DfE/ESFA Grants	-	51,155	(51,155)	-	-	-
Pupil premium	-	295,921	(295,921)	-	-	-
School Standards Funds	-	83,453	(83,453)	-	-	-
Pension reserve	(1,341,000)	-	(113,000)	-	631,000	(823,000)
	<u>(1,136,647)</u>	<u>6,176,824</u>	<u>(6,091,425)</u>	<u>-</u>	<u>631,000</u>	<u>(420,248)</u>
<b>Restricted fixed asset fund</b>						
Assets held for depreciation	11,540,623	-	(270,590)	23,508	-	11,293,541
Devolved capital	-	23,508	-	(23,508)	-	-
Total restricted funds	<u>10,403,976</u>	<u>6,200,332</u>	<u>(6,362,015)</u>	<u>-</u>	<u>631,000</u>	<u>10,873,293</u>
Total of funds	<u><u>10,874,685</u></u>	<u><u>6,406,536</u></u>	<u><u>(6,522,097)</u></u>	<u><u>-</u></u>	<u><u>631,000</u></u>	<u><u>11,390,124</u></u>

**A current year 12 months and prior year 12 months combined position is as follows:**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Unrestricted funds	470,709	410,661	(278,912)	-	-	602,458

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**18. Statement of funds (continued)**

**Restricted funds**

General Annual Grant (GAG)	204,353	11,472,891	(11,207,970)	-	-	469,274
Other DfE/ESFA Grants	-	72,156	(72,156)	-	-	-
Pupil premium	-	587,533	(587,533)	-	-	-
School Standards Funds	-	83,453	(83,453)	-	-	-
Other government grants	-	118,580	(118,580)	-	-	-
SEN funding	-	31,264	(31,264)	-	-	-
Generated income	-	22,690	(22,690)	-	-	-
Pension reserve	(1,341,000)	-	(222,000)	-	907,000	(656,000)
	<u>(1,136,647)</u>	<u>12,388,567</u>	<u>(12,345,646)</u>	<u>-</u>	<u>907,000</u>	<u>(186,726)</u>

**Restricted fixed asset fund**

Assets held for depreciation	11,540,623	-	(548,317)	38,732	-	11,031,038
Devolved capital	-	47,207	-	(38,732)	-	8,475
	<u>10,403,976</u>	<u>12,435,774</u>	<u>(12,893,963)</u>	<u>-</u>	<u>907,000</u>	<u>10,852,787</u>
<b>Total of funds</b>	<u><u>10,874,685</u></u>	<u><u>12,846,435</u></u>	<u><u>(13,172,875)</u></u>	<u><u>-</u></u>	<u><u>907,000</u></u>	<u><u>11,455,245</u></u>

**19. Analysis of net assets between funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset fund 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	11,023,260	11,023,260
Current assets	600,358	695,902	16,253	1,312,513
Creditors due within one year	2,100	(226,628)	-	(224,528)
Provisions for liabilities and charges	-	(656,000)	-	(656,000)
	<u>602,458</u>	<u>(186,726)</u>	<u>11,039,513</u>	<u>11,455,245</u>

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**19. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	Unrestricted funds	Restricted funds	Restricted fixed asset fund	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	11,285,815	11,285,815
Current assets	516,831	684,964	7,726	1,209,521
Creditors due within one year	-	(282,212)	-	(282,212)
Provisions for liabilities and charges	-	(823,000)	-	(823,000)
	<u>516,831</u>	<u>(420,248)</u>	<u>11,293,541</u>	<u>11,390,124</u>

**20. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(210,879)	(115,561)
<b>Adjustment for:</b>		
Depreciation charges	277,727	270,590
Dividends, interest and rents from investments	(1,436)	(1,964)
Decrease/(increase) in debtors	38,442	(57,723)
(Decrease)/increase in creditors	(50,594)	81,115
Defined benefit pension scheme finance cost	109,052	113,000
<b>Net cash provided by operating activities</b>	<u>162,312</u>	<u>289,457</u>

**21. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	1,182,689	1,034,165
<b>Total</b>	<u>1,182,689</u>	<u>1,034,165</u>

**22. Contingent liabilities**

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the ESFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the ESFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the ESFA.

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**23. Pension commitments**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Redbridge. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 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 £462,987 (2017 - £509,143).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in 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 CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC ACADEMY]**

(A company limited by guarantee)

**Notes to the Financial Statements  
For the year ended 31 August 2018**

**23. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £152,000 (2017 - £166,000), of which employer's contributions totalled £122,000 (2017 - £133,000) and employees' contributions totalled £30,000 (2017 - £33,000). The agreed contribution rates for future years are 23.1% for employers and var% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.40 %	2.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.2
Retiring in 20 years		
Males	23.9	23.9
Females	26.3	26.3

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,675,350	1,473,120
Gilts	-	-
Corporate bonds	436,050	409,200
Property	183,600	163,680
	<hr/>	<hr/>
Total market value of assets	<b>2,295,000</b>	<b>2,046,000</b>
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The actual return on scheme assets was £77,000 (2017 - £65,000).

**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
ACADEMY]**

**(A company limited by guarantee)**

**Notes to the Financial Statements  
For the year ended 31 August 2018**

**23. Pension commitments (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(210,000)	(214,000)
Interest income	53,000	37,798
Interest cost	(74,000)	(65,000)
	<hr/>	<hr/>
Total	<b>(231,000)</b>	<b>(241,202)</b>
	<hr/> <hr/>	<hr/> <hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	2,869,000	3,164,000
Current service cost	210,000	214,000
Interest cost	74,000	65,000
Employee contributions	30,000	33,000
Actuarial gains	(199,000)	(566,000)
Benefits paid	(33,000)	(41,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>2,951,000</b>	<b>2,869,000</b>
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Movements in the fair value of the academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	2,046,000	1,823,000
Interest income	53,000	38,000
Actuarial losses	77,000	65,000
Employer contributions	122,000	128,000
Employee contributions	30,000	33,000
Benefits paid	(33,000)	(41,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>2,295,000</b>	<b>2,046,000</b>
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**THE GOOD SHEPHERD CATHOLIC TRUST [FORMERLY KNOWN AS THE PALMER CATHOLIC  
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**Notes to the Financial Statements  
For the year ended 31 August 2018**

**24. Operating lease commitments**

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	12,000	12,000
Between 1 and 5 years	21,000	33,000
Total	<u>33,000</u>	<u>45,000</u>

**25. 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.

**26. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

**27. Agency Arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £21, 271 (2017: £33,015) and disbursed £35,172 (2017: £21,410) from the fund. No amounts were outstanding as at 31 August 2018 (2017: £11,605).