

**Company Registration Number:
7610791 (England & Wales)**

SHIRES MULTI ACADEMY TRUST
(formerly STUDLEY HIGH SCHOOL)

ANNUAL REPORTS AND FINANCIAL STATEMENTS

31 AUGUST 2020

Presented by:

Mills Pyatt Limited

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SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	M M Thake (appointed 1 September 2020:) S Molloy J Kerridge M Hickin Worcester Diocesan Academies Trust (represented by Rev. R Clarke)	(resigned 1 September 2020:) L Gray E Shelley R J Eost N A Robinson
Trustees	L Gray E Shelley M M Thake I D Dixon (appointed 1 September 2020:) F L Parkinson A B Pasquette M Worrall D A Strain	(resigned 1 September 2020:) S-A Stephenson Z Haines D J Lee R J Eost N A Robinson E J James J S Lumley D A J Stanley J Woodward K L Bennett
Company Secretary	N J Purslow	
Member-Appointed (Community) Governors	(resigned 1 September 2020:) M M Thake (Chair) I D Dixon E Shelley	(appointed Member of SHS LGB 1 September 2020:) N A Robinson D A J Stanley S-A Stephenson J Woodward (resigned 17 September 2020) K L Bennett
Staff Governors	L Gray	R J Eost J S Lumley Z Haines
Parent Governors		D J Lee E J James
Senior Management Team		
Principal, appointed CEO 3 Sep 2020	L Gray	
Headteacher	R J Eost	
Deputy Headteacher	A M Page	
Assistant Headteachers	R McGhie (appointed 1 January 2020) L Cotterill (appointed 20 April 2020)	A Ingram (resigned 31 December 2019) C Barnfield (resigned 30 April 2020)
Business Manager	C Y Williams	
Associate Assistants	D M Rose M Hatfield Z Haines J Sidhu M Dudley	M Salmon (resigned 30 April 2020)
Company Name	Shires Multi Academy Trust (amended from Studley High School with effect from 6 August 2020)	
Principal and Registered Office	Studley High School Crooks Lane Studley Warwickshire B80 7QX	
Company Registration Number	7610791 (England and Wales)	

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Independent Auditor	Mills Pyatt Ltd 11 Kingfisher Business Park Arthur Street Lakeside Redditch Worcestershire B98 8LG
School Bankers	HSBC Bank Plc Church Green West Redditch Worcestershire B97 4EA
MAT Bankers	Lloyds Bank Plc 19 Church Green East Redditch Worcestershire B98 8BZ
Solicitors	Browne Jacobson LLP Victoria Square House Victoria Square Birmingham B2 4BU

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the financial year, the Academy Trust operated the single academy trust Studley High School for pupils aged 11 to 16 serving a catchment area in Studley and attracting many pupils from Worcestershire. It had a pupil capacity of 750 and a roll of 798 in the school census on 1 October 2020. This intake above capacity was due to taking 180 pupils into year 7 as there was a 'bulge' year across the authority. The Academy did not form part of a group during the year, hence the financial statements present information about the individual Studley High School Academy Trust only.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a 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 Studley High School are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Studley High School.

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 2.

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.

Trustees' Indemnities

The Academy has purchased an insurance policy that indemnifies Trustees against any legal liability that may arise from a claim made against them personally.

Method of Recruitment and Appointment or Election of Governors and Trustees

Governors are subject to retirement at the end of their term of office, which is four years. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected. The Governing Body consists of up to 11 Governors.

Any vacancy for Parent Governors will be advertised to all current parents with pupils of the Academy and any subsequent election will be open to all parents of pupils of the Academy. Any Staff Governor vacancy will be advertised to all Studley High School staff.

Policies and Procedures Adopted for the Induction and Training of Governors and Trustees

All potential Governors meet with the Headteacher and Chair of Governors to discuss the role of Governors prior to appointment or standing for election. The Governing Body has appointed the clerk to the Governors as Training Officer. This person is responsible for identifying the training needs of all Governors and the induction of new Governors. All Governors have access to the Academy's policies, procedures, minutes, accounts, budgets, plans and any other documents that they will need to undertake their role. New Governors are supported through bespoke induction, tailored specifically to the individual. This process includes general handbook and information to help any Governor establish understanding. External providers are used when appropriate and we subscribe to Worcestershire Governor Services training. All Governors have access to [usethekey.org](https://www.usethekey.org) for Governors.

Organisational Structure

The leadership structure of the Academy involves all staff working in conjunction with 3 main groups; Governors, the leadership group and curriculum area leaders (CALs). The aim of the Academy structure is to allow a distributed approach to leadership and management with decision making and innovation encouraged at all levels.

The governing body consists of 4 committees; Policy and Resources, Finance and Staffing, Curriculum and Communication, and Health and Safety and Premises. These committees ensure school policies are fit for purpose and compliant, and monitor the Academy's performance in specific areas. CALs and members of the leadership team report regularly to individual committees and Link Governors meet with CALs and appropriate staff to discuss performance.

The leadership group consists of the Principal, Headteacher, Deputy Headteacher and 2 Assistant Headteachers. This group controls the Academy at an executive level implementing policies and procedures and reporting back to the Governing Body as appropriate. The leadership group also authorises spending within agreed budgets and for the appointment of staff.

The leadership potential within the school is being enhanced through establishing national leadership qualifications at middle and senior levels. Many members of staff at Studley High School have benefitted from leadership programmes leading to a high number of internal and external promotions thus far. In addition, 4 members of staff have been seconded to extended leadership positions.

CALs are responsible for coordinating all attainment and progress data, and support the leadership team in ensuring high quality provision for pupils. CALs report regularly to the leadership group. The academy moved to a 3 year key stage 4 in September 2016 with the first group completing GCSE in 2019.

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Finance and Staffing Committee meet annually to determine the pay and remuneration levels of key management personnel, with reference to performance reviews and pay scales. Their proposal is put forward to the Full Governing Body who have the power to ratify it and instruct its implementation.

Trade Union Facility Time

An arrangement has been entered into with the Warwickshire Partnership to provide facilities arrangements to the Academy.

Total cost of facility time	£2,046
Total pay bill	£3,885,629
Percentage of the total pay bill spent on facility time	0.05%

Related Parties and other Connected Charities and Organisations

The Academy works closely with local schools in its cluster on a range of issues. This includes sports provision for competitions and using the leisure centre and sports fields. The Marketing Manager and Business Manager represent the school at the 'Studley in Business' community. The school has continued to develop links with local businesses and employers to ensure delivery of impartial and inspirational advice and guidance for pupils. These links are enabling further community interactions. Studley High School continues to support North Bromsgrove High School on its journey to becoming a good school as judged by Ofsted. The Principal also worked closely with Myton school until COVID closures in March 2020.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principle object and aim of the Academy Trust of Studley High School is to provide an education for pupils of all abilities between the ages of 11 and 16, through a broad and balanced curriculum.

Objectives

In accordance with the Funding Agreement between the Academy and the Department for Education, the Academy follows the Warwickshire County Council procedure for admitting pupils to the Academy by defining the catchment area from which pupils are drawn. The school provides a broad balanced curriculum to its pupils.

The main objectives of the Academy in the reporting period are summarised below:

- To maximise pupil achievement and attainment through appropriate courses, high quality teaching and excellent pastoral support.
- To improve performance of key groups of pupils including SEND and disadvantaged pupils.
- To further develop the leadership skills and opportunities across the Academy for all staff and pupils to ensure effective systems and quality assurance processes.
- To further enhance the provision across the school, including development of new buildings and refurbishment of the changing rooms.
- To ensure teaching and learning is of the highest quality and support pupil development.
- To develop further links with local organisations including businesses, schools, charities and external agencies.
- To recruit and retain high quality staff as part of the ongoing succession planning linked to key retirements and promotions.
- To ensure safeguarding and wellbeing are of the highest quality.
- To develop the 'Studley Offer' linked to a 'holistic' view of excellence within a school.

Strategies and Activities

The Academy's main strategy is encompassed in its motto "Semper Sursum" - "Always Aiming Higher". To this end, the activities provided include:

- Further support and intervention for pupils, in all subject areas, to ensure highest levels of attainment and achievement, particularly in Level 2 qualifications and languages.
- Improved assurance systems linked to teachers, curriculum leaders and the leadership team through regular meetings and more frequent data trawls.
- Continuing professional development for staff linked to understanding and promotion of a research led pedagogy approach, how to use online systems and how to ensure high quality assessment.
- Implement extended leadership posts with high quality pastoral and academic support for identified pupils alongside senior staff providing intervention in core subjects.
- Development of extracurricular activities linked to promotion of pupil leadership and opportunities to get involved beyond the curriculum.
- Middle and senior leader development programmes established internally and for other local schools.
- High quality information, advice and guidance for all pupils linked to successful destinations post 16.
- Development of online learning platforms to ensure pupils can access high quality education during the COVID crisis.
- Promotion of challenge and engagement for all pupils across the Academy within lessons.

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Equal Opportunities

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Public Benefit

With reference to the Charity Commission's guidance on public benefit and Section 4 of the Charities Act 2006, the Trustees confirm that the setting of the Academy's objectives and aims is conducted with due regard to the advancement of education of its pupil population within the catchment area.

The Academy takes an active role in partnership with a wide range of businesses, other educational institutions and the community including:

- New relationships have been explored and established with local basketball, cricket and netball clubs.
- The school's facilities host a wide range of local organisations for functions, weekly sessions and concerts. Community use of the school is encouraged and pupils participated in community activities.
- The Academy takes part in a range of fundraising activities for a variety of local, national and international charities chosen by the pupils through the School Council and pupil leadership body.
- Adaptations continue to be made to enable disabled people to access the buildings, where feasible. The Academy ensures that fair consideration is given to staff and pupils regardless of gender, race or orientations when applying to the Academy for work or a place.
- The Academy has hosted many successful days and workshops linked to Science, English, Technology and Humanities with local primary schools. This includes pupils visiting the Academy and staff working within local schools.
- The Academy has hosted music concerts with local brass bands, local care homes and representation at Remembrance events.
- The Academy has also supported numerous hospice, cancer charities and national charity events.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Academy was rejudged as outstanding in all areas in May 2017 by Ofsted. This year has seen the awarding of centre assessed grades for GCSE pupils and this has resulted in the vast majority of pupils accessing their chosen destinations.

We have worked hard to ensure effective management systems are in place and that effective quality assurance processes highlight successes and areas for further development. The improved use of data through more regular collections and more specific targeting of pupils to ensure that they are getting the support they need has resulted in excellent results in 2020. Prior to the COVID closure in March, the pupils were on track for another excellent year of results with projected improvements in MFL and level 2 qualifications.

We continue to work closely with all disadvantaged pupils and their families. We are incredibly proud of their performance and engagement with school life.

SEND pupils have performed above expectation also.

We have had to reevaluate and refine all of our assessment and tracking systems in light of COVID and continue to make good progress in these areas.

Our work experience provision had to be cancelled this year due to COVID. All public examinations were also cancelled.

The Academy has been successful in developing leadership programmes to help ensure effective succession planning within South Warwickshire. This has been further enhanced by working alongside a licensee for National College programmes to deliver training and development to staff from across the county. As a Teaching School we have been successful in securing funding to support other schools and share expertise across the region.

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Key Performance Indicators

Significant financial performance indicators are the level of balance sheet reserves and bank balances in hand. The Academy's Funding Agreement is not subject to specific levels, however, sufficient surplus funds should be maintained at each reporting interval.

The Academy's core funding is based on pupil numbers. The number of pupils on roll has risen from 775 in September 2019 to 798 in September 2020. The increase in year 7 intake means we are now full in all 5 year groups. This has increased the financial confidence but the Academy is aiming to secure expansion funding to increase the intake and move towards a school of 900 pupils in the coming years. Resources will remain under close scrutiny to ensure restricted funds received will be disbursed in the most efficient manner.

Performance in the Academy, both academic and pastoral, was excellent in 2020 resulting in a highly successful year.

Attendance for 2019-20 was 95.8% (2018-19 95.4%), representing a strong continuation of excellent attendance in recent years.

Staff payroll and pension costs for the year are 87% of total income, an increase from 79% of last year. As a percentage of restricted general resources expended, staff costs net of attributable income sources were 78% compared to 77% last year.

Going Concern

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

FINANCIAL REVIEW

Most of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives capital grants which are shown as restricted income in the fixed asset fund in the statement of financial activities. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned. The assets are used exclusively for providing education and the associated support services to the pupils of the Academy.

During the accounting period, total expenditure of £5,038,815 was more than recurrent grant funding from DfE, together with other incoming resources, of £4,484,904. The excess of expenditure over income for the period was £553,911.

The Academy held fund balances at 31 August 2020 of £240,286, comprising £2,100,913 restricted fixed asset funds, £69,536 restricted general funds, £101,837 unrestricted general funds and a pension reserve deficit of £2,032,000. The Trustees consider that reserve levels held are appropriate and shall be utilised in their intended purpose, the precise timing of which has not been determined.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy's balance sheet shows a net liability of £2,032,000.

The deficit on the LGPS does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the Academy Trust because of recognising the deficit.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's policy is to carry forward a prudent level of resources that are considered sufficient for the Academy's requirements.

Investment Policy

The Academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. Current funds are held on deposit.

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

TRUSTEES' REPORT (CONTINUED)

Principal Risks and Uncertainties

Based on the strategic plan, the Trustees undertake a comprehensive review of the risks to which the Academy is exposed. The Trustees identify systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the Academy. Risk management is continually monitored to ensure existing and emerging risks are considered. A risk register, covering low, medium and high level risks, is maintained by the Academy and reviewed at least annually. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate those risks.

The Trustees have assessed major risks to which the Academy is exposed, in particular those relating to operational risks (e.g. in relation to human resources, health and safety, technology) and in relation to control of finance. The Academy is continually working to minimise these risks and has an effective system of internal financial controls.

The Academy relies on continued Government funding to achieve its objectives. To mitigate the risk of withdrawal of grant funding, the Academy continually strives to deliver high quality education via a continually refined curriculum, maintain and improve grades achieved by its pupils and sustain positive inspection outcomes. The financial statements report the share of the pension scheme deficit on the balance sheet in line with the requirements of FRS 102.

Fundraising

The Trust undertakes modest fundraising activities monitored by the Trustees, which does not amount to a significant sum.

Streamlined Energy and Carbon Reporting

During the year, the Trust consumed 275,000 kWh of energy, comprising 226,000 kWh of electricity and 49,000 kWh of gas. As the Trust is not large under Companies Act 2006 thresholds, no additional information is required to be disclosed.

Plans for Future Periods

The Academy will continue striving to improve the levels of performance of its pupils at all levels and continue its efforts to ensure that pupils proceed successfully to higher education. The Shires Academy Trust was formed on 1 September 2020. This is based on 3 founder schools joining to form a MAT. Our intention is to grow the MAT further and establish systems and processes linked to a central team in the next year.

Funds Held as Custodian Trustee on Behalf of Others

No arrangements or assets are held for safe custody on behalf of others.

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by order of the board of Trustees, as the company directors, on 9 December 2020 and signed on the board's behalf by:


.....

Michael Thake
[Chair of Trustees]

9 December 2020

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Studley High School 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Studley High School 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 full Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the full Governing Body was as follows:

Governor		Meetings attended	Out of a possible
M Thake	(Chair and Co-opted/Community Governor)	5	5
L Gray	(Headteacher and Accounting Officer)	5	5
Z Haines	(Staff Governor)	4	5
J Lumley	(Staff Governor)	4	5
S Stephenson	(Member Appointed/Community Governor)	2	5
I Dixon	(Member Appointed/Community Governor)	5	5
J Woodward	(Member Appointed/Community Governor)	5	5
D Lee	(Parent Governor)	5	5
E James	(Parent Governor)	4	5
N Robinson	(Member Appointed/Community Governor)	4	5
E Shelley	(Member Appointed/Community Governor)	4	5
D Stanley	(Member Appointed/Community Governor)	3	5
R Eost	(Co-opted Governor)	5	5
K Bennett	(Member Appointed/Community Governor)	5	5

The **Finance and Staffing Committee** is a sub-committee of the main board of trustees. Its purpose is to deal with the school's financial and audit affairs, and staffing matters on behalf of the Governing Body. Attendance at meetings in the year was as follows:

Governor		Meetings attended	Out of a possible
E Shelley	(Chair)	6	6
M Thake		6	6
L Gray		6	6
I Dixon		6	6
R Eost		6	6

Review of Value for Money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Continuing the work of the Teaching School, securing funding where appropriate to develop staff and other schools, ensuring value for money through the sharing of best practice and group CPD opportunities shared financially across schools. There has been significant investment in the ICT infrastructure. The outsourced ICT contract has been terminated and the school has employed its own ICT staff. This is improving provision at similar costs with greater on-site commitment, providing a value for money, high quality product in terms of new computers in the LRC and a new catering pod to enable pupils to access a wider range of food and drink more efficiently.
- The formation of the Shires MAT.
- Investing in appointing 2 staff seconded to the senior leadership team in order to increase capacity.
- Excellent outcomes across a wide range of subject areas.
- High levels of stakeholder satisfaction evidenced through feedback and responses to surveys.

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

GOVERNANCE STATEMENT (CONTINUED)

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Studley High School for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- Regular reviews by the Finance and Staffing Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investments) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr C Thomson ACCA of Mills Pyatt Limited, the external accountant, to perform additional checks. The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included testing of payroll systems, purchase systems, control accounts, bank reconciliations, income systems and financial reports. On a termly basis, the reviewer reports to the board of Trustees, through the Finance and Staffing Committee, on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

Review of Effectiveness

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

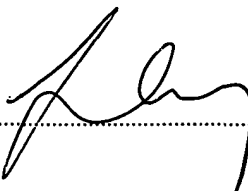
- The work of the external reviewer;
- The work of the external auditor;
- The financial management and governance self-assessment process or the school resource management self-assessment tool;
- Academies Financial Handbook;
- The work of the Governing Body Finance and Staffing Committee within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 9 December 2020 and signed on its behalf by:



Michael Thake
[Chair of Trustees]



Lee Gray
[Accounting Officer]

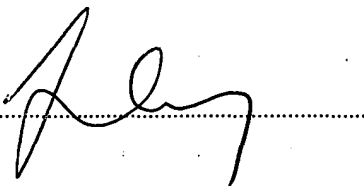
SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Studley High School I have considered my responsibility to notify the Academy Trust board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the Funding Agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook 2019.

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.



Lee Gray
[Accounting Officer]

9 December 2020

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

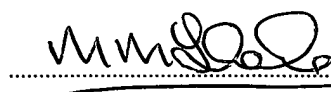
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting 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 good financial management. They are also responsible for ensuring that 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 9 December 2020 and signed on its behalf by:


.....
Michael Thake
[Chair of Trustees]

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDLEY HIGH SCHOOL

Opinion

We have audited the financial statements of Studley High School (the 'Academy Trust') for the year ended 31 August 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- Give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020, 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

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

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

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes the Trustees' Report (incorporating the Strategic Report and the Directors' Report), the Governance Statement and the Accounting Officer's 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.

Opinions 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 (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDLEY HIGH SCHOOL (CONTINUED)

Matters on Which we are Required to Report by Exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the Trustees (who are also the Directors of the Academy Trust 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 Auditor's Report.

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

Use of Our Report

This report is made solely to the Academy Trust'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 Trust's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



Geoffrey Mills (Senior Statutory Auditor)
for and on behalf of Mills Pyatt Limited
Chartered Accountants and Statutory Auditor
Redditch
Worcestershire
B98 8LG
9 December 2020

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STUDLEY HIGH SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 November 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Studley High School during the period 1 September 2019 to 31 August 2020 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 Studley High School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Studley High School 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 Studley High School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of Studley High School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Studley High School's Funding Agreement with the Secretary of State for Education dated 27 May 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 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 2019 to 2020 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, reviewing for any indication of purchase for personal use by staff, Head or Governors;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and made further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Geoffrey Mills (Reporting Accountant)
Mills Pyatt Limited
Chartered Accountants and Statutory Auditor
Redditch
Worcestershire
B98 8LG

9 December 2020

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2019/20 £	Total 2018/19 £
Income and endowments from:						
Donations and capital grants	2	-	950	22,316	23,266	65,927
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	4,080,438	-	4,080,438	3,605,238
Teaching schools	4,25	-	48,268	-	48,268	309,809
Other trading activities	5	126,392	205,839	-	332,231	382,740
Investments	6	701	-	-	701	1,117
Total		127,093	4,335,495	22,316	4,484,904	4,364,831
Expenditure on:						
Charitable activities:						
Academy Trust educational operations	8	(91,523)	(4,525,138)	(276,380)	(4,893,041)	(4,398,921)
Teaching schools	7,25	-	(145,774)	-	(145,774)	(347,368)
Total		(91,523)	(4,670,912)	(276,380)	(5,038,815)	(4,746,289)
Net income / (expenditure)		35,570	(335,417)	(254,064)	(553,911)	(381,458)
Transfers between funds	15	(72,000)	72,000	-	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	15,23	-	18,000	-	18,000	(544,000)
Net movement in funds		(36,430)	(245,417)	(254,064)	(535,911)	(925,458)
Reconciliation of funds:						
Total funds brought forward	15	138,267	(1,717,047)	2,354,977	776,197	1,701,655
Total funds carried forward	15	101,837	(1,962,464)	2,100,913	240,286	776,197


SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

BALANCE SHEET AS AT 31 AUGUST 2020

Company Number: 7610791

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	12		2,096,085		2,354,977
Current assets					
Debtors	13	131,987		219,369	
Cash at bank and in hand		245,819		326,433	
		<u>377,806</u>		<u>545,802</u>	
Liabilities					
Creditors: amounts falling due within one year	14	(201,605)		(261,582)	
Net current assets			<u>176,201</u>		<u>284,220</u>
Total assets less current liabilities /					
Net assets excluding pension liability			<u>2,272,286</u>		<u>2,639,197</u>
Defined benefit pension scheme liability	23		(2,032,000)		(1,863,000)
Total net assets			<u>240,286</u>		<u>776,197</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	15	2,100,913		2,354,977	
Restricted income fund	15	69,536		145,953	
Pension reserve	15	(2,032,000)		(1,863,000)	
Total restricted funds			<u>138,449</u>		<u>637,930</u>
Unrestricted income funds					
General fund	15	101,837		138,267	
Total unrestricted funds			<u>101,837</u>		<u>138,267</u>
Total funds			<u>240,286</u>		<u>776,197</u>

The financial statements on pages 16 to 31 were approved by the Trustees and authorised for issue on 9 December 2020 and are signed on their behalf by:


 Michael Thake
 [Chair of Trustees]

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	18	(86,143)	(19,141)
Cash flows from investing activities	19	5,529	(22,423)
Change in cash and cash equivalents in the reporting period		<u>(80,614)</u>	<u>(41,564)</u>
Cash and cash equivalents at 1 September 2019		326,433	367,997
Cash and cash equivalents at 31 August 2020	20	<u>245,819</u>	<u>326,433</u>

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Studley High School meets the definition of a public benefit entity under FRS 102.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

• Grants

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

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

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

• Donations

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

• Other Income

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

• Donated Fixed Assets (excluding transfers on conversion/into the Academy Trust)

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

Expenditure

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

• Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £3,000 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.

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 on a straight line basis over its expected useful life, as follows:

Freehold buildings	5 - 34 years
Furniture	10 years
Fixtures, ICT and equipment	4 years
Motor vehicles	5 years

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.

Liabilities

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

Leased Assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. 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.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust 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.

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on 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.

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Accounting Policies (continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) 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.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Critical Accounting Estimates and Areas of Judgement

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

Critical Accounting Estimates and Assumptions

The 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 the assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying value of the pension liability.

2. Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Total 2019/20 £	Total 2018/19 £
Capital grants	-	16,116	16,116	51,121
Donated fixed assets	-	6,200	6,200	14,756
Other donations	-	950	950	50
	-	23,266	23,266	65,927

3. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2019/20 £	Total 2018/19 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	3,528,833	3,528,833	3,316,192
Pupil Premium Grant	-	110,696	110,696	103,451
Other DfE Group grants	-	356,486	356,486	182,345
	-	3,996,015	3,996,015	3,601,988
Other Government grants				
Local authority grants	-	84,423	84,423	3,250
	-	4,080,438	4,080,438	3,605,238

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Teaching Schools Income

	Unrestricted Funds £	Restricted Funds £	Total 2019/20 £	Total 2018/19 £
Shires school improvement grants	-	-	-	181,190
Schools Direct income	-	43,739	43,739	70,769
NLE and SLE income	-	4,529	4,529	57,850
	-	48,268	48,268	309,809

5. Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2019/20 £	Total 2018/19 £
Hire of facilities	3,139	-	3,139	4,554
Catering income	123,253	-	123,253	179,224
Government JRS grants	-	14,471	14,471	-
School trips and social events	-	175,449	175,449	198,962
Teaching support	-	15,919	15,919	-
	126,392	205,839	332,231	382,740

6. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2019/20 £	Total 2018/19 £
Bank interest received	701	-	701	1,117

7. Expenditure

	Staff Costs £	Non Pay Expenditure Premises £	Other £	Total 2019/20 £	Total 2018/19 £
Academy's educational operations:					
Direct costs	3,038,925	-	204,923	3,243,848	2,830,346
Allocated support costs	779,784	385,541	483,868	1,649,193	1,568,575
Teaching school:					
Direct costs	132,051	-	-	132,051	243,310
Allocated support costs	-	-	13,723	13,723	104,058
	3,950,760	385,541	702,514	5,038,815	4,746,289

Net income/(expenditure) for the period includes:

	2019/20 £	2018/19 £
Operating lease rentals	6,819	6,819
Depreciation	276,380	262,819
Fees payable to auditor for:		
audit	8,525	8,120
assurance services other than audit	1,450	3,023
other services	13,879	12,873

8. Charitable Activities

	2019/20 £	2018/19 £
Direct costs - educational operations	3,243,848	2,830,346
Direct costs - teaching school	132,051	243,310
Support costs - educational operations	1,649,193	1,568,575
Support costs - teaching school	13,723	104,058
	5,038,815	4,746,289

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Charitable Activities (continued)

Analysis of support costs

	Teaching school £	Educational operations £	Total 2019/20 £	Total 2018/19 £
Support staff costs	-	779,784	779,784	649,816
Depreciation	-	276,380	276,380	262,819
Premises costs	-	153,585	153,585	155,534
Legal costs - legal opinion and MAT conversion	-	15,925	15,925	-
Other support costs	13,723	373,514	387,237	568,689
Governance costs	-	50,005	50,005	35,775
	13,723	1,649,193	1,662,916	1,672,633

9. Staff

a. Staff costs

Staff costs during the period were:

	2019/20 £	2018/19 £
Wages and salaries	2,806,037	2,560,146
Social security costs	265,062	238,176
Pension costs	814,530	599,646
	3,885,629	3,397,968
Agency staff costs	56,131	67,219
Staff restructuring costs - severance payments	9,000	-
	3,950,760	3,465,187

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs was an individual non-statutory/non-contractual severance payment amounting to £9,000 (2019: £nil).

c. Staff numbers

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

	2019/20 No.	2018/19 No.
Teachers	45	43
Administration and support	57	54
Management	5	5
	107	102

d. Higher paid staff

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

	2019/20 No.	2018/19 No.
£90,001- £100,000	-	1
£100,001- £110,000	1	-
	1	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £523,905 (2019: £542,115).

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Related Party Transactions - Trustees' Remuneration and Expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. 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 remuneration and other benefits during Trusteeship was as follows:

L Gray (Principal and Trustee):	Remuneration £100,000 - £105,000 (2019: £90,000 - £95,000) Employer's pension contributions paid £20,000 - £25,000 (2019: £15,000 - £20,000)
R J Eost (Headteacher and Trustee):	Remuneration £70,000 - £75,000 (2019: £50,000 - £55,000) Employer's pension contributions paid £15,000 - £20,000 (2019: £5,000 - £10,000)
J Lumley (Staff Trustee):	Remuneration £40,000 - £45,000 (2019: £35,000 - £40,000) Employer's pension contributions paid £10,000 - £15,000 (2019: £5,000 - £10,000)
Z Haines (Staff Trustee):	Remuneration £50,000 - £55,000 (2019: £45,000 - £50,000) Employer's pension contributions paid £10,000 - £15,000 (2019: £5,000 - £10,000)
Y D Clarke (Staff Trustee in prior year):	Remuneration £nil - £5,000 (2019: £10,000 - £15,000) Employer's pension contributions paid £nil - £5,000 (2019: £nil - £5,000)

During the period ended 31 August 2020, travel and subsistence expenses totalling £724 were reimbursed or paid directly to 2 Trustees (2019: £1,635 to 2 Trustees).

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

11. Trustees' and Officers' Insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost of this indemnity element is included in the total insurance cost.

12. Tangible Fixed Assets

	Freehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2019	4,025,278	380,696	180,443	13,750	4,600,167
Additions	4,229	-	13,259	-	17,488
At 31 August 2020	4,029,507	380,696	193,702	13,750	4,617,655
Depreciation					
At 1 September 2019	1,787,118	332,087	112,235	13,750	2,245,190
Charged in year	231,956	20,191	24,233	-	276,380
At 31 August 2020	2,019,074	352,278	136,468	13,750	2,521,570
Net book values					
At 1 September 2019	2,238,160	48,609	68,208	-	2,354,977
At 31 August 2020	2,010,433	28,418	57,234	-	2,096,085

The Academy Trust's transactions relating to land and buildings included:

- the acquisition of a storage container and related foundations work purchased by the Trust at a combined value of £4,229.

13. Debtors

	2020 £	2019 £
Trade debtors	19,126	70,304
VAT recoverable	44,357	83,207
Prepayments and accrued income	68,504	65,858
	131,987	219,369

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Creditors: Amounts Falling due within One Year

	2020 £	2019 £
Trade creditors	74,901	158,308
Other creditors	73,261	53,180
Accruals and deferred income	53,443	50,094
	<u>201,605</u>	<u>261,582</u>

Deferred Income

	2020 £	2019 £
Deferred income at 1 September 2019	36,684	25,516
Released from previous years	(36,684)	(25,516)
Resources deferred in the year	28,081	36,684
Deferred income at 31 August 2020	<u>28,081</u>	<u>36,684</u>

At the balance sheet date, the Academy Trust was holding funds received in advance for pupil premium funding for the subsequent accounting period.

Deferred income brought forward represented pupil premium funding, Police Commissioners grant and Sport England funding, all of which have now been fully released.

15. Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	873	3,528,833	(3,601,214)	72,000	492
Pupil Premium	-	110,696	(110,696)	-	-
Other grants	-	455,380	(440,968)	-	14,412
Pension reserve	(1,863,000)	-	(187,000)	18,000	(2,032,000)
Teaching school	101,325	48,268	(145,774)	-	3,819
School fund	43,755	175,449	(168,391)	-	50,813
Other trading activities	-	16,869	(16,869)	-	-
	<u>(1,717,047)</u>	<u>4,335,495</u>	<u>(4,670,912)</u>	<u>90,000</u>	<u>(1,962,464)</u>
Restricted fixed asset funds					
Transfer on conversion	1,920,560	-	(187,059)	-	1,733,501
DfE Group capital grants	420,399	16,116	(86,838)	-	349,677
Donated fixed assets	14,018	6,200	(2,483)	-	17,735
	<u>2,354,977</u>	<u>22,316</u>	<u>(276,380)</u>	<u>-</u>	<u>2,100,913</u>
Total restricted funds	<u>637,930</u>	<u>4,357,811</u>	<u>(4,947,292)</u>	<u>90,000</u>	<u>138,449</u>
Total unrestricted funds	<u>138,267</u>	<u>127,093</u>	<u>(91,523)</u>	<u>(72,000)</u>	<u>101,837</u>
Total funds	<u>776,197</u>	<u>4,484,904</u>	<u>(5,038,815)</u>	<u>18,000</u>	<u>240,286</u>

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

The General Annual Grant (GAG) has been provided by the DfE in order to fund the normal running costs of the Academy. During the period, the Academy's GAG expenditure exceeded GAG income. To settle excess GAG expenditure, the Academy utilised the brought forward GAG surplus and also transferred the sum of £72,000 from unrestricted funds. Under the Funding Agreement with the Secretary of State, the Academy Trust is not subject to GAG carried forward limits.

Pupil premium grant income is received from the DfE so that the school can support their disadvantaged pupils and close the attainment gap between them and their peers. All of the income received was fully expensed during the period.

Teaching School grants have been awarded to the Academy for the purpose of leading an alliance that provides school to school support, professional development opportunities, promotes excellence among leadership and builds capacity for high potential schools to obtain their own teaching school designation. The balance of these grants have been fully utilised but an element of related income sources shall be carried forward and applied to Teaching School activities in the subsequent period.

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Funds (continued)

Other grants include special needs, Year 7 Catch Up, rates relief, teaching capacity, and teachers pay and pension from DfE Group. The income received was fully expensed except for a balance in hand of £14,412 relating to a grant received for the purpose of converting a target school to an academy, which is expected to be fully expended in the subsequent year.

School fund incorporates income and expenditure on school trips and social events. The balance carried forward is held in a separate bank account and comprises net surpluses generated from historic activities plus receipts in advance of future events.

The restricted Pension reserve represents the deficit on the Academy's share of the Local Government Pension Scheme as at 31 August 2020.

Restricted fixed asset funds carried forward represent the unamortised cost of the Academy's fixed assets, some of which were acquired on conversion and some of which have been donated, plus surplus grant funds carried over amounting to £4,828.

Unrestricted funds derive from surplus income from catering activities and the hire of Academy facilities to third parties. No conditions are placed on how unrestricted funds carried forward can be utilised.

The Trust is carrying forward a net surplus on restricted general funds (excluding pension reserve) plus unrestricted funds to establish a prudent level of reserves to manage risks and unforeseen costs.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	19,384	3,316,192	(3,371,163)	36,460	873
Pupil Premium	-	103,451	(103,451)	-	-
Other grants	-	185,595	(185,595)	-	-
Pension reserve	(1,173,000)	-	(146,000)	(544,000)	(1,863,000)
Teaching school	138,884	309,809	(347,368)	-	101,325
School fund	47,008	198,962	(202,215)	-	43,755
Other trading activities	-	50	(50)	-	-
	(967,724)	4,114,059	(4,355,842)	(507,540)	(1,717,047)
Restricted fixed asset funds					
Transfer on conversion	2,107,619	-	(187,059)	-	1,920,560
DfE Group capital grants	420,760	51,121	(51,482)	-	420,399
Capital expenditure from GAG	-	-	(23,540)	23,540	-
Donated fixed assets	-	14,756	(738)	-	14,018
	2,528,379	65,877	(262,819)	23,540	2,354,977
Total restricted funds	1,560,655	4,179,936	(4,618,661)	(484,000)	637,930
Total unrestricted funds	141,000	184,895	(127,628)	(60,000)	138,267
Total funds	1,701,655	4,364,831	(4,746,289)	(544,000)	776,197

16. Analysis of Net Assets between Funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	2,096,085	2,096,085
Current assets	101,837	271,141	4,828	377,806
Current liabilities	-	(201,605)	-	(201,605)
Pension scheme liability	-	(2,032,000)	-	(2,032,000)
Total net assets	101,837	(1,962,464)	2,100,913	240,286

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Analysis of Net Assets between Funds (continued)

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	2,354,977	2,354,977
Current assets	138,267	407,535	-	545,802
Current liabilities	-	(261,582)	-	(261,582)
Pension scheme liability	-	(1,863,000)	-	(1,863,000)
Total net assets	138,267	(1,717,047)	2,354,977	776,197

17. Commitments Under Operating Leases

Operating Leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	7,936	7,936
Amounts due between one and five years	9,818	17,359
Amounts due after five years	198	594
	17,952	25,889

Other Commitments

The Academy has entered into various contracts under which the following annual amounts are payable, exclusive of VAT:

CDT equipment maintenance	3 years	February 2018 to March 2021	£1,145
Financial management system	2 years	July 2019 to July 2021	£7,404
Broadband	3 years	May 2019 to May 2022	£7,356
Gas supply	4 years	April 2019 to March 2023	£17,153 (approximate)
Maths homework app	3 years	January 2020 to December 2022	£1,150
Health and safety system	3 years	August 2019 to July 2022	£1,020

Several other small administrative contracts exist which expire within one year from the balance sheet date.

All commitments within this note will be settled by the restricted general fund.

18. Reconciliation of Net Expenditure to Net Cash Flow from Operating Activities

	2019/20 £	2018/19 £
Net expenditure for the reporting period (as per the statement of financial activities)	(553,911)	(381,458)
Adjusted for:		
Depreciation (note 12)	276,380	262,819
Capital grants from DfE and other capital income (note 2)	(22,316)	(65,877)
Interest receivable (note 6)	(701)	(1,117)
Defined benefit pension scheme cost less contributions payable (note 23)	152,000	78,000
Defined benefit pension scheme finance cost (note 23)	35,000	68,000
Decrease/(Increase) in debtors	87,382	(72,894)
(Decrease)/Increase in creditors	(59,977)	93,386
Net cash used in operating activities	(86,143)	(19,141)

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Cash Flows from Investing Activities

	2019/20 £	2018/19 £
Interest receivable	701	1,117
Purchase of tangible fixed assets	(17,488)	(89,417)
Capital grants from DfE Group	16,116	51,121
Capital funding received from sponsors and others	6,200	14,756
Net cash provided by / (used in) investing activities	<u>5,529</u>	<u>(22,423)</u>

20. Analysis of Cash and Cash Equivalents

	2020 £	2019 £
Cash in hand and at bank	<u>245,819</u>	<u>326,433</u>
Total cash and cash equivalents	<u>245,819</u>	<u>326,433</u>

21. Analysis of Changes in Net Debt

	At 1 September 2019 £	Cash flows	At 31 August 2020 £
Cash	<u>326,433</u>	<u>(80,614)</u>	<u>245,819</u>

22. Members Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

23. Pension and Similar Obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warwickshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £71,009 were payable to the schemes at 31 August 2020 (2019: £52,757) and are included within creditors.

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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. Pension and Similar Obligations (continued)

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £375,284 (2019: £291,215).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £207,000 (2019: £195,000), of which employer's contributions totalled £165,000 (2019: £159,000) and employees' contributions totalled £42,000 (2019: £36,000). The agreed contribution rates for future years are 23.3% for employers and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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

	2020	2019
Rate of increase in salaries	3.1%	2.9%
Rate of increase for pensions in payment / inflation	2.3%	2.3%
Discount rate for scheme liabilities	1.7%	1.8%
Inflation assumption (CPI)	2.3%	2.3%
Commutation of pensions to lump sums	50%	50%

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

	2020	2019
Retiring today		
Males	21.6	21.4
Females	23.8	23.6
Retiring in 20 years		
Males	22.5	22.4
Females	25.4	25

Sensitivity analysis

	2020 £'000	2019 £'000
Real discount rate -0.5%	523	558
Salary increase rate +0.5%	52	101
Pension increase rate +0.5%	462	444
Member life expectancy 1 year increase	150	142

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. Pension and Similar Obligations (continued)

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

	2020 £'000	2019 £'000
Equities	1,772	1,755
Bonds	739	748
Property	384	345
Cash	59	29
Total market value of assets	2,954	2,877

The actual return on scheme assets was a deficit of £83,000 (2019: £163,000 growth).

Amount recognised in the Statement of Financial Activities

	2019/20 £'000	2018/19 £'000
Current service cost	(317)	(237)
Net interest cost	(35)	(34)
Total amount recognised in the SOFA	(352)	(271)

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

	2019/20 £'000	2018/19 £'000
At 1 September 2019	4,740	3,738
Current service cost	317	237
Past service cost	-	34
Interest cost	88	108
Employee contributions	42	36
Actuarial (gain)/loss	(154)	633
Benefits paid	(47)	(46)
At 31 August 2020	4,986	4,740

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

	2019/20 £'000	2018/19 £'000
At 1 September 2019	2,877	2,565
Interest income	53	74
Return on plan assets (excluding net interest on the net defined pension liability)	(136)	89
Employer contributions	165	159
Employee contributions	42	36
Benefits paid	(47)	(46)
At 31 August 2020	2,954	2,877

24. Related Party Transactions

Owing to the nature of the Academy Trust 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 the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

CLM Fleet Management Plc, a company in which Chair and Trustee Michael Thake is Operations Manager, provided the Academy with minibus hire amounting to £nil (2019: £119) during the period.

A 5 year telephone system operating lease was entered into during the previous year for the total sum of £16,727 plus VAT, having been procured through the normal tendering process. The company providing the equipment arranged financing for the deal through Maxxia Limited, a company in which Chair and Trustee Michael Thake is connected.

R Dixon, spouse of I Dixon, a Trustee, is employed by the Academy as a careers advisor. R Dixon's appointment was made in open competition and I Dixon was not involved in the decision making process regarding appointment. R Dixon is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.

No unpaid balances exist at the balance sheet date in respect of the above transactions.

SHIRES MULTI ACADEMY TRUST (FORMERLY STUDLEY HIGH SCHOOL)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. Teaching School Trading Account

	2019/20 £	2019/20 £	2019/20 £	2018/19 £	2018/19 £	2018/19 £
Income						
<i>Direct income:</i>						
Grants receivable					181,190	
<i>Other income:</i>						
Fundraising and other trading activities		48,268			128,619	
Total income			48,268			309,809
Expenditure						
<i>Direct costs:</i>						
Direct staff costs	132,051			243,310		
Other direct costs	5,016			52,476		
Total direct costs		137,067			295,786	
<i>Other costs:</i>						
Support costs	8,707			51,582		
Total other costs		8,707			51,582	
Total expenditure			(145,774)			(347,368)
(Deficit)/Surplus from all sources			(97,506)			(37,559)
Teaching school balances brought forward			101,325			138,884
Teaching school balances carried forward			3,819			101,325