

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Annual report and financial statements

For the Year Ended 31 August 2019

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

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THE GOOD SHEPHERD CATHOLIC TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Bishop Alan Williams Fr. Stephen Myers Robert Simpson, Diocesan Director of Education
Trustees	John Anthony, Chair (appointed 1 September 2018) Michael Corcoran, CAO (appointed 1 September 2018) Fr. Andrew Headon (appointed 1 September 2018) Natasha Scott (appointed 3 December 2018) John Adams (appointed 4 December 2018) Fr. Sean Connolly (resigned 31 August 2019) Thomas Alexander (resigned 31 August 2019) Joseph Bau Mann (resigned 31 August 2019) Rodger Melder (resigned 31 August 2019) Allison Moise-Dixon (resigned 31 December 2018) George Reynolds (appointed 1 September 2018, resigned 1 April 2019)
Company registered number	07696155
Company name	The Good Shepherd Catholic Trust
Principal and registered office	The Palmer Catholic Academy Aldborough Road South Seven Kings Ilford Essex IG3 8EU
Company secretary	Nazmul Islam (resigned 31 August 2019) Julie Pearman (appointed 1 September 2019)
Senior management team	Julie Pearman, Chief Financial and Operations Officer Michael Corcoran, Chief Accounting Officer
Independent auditors	Williams Giles Professional Services Ltd Chartered Accountants 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Natwest plc 27 High Road Chadwell Heath Romford Essex RM6 6QD
Solicitors	Wincworth Sherwood Minerva House 5 Montague Close London SE1 9BB

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
For the Year Ended 31 August 2019

Surveyors

Roff Marsh Partnership Limited
29A Acacia Drive
Maldon
Essex
CM9 6AW

THE GOOD SHEPHERD CATHOLIC TRUST
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Trustees' report
For the Year Ended 31 August 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year/period 1st September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 3 to 16 serving a catchment area in Redbridge and the Roman Catholic Diocese of Brentwood. It has a pupil capacity of 1620 and had a roll of 1652 in the school census on October 2019.

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 documents of the academy trust.

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

The charitable company operates as The Good Shepherd Catholic Trust, The Palmer Catholic Academy and St. Aidan's Catholic Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved 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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

c. Trustees' indemnities

Since the incorporation of the Charitable Company on 1st August 2011 the Trustees 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

Trustees – The Diocesan Bishop may appoint up to 9 Trustees.

e. Policies adopted for the induction and training of Trustees

Following their appointment all new Trustees receive an introduction to their role from the Chair and CAO, this introduction includes tours of the Academies and the opportunity to meet members of Trust staff.

The Trustees of The Good Shepherd Trust are committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to undertake their role more effectively.

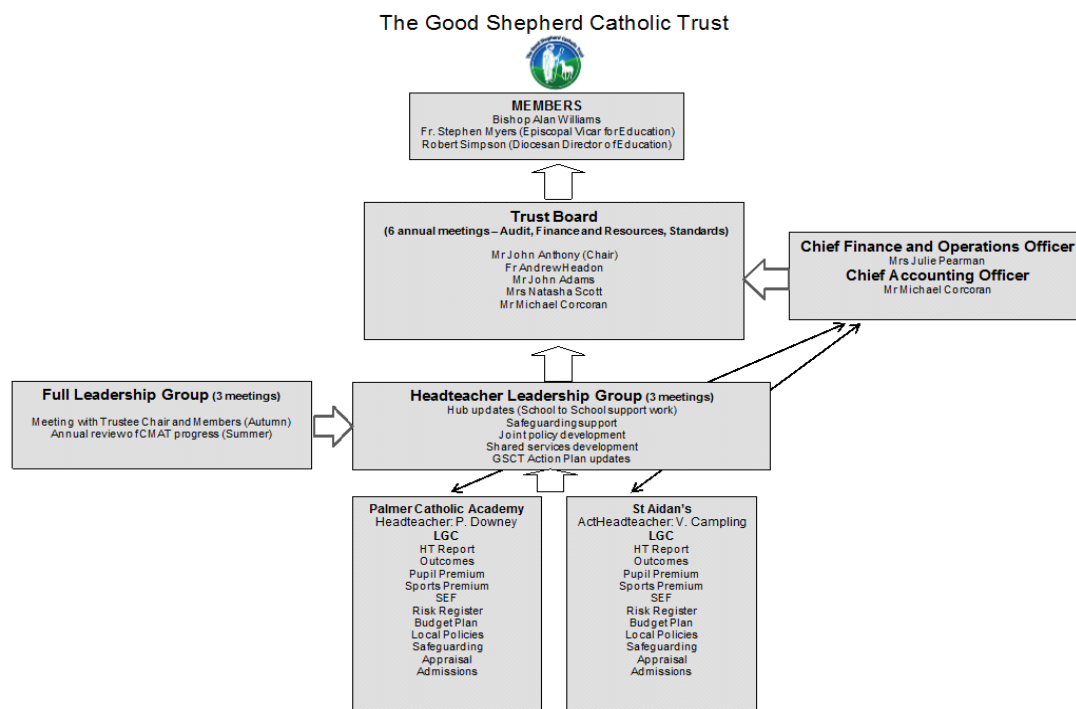
Additionally Trustees with specific roles within the Trust Board are strongly encouraged to undertake specific training through the Diocese or other professional body.

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Trustees' report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

f. Organisational structure



g. Arrangements for setting pay and remuneration of key management personnel

The rules for determining the pay of key management personnel (for the purposes of this definition this includes the Head teacher, Deputy Head teachers and Assistant Head teachers 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 Trusts key management personnel are reviewed by and approved by the Trustees. The Trust follows the pay arrangements for maintained schools in England and Wales for teachers and support staff. The academies 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.

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Trustees' report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

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%	2
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 currently has two academies:

The Palmer Catholic Academy
St. Aidan's Catholic Academy

Objectives and activities

a. Objects and aims

The principal activity of The Good Shepherd Trust is to provide a quality, free education for young people aged 3 to 19, who desire a Catholic education for their child and live in the area local to the Trust and from feeder parishes.

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Trustees' report (continued)
For the Year Ended 31 August 2019

Objectives and activities (continued)

b. Objectives, strategies and activities

The Trustees are 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 Trust rest on the following principles:

The advancement for the public benefit education in the United Kingdom, in particular but without prejudice by establishing, maintaining, carrying on, managing and developing a Catholic Academies 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 Academies 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 Trust for the year ended 31st August 2019 is summarised below:

- To ensure that every student receives high quality education in terms of resourcing, tuition and care based on Gospel values
- Secure increased achievement of all groups of learners at key stage 1, stage 2, stage 4 and post-16
- Continue to develop leadership capacity and achievement
- To improve the effectiveness of the Trust by continual review of the curriculum and organisational structure
- To improve the progress and outcomes of all being taught in the Trust
- Robust governance and oversight of the strategic direction and finances of the Trust
- To ensure the operation of the Trust demonstrates good value for money and efficient and effective use of resources
- To maximise income generation through hire of Trust facilities
- To ensure that standards are continually raised within the Trust, the Trustees and the Leadership Teams:
- 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 Trust to secure outcomes.

c. Public benefit

The Trustees 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 Schools for over 50 years, to the young people of Ilford and the surrounding parishes.

Achievements and performance

St Aidan's End of Year data 2018/19

	2019 %	Cf National %	Cf 2018 %
EYFS GLD	73	+1.5	=
Yr 1 Phonics	89	+6.4	+3

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Trustees' report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Achievements and performance (continued)

KS1 Expected	2019 %	Cf National %	Cf 2018 %
Reading	69	-7	-3.6
Writing	66.7	-3.3	-0.7
Maths	78	+2	+11.8
Combined	61	-3	+1
Science	67	-16	-6.4

KS1 Greater Depth	2019 %	Cf National %	Cf 2018 %
Reading	37	+11	+20.6
Writing	26	+3	+16.5
Maths	30	+8	+27
Combined	22	+12	+29

KS2 Expected	2019 %	Cf National %	Cf 2018 %
Reading	82	+12	+4
Writing	91	+13	+9
Maths	89	+10	+6
Combined	76	+11	+5
GPS	86	+8	+1

KS2 Greater Depth	2019 %	Cf National %	Cf 2018 %
Reading	26	-1	=
Writing	14	-6	+14
Maths	44	+17	+16
Combined	14	+3	+3
GPS	42	+6	+1

Palmer Academy End of Year data 2018/19

Analysis of Public Examination

GCSE	2019	2018	2017	2016	2015
A*-A(9-7)	32	27	19	19	15
5+ A*-C including English and Maths (9-7)	79.7	76	72	60	54
Basic 4+ English and Maths	81	80	80	68	57

A Level Results	2019	2018	2017	2016	2015
A*-A	12.2	13	22	17	17
A*-B	29.2	36	42	40	39
A*-C	53.3	65	66	72	66
A*-E	94	91	99	98	98

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Trustees' report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Achievements and performance (continued)

School	Progress 8	Attainment 8	% achieving grade 5+ in English and Maths	% achieving EBACC
Palmer Catholic Academy	0.42	53.86	60	4.47
Redbridge	0.58	53.93	59	4.72*
National	-0.03	46.55	43	4.07*

a. Key performance indicators

During the 12 month period to 31st August 2019 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 Trust 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 has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

Financial review

- In the current climate of uncertainty about future funding, Trustees 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 Trust's income is obtained from the Department for Education via the Education 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 Trust received the Devolved Formula Capital Grant (DFC) which in accordance with the Charities SORP 2005, 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 Trustees 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 2019

Strategic report (continued)

Financial review (continued)

a. Reserves policy

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

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

The Trust's current level of free reserves is £692,064 (2018 - £602,458) (total funds less the amount held in fixed assets and restricted funds).

b. Investment policy

Apart from cash held for the operation of the Trust, The Good Shepherd Trust has no realisable investments. With respect to its cash holdings the Trust has adopted a low risk strategy. In addition to the main current account the Academies maintain an instant access deposit account. Suitable sweeping and switching procedures are in place at the Academies 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 2019

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

The Trusts activities expose it primarily to cash flow risk. The Trust continually monitors cash flows to ensure the Academy Trust has sufficient funds available to meet debts as they fall due. The Governing Body maintains significant cash reserves at all times.

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

Financial Risk – The Trust is operating in a period of considerable financial uncertainty with regard to public funding. Variations year on year in the numbers of Primary pupils and 6th form students joining the Trust, 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 Trust; 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 Trust finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees 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 Trustees to ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - Trustees 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 Academies is reliant on the quality of its staff and so the Trustees 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 Trust 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 Trust has a robust risk management regime in place.

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 Trust 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 individual Academies Senior Leadership Team.

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Trustees' report (continued)
For the Year Ended 31 August 2019

Plans for future periods

Central to the work of The Good Shepherd Trust is its commitment to further develop and enhance the educational experience of its pupils and students at all levels. Additionally, it will continue its efforts to improve the achievements of its pupils and 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 Trustees recognise that through good financial management they have been able to invest and improve significantly the quality of the built environment of the Academies. The Trust wish to continue this programme of developments to further improve the teaching spaces and facilities for both staff and students.

The Trust:

- 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 pupils and students; and
- Will continue to improve behaviour and attendance through raising aspirations

Funds held as custodian on behalf of others

During the period from 1st August 2018 to 31st August 2019 The Good Shepherd Trust did not hold any funds as a custodian trustee on behalf of any other charitable organisation.

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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Williams Giles Professional Services Ltd, 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 20 December 2019 and signed on its behalf by:



Michael Corcoran
Accounting Officer



John Anthony
Trustee

THE GOOD SHEPHERD CATHOLIC TRUST
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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 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 CAO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Good Shepherd Trust and the Secretary of State for Education. 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 8 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
John Anthony, Chair	8	8
Michael Corcoran, CAO	8	8
Fr. Andrew Headon	8	8
Natasha Scott	5	8
John Adams	5	8
Fr. Sean Connolly	3	8
Thomas Alexander	4	8
Joseph Bau Mann	3	8
Rodger Melder	5	8
Allison Moise-Dixon	2	2
George Reynolds	0	0

The Trust Board has reduced in number and there are currently 5 trustees.

Governance Reviews:

The Board members act as committee members for both The Audit and Risk and Finance Committee.

THE GOOD SHEPHERD CATHOLIC TRUST
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Governance Statement (continued)

Review of value for money

I accept that as Accounting Officer of The Good Shepherd Catholic Trust I am responsible and accountable for ensuring that the 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 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 Trust's use of its resources has provided good value for money during the academic year.

The Trustees are accountable for the way in which the Trust's resources are allocated to meet the objectives set out in the individual academy's development plans. Trustees need to secure the best possible outcome for pupils/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 Trust has focussed on improving the quality of teaching across the academies 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 Academies have continued to keep the staffing structure under review.

The Board of Trustee approves the budget each year and is mindful of the need to balance expenditure against income to ensure that The Good Shepherd Catholic Trust continues to develop. The Board of Trustees also received and approves the Annual Accounts and the External Auditors Management Report.

Monthly budget monitoring reports are produced and reviewed regularly by the Business Manager the Head teacher of each individual academy. Any necessary remedial is 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 Trust deploys equipment, materials and services to provide pupil / 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 on-going process designed to identify and prioritise the risks to the achievement of Academy 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 for the year 1 September 2018 to 31 August 2019 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 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's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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'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 Board of Trustees reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Williams Giles Professional Services Ltd as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy'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

On a ½ termly basis the CFOO reports to the board of trustees, through the Board of Trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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Governance Statement (continued)


Review of effectiveness

As accounting officer, the CAO 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 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 Board of Trustees 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 20 December 2019 and signed on their behalf by:



John Anthony
Chair of Trustees



Michael Corcoran
Accounting Officer

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Statement on Regularity, Propriety and Compliance

As accounting officer of The Good Shepherd Catholic Trust I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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.



Michael Corcoran
Accounting Officer
Date: 20 December 2019

THE GOOD SHEPHERD CATHOLIC TRUST
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Statement of Trustees' responsibilities
For the Year Ended 31 August 2019

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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 20 December 2019 and signed on its behalf by:


John Anthony
Chair of Trustees

THE GOOD SHEPHERD CATHOLIC TRUST
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Independent auditors' Report on the financial statements to the Members of The Good Shepherd Catholic Trust

Opinion

We have audited the financial statements of The Good Shepherd Catholic Trust (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, 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 2018 to 2019 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 2019 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 2018 to 2019 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.

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of The Good Shepherd Catholic Trust (continued)

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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has 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.

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of The Good Shepherd Catholic Trust (continued)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, 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.

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. 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 (Senior statutory auditor)

for and on behalf of
Williams Giles Professional Services Ltd

Chartered Accountants
Statutory Auditors

12 Conqueror Court

Sittingbourne

Kent

ME10 5BH

N.B. The date of signing should be entered in 'ACCOUNTS COMPLETION' section

Date:

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 3 June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Good Shepherd Catholic Trust during the year 1 September 2018 to 31 August 2019 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 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 and 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 and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Good Shepherd Catholic Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Good Shepherd Catholic Trust's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 reperformance
- 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

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Good Shepherd Catholic Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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 Professional Services Ltd

Date:

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	4					
Transfer of assets on Academies transferred into trust		55,830	(403,185)	1,819,419	1,472,064	-
Other donations and capital grants		-	-	161,553	161,553	23,699
Charitable activities		-	8,262,942	-	8,262,942	6,189,053
Other trading activities		280,220	144,162	-	424,382	225,711
Investments	7	4,335	-	-	4,335	1,436
Total income		340,385	8,003,919	1,980,972	10,325,276	6,439,899
Expenditure on:						
Raising funds		180,267	-	-	180,267	139,905
Charitable activities		-	8,797,642	320,697	9,118,339	6,510,873
Total expenditure		180,267	8,797,642	320,697	9,298,606	6,650,778
Net income/(expenditure)		160,118	(793,723)	1,660,275	1,026,670	(210,879)
Transfers between funds	21	(70,512)	50,273	20,239	-	-
Net movement in funds before other recognised gains/(losses)		89,606	(743,450)	1,680,514	1,026,670	(210,879)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	28	-	(854,000)	-	(854,000)	276,000
Net movement in funds		89,606	(1,597,450)	1,680,514	172,670	65,121

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2019

Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Reconciliation of funds:					
Total funds brought forward	602,458	(186,726)	11,039,513	11,455,245	11,390,124
Net movement in funds	89,606	(1,597,450)	1,680,514	172,670	65,121
Total funds carried forward	<u><u>692,064</u></u>	<u><u>(1,784,176)</u></u>	<u><u>12,720,027</u></u>	<u><u>11,627,915</u></u>	<u><u>11,455,245</u></u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 28 to 54 form part of these financial statements.

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)
Registered number: 07696155

Balance sheet
As at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	17	12,642,147	11,023,259
		<u>12,642,147</u>	<u>11,023,259</u>
Current assets			
Debtors	18	227,259	136,914
Cash at bank and in hand		1,887,812	1,175,600
		<u>2,115,071</u>	<u>1,312,514</u>
Creditors: amounts falling due within one year	19	(1,041,217)	(224,528)
Net current assets		<u>1,073,854</u>	<u>1,087,986</u>
Total assets less current liabilities		<u>13,716,001</u>	<u>12,111,245</u>
Creditors: amounts falling due after more than one year	20	(183,086)	-
Net assets excluding pension liability		<u>13,532,915</u>	<u>12,111,245</u>
Defined benefit pension scheme liability	28	(1,905,000)	(656,000)
Total net assets		<u><u>11,627,915</u></u>	<u><u>11,455,245</u></u>

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

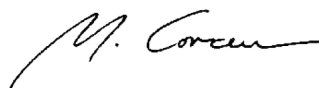
Balance sheet (continued)
As at 31 August 2019

	Note		2019 £	2018 £
Funds of the Academy				
Restricted funds:				
Fixed asset funds	21	12,720,027	11,039,513	
Restricted income funds	21	120,824	469,274	
		<hr/>	<hr/>	
Restricted funds excluding pension asset	21	12,840,851	11,508,787	
Pension reserve	21	(1,905,000)	(656,000)	
		<hr/>	<hr/>	
Total restricted funds	21		10,935,851	10,852,787
Unrestricted income funds	21		692,064	602,458
			<hr/>	<hr/>
Total funds			11,627,915	11,455,245
			<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 23 to 54 were approved by the Trustees, and authorised for issue on 20 December 2019 and are signed on their behalf, by:



John Anthony
Chair of Trustees



Michael Corcoran
Accounting Officer

The notes on pages 28 to 54 form part of these financial statements.

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Statement of cash flows
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	23	623,239	155,223
Cash flows from investing activities			
	25	(115,831)	(13,788)
Cash flows from financing activities			
	24	204,804	-
Change in cash and cash equivalents in the year		712,212	141,435
Cash and cash equivalents at the beginning of the year		1,175,600	1,034,165
Cash and cash equivalents at the end of the year	26	1,887,812	1,175,600

The notes on pages 28 to 54 form part of these financial statements

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

1. General information

The Good Shepherd Catholic Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is The Palmer Catholic Academy, Aldborough Road South, Seven Kings, Ilford, Essex, IG3 8EU. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

2. 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.

2.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The financial statements were prepared in sterling to the nearest pound.

2.2 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

• **Donations**

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

• **Other income**

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

• **Transfer of existing academies into the Academy**

Where assets and liabilities are received on the transfer of an existing academy into the Academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy. An equal amount of income is recognised for the transfer of an existing academy into the Academy within 'Income from Donations and Capital Grants' to the net assets acquired.

2.4 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**

This 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.

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

2. Accounting policies (continued)

2.4 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 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 Part 11, chapter 3 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.

2.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The academy trust occupies land (including buildings) which are owned by its Trustees who are The Roman Catholic Diocese of Brentwood. The Trustees are providers of the academy on the same basis as when the academy was a maintained school. The academy trust 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. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land including buildings.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Long-term leasehold property	-	2%	Straight line
Furniture and equipment	-	10%	Reducing balance
Computer 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.

2.8 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.

2.9 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.

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

2.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

2. Accounting policies (continued)

2.13 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

2.14 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 the 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.

Investment income, gains and losses are allocated to the appropriate fund.

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

3. 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.

Multi-employer defined benefit pension scheme

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Critical areas of judgment:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 17 for the carrying amount of the property, plant and equipment, and note 2.7 for the useful economic lives of each class of assets.

4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations				
Transfer of assets on Academies transferred into trust	55,830	(403,185)	1,819,419	1,472,064
	<hr/> 55,830	<hr/> (403,185)	<hr/> 1,819,419	<hr/> 1,472,064
Capital Grants	-	-	161,553	161,553
	<hr/> -	<hr/> -	<hr/> 161,553	<hr/> 161,553
	<hr/> 55,830	<hr/> (403,185)	<hr/> 1,980,972	<hr/> 1,633,617
	<hr/> <hr/> 55,830	<hr/> <hr/> (403,185)	<hr/> <hr/> 1,980,972	<hr/> <hr/> 1,633,617

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

4. Income from donations and capital grants (continued)

	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Capital Grants	23,699	23,699
	23,699	23,699

5. Funding for the Academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	7,459,828	7,459,828	5,726,596
Other DfE/ESFA grants	206,560	206,560	21,001
Pupil premium	369,347	369,347	291,612
	8,035,735	8,035,735	6,039,209
Other government grants			
Over government grants	88,394	88,394	118,580
SEN funding	138,813	138,813	31,264
	8,262,942	8,262,942	6,189,053

6. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Hire of facilities	29,612	-	29,612
Exam fees	-	1,534	1,534
School trips	27,540	-	27,540
Other income	223,068	142,628	365,696
	280,220	144,162	424,382

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2019

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Hire of facilities	52,680	-	52,680
Exam fees	-	433	433
School trips	26,739	-	26,739
Other income	123,602	22,257	145,859
	<u>203,021</u>	<u>22,690</u>	<u>225,711</u>

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank interest	4,335	4,335	1,436

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on raising voluntary income:				
Direct costs	-	-	180,267	180,267
Educational operations:				
Direct costs	5,865,906	-	462,555	6,328,461
Allocated support costs	1,118,579	293,554	1,377,745	2,789,878
	<u>6,984,485</u>	<u>293,554</u>	<u>2,020,567</u>	<u>9,298,606</u>

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	<i>Staff Costs</i> 2018 £	<i>Premises</i> 2018 £	<i>Other</i> 2018 £	<i>Total</i> 2018 £
Expenditure on raising voluntary income:				
Direct costs	-	-	139,905	139,905
Educational operations:				
Direct costs	4,035,385	-	393,809	4,429,194
Allocated support costs	989,351	255,341	836,987	2,081,679
	<u>5,024,736</u>	<u>255,341</u>	<u>1,370,701</u>	<u>6,650,778</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	<u>6,328,461</u>	<u>2,789,878</u>	<u>9,118,339</u>

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Educational operations	<u>4,429,194</u>	<u>2,081,679</u>	<u>6,510,873</u>

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For the Year Ended 31 August 2019

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational operations 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	5,397,898	5,397,898	3,874,138
Educational supplies	277,648	277,648	298,152
Examination fees	114,648	114,648	58,064
Staff development	37,629	37,629	13,527
Other direct costs	32,630	32,630	24,066
Agency supply costs	468,008	468,008	161,247
	<hr/> 6,328,461 <hr/>	<hr/> 6,328,461 <hr/>	<hr/> 4,429,194 <hr/>

THE GOOD SHEPHERD CATHOLIC TRUST
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Notes to the financial statements
For the Year Ended 31 August 2019

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational operations 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
LGPS costs	28,000	28,000	21,000
Staff costs	1,094,640	1,094,640	989,351
Depreciation	320,697	320,697	277,727
Recruitment and support	31,559	31,559	18,078
Maintenance of premises and equipment	293,496	293,496	122,295
Cleaning	226,831	226,831	127,334
Rent & rates	47,216	47,216	45,258
Light & heat	103,314	103,314	196,368
Insurance	38,266	38,266	54,859
Security & transport	13,306	13,306	1,189
Catering	130,638	130,638	38,103
Interest and charges	3,798	3,798	(11,106)
Computer costs	111,959	111,959	27,716
Printing, postage and stationery	33,307	33,307	10,890
Other support costs	207,804	207,804	148,520
Agency staff	23,939	23,939	-
Loss on disposal of fixed assets	-	-	53
Write offs	46,598	46,598	-
Governance costs	34,510	34,510	14,044
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	2,789,878	2,789,878	2,081,679
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	<i>2018 £</i>
Depreciation of tangible fixed assets	320,697	<i>277,727</i>
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

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Notes to the financial statements
For the Year Ended 31 August 2019

11. Auditors' remuneration

	2019	<i>2018</i>
	£	£
Fees payable to the Academy's auditor for the audit of the Academy's annual accounts	12,250	<i>8,750</i>
Fees payable to the Academy's auditor in respect of:		
All assurance services not included above	3,600	<i>2,400</i>
All non-audit services not included above	10,731	<i>6,708</i>
	<u>10,731</u>	<u><i>6,708</i></u>

12. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	<i>2018</i>
	£	£
Wages and salaries	5,176,744	<i>3,828,025</i>
Social security costs	478,044	<i>391,609</i>
Pension costs	837,750	<i>643,855</i>
	<u>6,492,538</u>	<u><i>4,863,489</i></u>
Agency staff costs	491,947	<i>161,247</i>
	<u>6,984,485</u>	<u><i>5,024,736</i></u>

b. Staff numbers

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

	2019	<i>2018</i>
	No.	No.
Teachers	78	<i>76</i>
Support staff	84	<i>59</i>
Senior Leadership team	2	<i>5</i>
	<u>164</u>	<u><i>140</i></u>

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12. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	<i>No.</i>
In the band £60,001 - £70,000	11	7
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
	<u><u> </u></u>	<u><u> </u></u>

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team in place throughout the year, this differs to the team as listed on page 1 due to a staff restructure on 1 September 2019. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £225,384 (2018 - £351,470).

13. Central services

No central services were provided by the Academy to its academies during the year and no central charges arose.

14. 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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
Eoin McHugh (resigned 31 August 2018)	Remuneration		55,000 - 60,000
	Pension contributions paid		5,000 - 10,000
Allison Moise-Dixon (resigned 31 December 2018)	Remuneration	30,000 - 35,000	95,000 - 100,000
	Pension contributions paid	5,000 - 10,000	10,000 - 15,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

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Notes to the financial statements
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15. Trustees' and Officers' insurance

The Academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

16. Net pension interest

	2019	<i>2018</i>
	£	£
Interest income on pension scheme assets	93,000	<i>53,000</i>
Interest on pension scheme liabilities	(121,000)	<i>(74,000)</i>
	(28,000)	<i>(21,000)</i>

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17. Tangible fixed assets

	Buildings on church land £	Furniture and equipment £	Bicycles & PE Equipment £	Computer equipment £	Improvements to buildings £	Total £
Cost or valuation						
At 1 September 2018	12,767,048	117,220	3,000	174,240	-	13,061,508
Additions	41,327	3,166	-	33,157	42,516	120,166
On acquisition of subsidiaries	1,795,650	14,496	-	-	9,273	1,819,419
At 31 August 2019	<u>14,604,025</u>	<u>134,882</u>	<u>3,000</u>	<u>207,397</u>	<u>51,789</u>	<u>15,001,093</u>
Depreciation						
At 1 September 2018	1,808,665	60,150	3,000	166,434	-	2,038,249
Charge for the year	293,554	7,473	-	14,184	5,486	320,697
At 31 August 2019	<u>2,102,219</u>	<u>67,623</u>	<u>3,000</u>	<u>180,618</u>	<u>5,486</u>	<u>2,358,946</u>
Net book value						
At 31 August 2019	<u><u>12,501,806</u></u>	<u><u>67,259</u></u>	<u><u>-</u></u>	<u><u>26,779</u></u>	<u><u>46,303</u></u>	<u><u>12,642,147</u></u>
At 31 August 2018	<u><u>10,958,383</u></u>	<u><u>57,070</u></u>	<u><u>-</u></u>	<u><u>7,806</u></u>	<u><u>-</u></u>	<u><u>11,023,259</u></u>

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Notes to the financial statements
For the Year Ended 31 August 2019

18. Debtors

	2019 £	2018 £
Due within one year		
Other debtors	120,179	67,345
Prepayments and accrued income	107,080	69,569
	227,259	136,914
	227,259	136,914

19. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	21,718	-
Trade creditors	504,689	43,940
Other taxation and social security	106,330	100,764
Other creditors	308,591	70,374
Accruals and deferred income	99,889	9,450
	1,041,217	224,528
	1,041,217	224,528

	2019 £	2018 £
Resources deferred during the year	65,520	-
	65,520	-

Deferred income at the year end consists mainly of Universal Infant Free School Meals and Early Years Funding received in 2018/19 in respect of 2019/20.

20. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	183,086	-
	183,086	-

The loans due at the year end relate to previously completed capital projects. The loans are provided by the Roman Catholic Diocese of Brentwood and are provided interest free.

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Notes to the financial statements
For the Year Ended 31 August 2019

21. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	602,458	340,385	(180,267)	(70,512)	-	692,064
Restricted general funds						
General Annual Grant (GAG)	469,274	7,459,828	(7,701,366)	(106,912)	-	120,824
Other DfE/ESFA grants	-	150,247	(150,247)	-	-	-
Pupil premium	-	369,347	(369,347)	-	-	-
Teachers pay grant	-	56,313	(56,313)	-	-	-
Other government grants	-	88,394	(88,394)	-	-	-
SEN funding	-	138,813	(138,813)	-	-	-
Generated income	-	144,162	(144,162)	-	-	-
Academies joining the trust	-	(157,185)	-	157,185	-	-
Pension reserve	(656,000)	(246,000)	(149,000)	-	(854,000)	(1,905,000)
	(186,726)	8,003,919	(8,797,642)	50,273	(854,000)	(1,784,176)
Restricted fixed asset funds						
Assets held for depreciation	11,023,259	-	(320,697)	1,939,585	-	12,642,147
Devolved capital	16,254	108,619	-	(58,600)	-	66,273
CIF funding	-	52,934	-	(41,327)	-	11,607
Academies joining the trust	-	1,819,419	-	(1,819,419)	-	-
	11,039,513	1,980,972	(320,697)	20,239	-	12,720,027
Total Restricted funds	10,852,787	9,984,891	(9,118,339)	70,512	(854,000)	10,935,851
Total funds	11,455,245	10,325,276	(9,298,606)	-	(854,000)	11,627,915

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Notes to the financial statements
For the Year Ended 31 August 2019

21. Statement of funds (continued)

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.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
The Palmer Catholic Academy	857,442	1,071,732
St Aidan's Catholic Primary Academy	(73,795)	-
Central Trust	29,241	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	812,888	1,071,732
Restricted fixed asset fund	12,720,027	11,039,513
Pension reserve	(1,905,000)	(656,000)
	<hr/>	<hr/>
Total	11,627,915	11,455,245
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
St Aidan's Catholic Primary Academy	73,795
	<hr/> <hr/>

The academy was brought in to the trust in a net deficit position, since being brought in to the trust, the deficit has decreased.

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

The academy has been brought in to the trust and through efficiency gains from being part of a MAT, the academy deficit position is reducing.

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Notes to the financial statements
For the Year Ended 31 August 2019

21. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
The Palmer Catholic Academy	4,204,462	842,674	112,946	1,732,912	6,892,994
St Aidan's Catholic Primary Academy	1,193,436	251,966	1,702	549,026	1,996,130
Central Trust	-	-	-	88,785	88,785
Academy	<u>5,397,898</u>	<u>1,094,640</u>	<u>114,648</u>	<u>2,370,723</u>	<u>8,977,909</u>

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Notes to the financial statements
For the Year Ended 31 August 2019

21. Statement of funds (continued)

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

	<i>Balance at 1 September 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2018</i>
	£	£	£	£	£
Unrestricted funds					
Unrestricted funds	516,831	204,457	(118,830)	-	602,458
Restricted general funds					
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)
	(420,248)	6,211,743	(6,254,221)	276,000	(186,726)
Restricted fixed asset funds					
Assets held for depreciation	11,293,541	-	(277,727)	-	11,031,038
Devolved capital	-	23,699	-	-	8,475
	11,293,541	23,699	(277,727)	-	11,039,513
Total Restricted funds	10,873,293	6,235,442	(6,531,948)	276,000	10,852,787
Total funds	11,390,124	6,439,899	(6,650,778)	276,000	11,455,245

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Notes to the financial statements
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22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	12,642,147	12,642,147
Current assets	692,064	1,345,127	77,880	2,115,071
Creditors due within one year	-	(1,041,217)	-	(1,041,217)
Creditors due in more than one year	-	(183,086)	-	(183,086)
Provisions for liabilities and charges	-	(1,905,000)	-	(1,905,000)
Total	692,064	(1,784,176)	12,720,027	11,627,915

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	11,023,259	11,023,259
Current assets	600,358	695,902	16,254	1,312,514
Creditors due within one year	2,100	(226,628)	-	(224,528)
Provisions for liabilities and charges	-	(656,000)	-	(656,000)
Total	602,458	(186,726)	11,039,513	11,455,245

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Notes to the financial statements
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23. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	<u>1,026,670</u>	<u>(210,879)</u>
Adjustments for:		
Depreciation	320,697	277,727
Interest receivable	(4,335)	(1,436)
Defined benefit pension scheme finance cost	149,000	109,052
(Increase)/decrease in debtors	(90,345)	38,442
Increase/(decrease) in creditors	794,971	(57,683)
Fixed assets inherited on transfer in to trust	(1,819,419)	-
Net gain on assets and liabilities from transfer in to trust	246,000	-
Net cash provided by operating activities	<u><u>623,239</u></u>	<u><u>155,223</u></u>

24. Cash flows from financing activities

	2019 £	2018 £
Cash inflows from new borrowing	<u>204,804</u>	-
Net cash provided by financing activities	<u><u>204,804</u></u>	<u><u>-</u></u>

25. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	4,335	1,436
Purchase of tangible fixed assets	(120,166)	(15,224)
Net cash used in investing activities	<u><u>(115,831)</u></u>	<u><u>(13,788)</u></u>

26. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	<u>1,887,812</u>	<u>1,175,600</u>
Total cash and cash equivalents	<u><u>1,887,812</u></u>	<u><u>1,175,600</u></u>

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Notes to the financial statements
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27. 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.

28. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' 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 schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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%.

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28. Pension commitments (continued)

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £503,102 (2018 - £462,987).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £269,000 (2018 - £152,000), of which employer's contributions totalled £216,000 (2018 - £122,000) and employees' contributions totalled £ 53,000 (2018 - £30,000). The agreed contribution rates for future years are 20.0 per cent for employers and variable per cent 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

	2019	<i>2018</i>
	%	%
Rate of increase in salaries	2.3	2.4
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019	<i>2018</i>
	Years	Years
<i>Retiring today</i>		
Males	22.1	22.1
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.3	26.3

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28. Pension commitments (continued)

Sensitivity analysis

	2019	<i>2018</i>
	£000	<i>£000</i>
Discount rate -0.5%	641,000	<i>338,000</i>
Salary increase +0.5%	105,000	<i>69,000</i>
CPI rate +0.5%	523,000	<i>265,000</i>
	=====	<i>=====</i>

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

	At 31	<i>At 31 August</i>
	August 2019	<i>2018</i>
	£	<i>£</i>
Equities	2,569,700	<i>1,675,350</i>
Corporate bonds	807,620	<i>436,050</i>
Property	293,680	<i>183,600</i>
Total market value of assets	3,671,000	<i>2,295,000</i>
	=====	<i>=====</i>

The actual return on scheme assets was £216,812 (*2018 - £77,000*).

The amounts recognised in the Statement of financial activities are as follows:

	2019	<i>2018</i>
	£	<i>£</i>
Current service cost	(336,000)	<i>(210,000)</i>
Past service cost	(1,000)	<i>-</i>
Interest income	93,000	<i>53,000</i>
Interest cost	(121,000)	<i>(74,000)</i>
Total amount recognised in the Statement of financial activities	(365,000)	<i>(231,000)</i>
	=====	<i>=====</i>

THE GOOD SHEPHERD CATHOLIC TRUST
(A company limited by guarantee)

Notes to the financial statements
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28. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	2,951,000	2,869,000
Transferred in on existing academies joining the trust	1,187,000	-
Current service cost	336,000	210,000
Interest cost	121,000	74,000
Employee contributions	53,000	30,000
Actuarial losses/(gains)	984,000	(199,000)
Benefits paid	(57,000)	(33,000)
Past service costs	1,000	-
	<hr/>	<hr/>
At 31 August	5,576,000	2,951,000
	<hr/> <hr/>	<hr/> <hr/>

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	2,295,000	2,046,000
Transferred in on existing academies joining the trust	941,000	-
Interest income	93,000	53,000
Actuarial gains	130,000	77,000
Employer contributions	216,000	122,000
Employee contributions	53,000	30,000
Benefits paid	(57,000)	(33,000)
	<hr/>	<hr/>
At 31 August	3,671,000	2,295,000
	<hr/> <hr/>	<hr/> <hr/>

29. Operating lease commitments

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	23,802	12,000
Later than 1 year and not later than 5 years	10,657	21,000
	<hr/>	<hr/>
	34,459	33,000
	<hr/> <hr/>	<hr/> <hr/>

THE GOOD SHEPHERD CATHOLIC TRUST
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Notes to the financial statements
For the Year Ended 31 August 2019

30. 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.

31. Related party transactions

During the year, transactions were undertaken with Fr. Andrew Headon, a trustee. The academy trust was invoiced £9,000 (2018 - £Nil) for management consultancy fees and paid a priest stipend of £10 (2018 - £Nil). At the balance sheet date no amounts were due to Fr. Andrew Headon (2018 - £Nil).

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

32. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £25,263 (2018: £21,271) and disbursed £Nil (2018: £35,172) from the fund. At the year end, an amount totalling £25,263 (2018: £Nil) was due back to the ESFA.

33. Transfer of existing academies into the academy

Transferred-in St Aidan's Catholic Primary Academy

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Freehold property	1,795,650	1,795,650
Furniture and equipment	14,496	14,496
Improvements to buildings	9,273	9,273
Current assets		
Debtors due within one year	23,871	23,871
Cash at bank and in hand	1,178,071	1,178,071
Liabilities		
Creditors due within one year	(1,120,211)	(1,120,211)
Creditors due after one year	(183,086)	(183,086)
Pensions		
Pensions - pension scheme assets	941,000	941,000
Pensions - pension scheme liabilities	(1,187,000)	(1,187,000)
Net assets	1,472,064	1,472,064