

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

SHIRES MULTI ACADEMY TRUST

ANNUAL REPORTS AND FINANCIAL STATEMENTS

31 AUGUST 2021

Presented by:

Mills Pyatt Limited

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SHIRES MULTI ACADEMY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

Contents	Page
Reference and Administrative Details	2
Trustees' Report	3 - 9
Governance Statement	10 - 11
Statement of Regularity, Propriety and Compliance	12
Statement of Trustees' Responsibilities	13
Independent Auditor's Report on the Financial Statements	14 - 16
Independent Reporting Accountant's Report on Regularity	17
Statement of Financial Activities incorporating Income & Expenditure Account	18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements	21 - 37

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT

REFERENCE AND ADMINISTRATIVE DETAILS

Members	M Thake	resigned 1 September 2020:
appointed 1 September 2020:	S Molloy	L Gray
	J Kerridge	R Eost
	M Hickin	E Shelley
	Worcester Diocesan Academies Trust	N Robinson
	(represented by Rev. R Clark)	
Trustees	L Gray	resigned 1 September 2020:
	E Shelley	E James
	M Thake	S-A Stephenson
	I Dixon	Z Haines
appointed 1 September 2020:	F Parkinson	J Lumley
	A Pasquette	D Lee
	M Worrall	D Stanley
	D Strain	R Eost
		J Woodward
		N Robinson
		K Bennett
Company Secretary	N Purslow	
Senior Management Team		
Chief Executive Officer	L Gray (appointed 3 September 2020)	
Headteachers:		
Studley High School	R Eost	
Webheath Academy Primary School	J Burton	
Feckenham Primary School	J Little	
Deputy Headteachers:		
Studley High School	A Page	
Webheath Academy Primary School	H Heffernan	
Finance and Business Managers		
Chief Financial Officer	C Williams	
Business Manager, Webheath Academy Primary School	K Anthony	
Finance Manager	K Sanders	
Company Name	Shires Multi Academy Trust	
Principal and Registered Office	Studley High School Crooks Lane Studley Warwickshire B80 7QX	
Company Registration Number	7610791 (England and Wales)	
Independent Auditor	Mills Pyatt Ltd 11 Kingfisher Business Park Arthur Street Lakeside Redditch Worcestershire B98 8LG	
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

TRUSTEES' REPORT (CONTINUED)

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Shires Multi Academy Trust operates 3 schools; Studley High School (11-16 comprehensive), Webheath Academy Primary School (primary school with nursery care) and Feckenham CE Primary School (a primary school taking its first year 5 cohort in September 2021). The financial statements for this financial year present information about the Multi Academy Trust as a whole, whereas the comparative period presents 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 Shires Multi Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Shires Multi Academy Trust.

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 Trust has a combination of commercial insurance and RPA cover across its 3 schools with cover of at least £1,000,000 for claims arising from negligent acts, errors or omissions occurring whilst on Trust business. From September 2021, the Trust is a member of the RPA protecting Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The RPA provides unlimited cover on any one claim.

Method of Recruitment and Appointment or Election of Governors and Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

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

The training and induction provided for new Trustees will depend on their existing experience but includes, where possible, a tour of school(s) and a chance to meet pupils and staff. All Trustees are provided with key documentation and have access to all files produced through Trust committees.

All Trustees are supported with online development through the national College and the National governor's association. Trustees and governors also have full access to The Key. Further training is provided based on skills audit feedback.

The Trust Board is responsible for the clarity of vision and ethos, strategic objectives, overseeing financial performance, approving statutory accounts and monitoring the Charitable Trust using budgets and other data (KPIs). Trustees also make major decisions about the direction of the trust, capital expenditure and senior staff appointments.

Organisational Structure

The Charitable Trust is constituted as a Multi Academy Trust, which has a multi academies Trust Board of Directors (the Trust Board) and at each school within the Trust, a local governing body (LGB). As at 30 September 2021 there were 3 schools (1 secondary and 2 primary) within the Charitable Trust. All 3 founding schools are judged good or outstanding.

The schools are as follows:

Name	Date joined	Type
Studley High School	01/09/2020	Secondary
Webheath Academy Primary School	01/09/2020	Primary
Feckenham CE Primary School	01/09/2020	Primary

All the above schools have joined the Charitable Trust's Master Funding Agreement, operating under Supplementary Funding Agreements.

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

The Trust Board

The Principal (CEO) is directly responsible for the day to day running of the Trust. He is supported by the Trust leadership team (headteachers and CFO) along with a central shared resource. The Trust central service implements the policies agreed by the Trustees and LGBs, supporting the schools in the Trust and providing evidence, reports and data analysis to Trustees to enable them to monitor effectively the performance of the Trust and its schools.

The Principal is the accounting officer.

The Trust Board shall comprise between 8 and 12 Trustees. The Chair and Vice Chair shall be appointed by the Trustees each September from among the Trustees, provided this is someone other than an employee of the Charitable Trust. The Trust Board secretary shall be appointed by the Trustees.

The quorum for a meeting of the Trust Board shall be any 3 Directors or, where greater, one third (rounded up) of the total number of Directors.

The Trust Board meets as often as is necessary to fulfil its responsibilities and not less than three times in every school year. Minutes of meetings are recorded by the Governance Professional to the Trust Board in sufficient time for inclusion on the agenda and among the supporting papers for the next meeting of the Trust Board.

The Governance Professional circulates an agenda for each meeting, together with any supporting papers, at least one week in advance of the meeting.

Decisions may only be taken by the Trust Board. Each question is determined by a majority of votes of the Directors present and voting on the question. Every Director has one vote. Where necessary, the Chair has a second or casting vote.

The Trust Board has delegated responsibility for financial management, business interests, risk management and audit to 2 sub committees noted below:

Business and Finance Committee

Delegated responsibilities linked to oversight of Funding, Budgeting, Pay Progression, Property/Asset management, and Financial processes.

Audit and Risk Committee

Delegated responsibilities linked to oversight of Risk management, external audit, internal audit, financial management and policies and health and safety.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay scales for all key management personnel, including the Chief Executive Officer, central staff and the Headteachers in each school, are determined by a committee of the Board of Trustees. The rate of pay for the Chief Executive Officer and Headteachers has been set following a benchmarking exercise of comparable academy trusts to ensure pay is proportionate, justifiable and the methodology transparent. The School Teachers Pay and Conditions have been used to set the pay range for Headteachers.

The performance of all key management personnel is assessed under the performance management framework. The Remuneration/Appraisal committee of the Board of Trustees completes an annual performance assessment of the Chief Executive Officer and the Performance Management Review Committee of the governing body of each school assesses their Headteacher's performance. All pay decisions relating to these senior staff are approved by the Board of Trustees or its pay committee.

Trade Union Facility Time

During 2020-21 there were no employees who were relevant trade union officials for the purposes of facility time reporting.

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

Total cost of facility time	£2,007
Total pay bill	£6,427,902
Percentage of the total pay bill spent on facility time	0.03%

Related Parties and other Connected Charities and Organisations

The Trust 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 Trust 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. The Trust continues to support North Bromsgrove High School on its journey to becoming a good school as judged by Ofsted.

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Engagement with Employees (Including Disabled Persons)

To provide employees with information on the performance of the Trust and matters of concern to them, the Trust has liaised regularly with staff and this has increased further since the Multi Academy Trust formed in September 2020.

Information provided includes:

- Regular communications from the CEO.
- Video messages to all staff.
- Newsletters from the Shared Services providing staff with updates on what is taking place across the Trust.
- Headteachers also provide staff with updates on what is happening on an individual school basis.
- Engagement surveys carried out in all Trust schools.
- Circulation and reminder of staff benefits particularly those related to wellbeing, including the employee assistance programme, counselling, Flu Jabs, Cycle to Work, Eye tests and supportive policies.
- Circulation and promotion of all up and coming job/promotional opportunities available in the Trust Circulation and promotion of all professional development opportunities available and provided by the Trust.

The CEO has met regularly with trade union representatives and all Trust HR policies have now been implemented. A working party was established to support the development of the trust wellbeing policy and practices. All staff were consulted on the developments to all HR and Trust policies.

The Trust is committed to supporting applications from disabled persons or those employees that may become disabled during their employment. This is reflected in all Trust policies, including: Annual Equality Statement, Bullying and Harassment Policy, Equalities Policy, Recruitment and Selection Policy.

Engagement with Suppliers, Customers and Others in a Business Relationship with the Trust

The Trust has a dedicated finance team which works with suppliers to ensure that invoices are processed and paid on a timely basis and investigates any disputes if they arise. Contracts have been tendered for the provision of goods and services to develop a partnership approach whilst delivering value for money.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The objects of the Trust are:

a) to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or schools specially organised to make special educational provision for pupils with Special Educational Needs; and

b) to promote for the benefit of the inhabitants of the areas in which the Academies are situated, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the Trust are:

Shires MAT Vision

A family of academies working together in offering the communities we serve excellent educational experiences, so that every child within the Trust can flourish. This will be achieved by:

- Ensuring high quality leadership in all our academies.
- Enabling all our pupils and staff to succeed by understanding their individual needs.
- Celebrating the similarities and uniqueness of each of our academies in terms of their ethos and values.
- Excellent pastoral care and opportunities for personal development for our pupils.
- Developing an exciting and engaging curriculum offer for all pupils.
- Valuing staff through high quality CPD opportunities and providing positive working environments.
- Establishing excellent relationships across the trust through working closely with parents and the wider community.
- Managing resources well to deliver high quality provision.
- Effective relationships with key partners, including Local Authorities, Diocesan links, and Teaching School affiliates.
- Preparing children for key transitions in their education.

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Principal Activities

The principal activity of Shires MAT was the operation of:

- Studley High School, Studley, Warwickshire providing Secondary education for 11-16 yrs.
- Webheath Academy Primary School, Redditch, Worcestershire providing Primary education 3-11 yrs with attached nursery provision.
- Feckenham CE Primary School, Feckenham, Worcestershire providing Primary education 3-11 yrs within a Church of England school setting.

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

In setting the Trust's objectives and planning its activities, the Board of Trustees has considered the Charity Commission's general guidance on public benefit. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities. The Trustees consider that the Trust's aims are demonstrably to the public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The Shires MAT formed in September 2020. During the first year of operation, all schools were affected by the Covid-19 pandemic. The formal examinations and assessments across UK primary and secondary schools did not take place.

Teacher assessments were used within all schools to assess attainment and measure progress for all year groups. Across each school within the Trust, online learning was provided for all pupils alongside a Key worker provision for pupils in attendance. Lessons included Loom videos, live sessions, group sessions and targeted support.

At Feckenham CE Primary School EYFS outcomes remained above national (2019) pre-pandemic figures but it was clear that Writing has been impacted for pupils with only 72% making expected progress and 9% exceeding. This is a key area of focus for pupils as they go into year 1. Assessments at Year 2 and Year 4 also show that pupils have been impacted across maths, reading and writing (as has national data), so recovery plans have been formulated to ensure pupils complete their required learning in the coming academic years.

At Webheath Primary School, EYFS outcomes were affected to a greater degree and pupils going into Year 1 are following a modified curriculum to enable the excellent work done with Phonics to impact on reading and writing skills and support the recovery curriculum. Reading was particularly affected during the pandemic but numerous recovery and class based actions have been implemented to support learning. Year 2 outcomes have been maintained at a good level across maths and whilst there has been some impact on reading and writing for those pupils the recovery plan will ensure pupils return to expected levels through 2021-22. Pupils reaching greater depth in maths and reading has remained excellent for Year 2. Year 6 pupils were assessed at national levels in maths. The main impact on Year 6 learning was linked to writing and this has been communicated in detail to transition schools (particularly Studley), where most pupils go to in Year 7. Year 6 outcomes were impacted by the pandemic and fewer pupils reached greater depth.

At Studley High School, GCSE grades were awarded based on moderated Teacher-assessed grades. The outcomes were moderated in 2 subject areas by the exam boards and all grades were awarded as set by teachers.

	2019	2021	Collab 19	Collab 21
Total Attainment 8	48.67 (4.87)	52.51 (5.25)	46.87	51.11 (5.1)
Total Attainment 8 Disadvantaged	46.83	37		43.06
Total Attainment 8 Male	45.75	49.65	44.48	48.40
Total Attainment 8 Female	51.22	54.71	49.26	53.8
Total Attainment 8 SEND	34	33.45		
9-7 Eng and Maths	12.3%	13.8%	11.6%	16.8%
9-5 Eng and Maths	54.9%	54.3%	42.4%	51.7%
9-4 Eng and Maths	77%	78.3%	64.9%	72.7%
5 Passes inc E and M	70.5%	78.3%	60.6%	70.1%
English attainment 8	10.57	10.68	10.10	10.61
Maths attainment 8	9.87	10.10	9.16	9.80
EBACC attainment 8	13.43	14.97	13.47	14.93
Open attainment 8	14.78	16.76	14.34	15.85
	SHS actual outcomes		Collaborative data compares results from 1000 schools	

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

The GCSE outcomes indicate pupils have maintained a strong academic performance. All areas have maintained good or better levels of progress or attainment. The attainment of disadvantaged pupils has dropped in 2021 and this is something highlighted for further scrutiny in 2021-22 to ensure the excellent work of recent years is maintained. All pupils were able to access their chosen next steps from GCSE with the vast majority making their first choices.

Key Performance Indicators

Significant financial performance indicators are the level of balance sheet reserves and bank balances in hand. The Trust'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 total number of pupils for which GAG was received during the financial year was 1,243 across all MAT schools. This is an increase from the prior year number of 717, which relates to Studley High School only. This has increased the financial confidence but resources will remain under close scrutiny to ensure restricted funds received will be disbursed in the most efficient manner.

As a percentage of total resources expended, staff costs for the year were 81% compared to 78% last year.

Financial KPIs Shires MAT

KPI SHS	Actual 2021	Target 2022
% of total income spent on staffing	82%	80%
% of total income spent on Teaching staff	52.2%	53%
Pupil Teacher ratio	15.45	16.5
Pupil Adult ratio	9.05	9.5
Average teacher cost	£55836	£55836
KPI WEBHEATH		
% of total income spent on staffing	80%	78%
% of total income spent on Teaching staff	54%	52%
Pupil Teacher ratio	22.2	22.5
Pupil Adult ratio	10.44	11
Average teacher cost	£54623	£55000
KPI FECKENHAM		
% of total income spent on staffing	85%	83%
% of total income spent on Teaching staff	52%	51%
Pupil Teacher ratio	22	22.5
Pupil Adult ratio	8.43	9
Average teacher cost	£54522	£54000

Attendance

Despite the pandemic, overall Trust attendance was 95.2%. When pupils could be in school, all Trust schools maintained excellent or very good attendance across 2020-21. Both Feckenham and Webheath maintained 95.7% attendance and Studley maintained 94.9%. In terms of persistent absence, the average was 11.7% with Feckenham 11.7%, Studley 13% and Webheath 9.7%. These are encouraging figures given the national context in 2021.

Uptake for keyworker provision was strong in all schools with Webheath supporting over 40% of families with children in attendance during lockdown.

Preparations for Full Return to Schools in September 2021

All Trust schools completed detailed risk assessments modifying the school offer based on government guidance. Curriculum recovery has been embedded within each school's development plan and a focus on cognitive science and evidence based practice underpins all teaching and learning in each school.

Each school prepared a transition offer for all families as a mix of online and blended events. Parents were able to visit schools on a one to one basis and provision to support pupils with additional needs, focused on a bespoke approach.

Studley High School ran a summer school for over 120 prospective Year 7's. The 5-day experience supported social interactions, teamwork, key skill and knowledge development and enabled pupils to get used to a new school setting after such a disrupted 18 months. Feedback from the summer school was very positive.

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Going Concern

The Board of Trustees has considered carefully the Trust's level of reserves at 31 August 2021 and its results for the period then ended. Based on budgets and forecasts prepared by the Trust's management and after making appropriate enquiries, the Board of Trustees' assessment of the principal risks described elsewhere in this report and the capacity of the Trust to make further adjustments to its cost base in the event of adverse changes, the Trustees are satisfied that the Trust has sufficient resources to continue successfully for the foreseeable future. Accordingly, the attached financial statements have been prepared on the going concern basis. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the Success of the Company

The Board of Trustees actively promotes the success of the Trust to achieve its charitable objects and is committed to high standards of business conduct and acting fairly. Staff engagement and wellbeing are critical to creating a motivated workforce committed to keeping every child safe and improving their life chances through the education received at a Shires MAT school.

The section above 'engagement with employees' sets out more detail to demonstrate how valued staff are within the Trust.

Every effort is made to foster business relationships with suppliers and customers as set out in the section above 'engagement with suppliers, customers and others in a business relationship with the Trust'.

Where possible, local businesses to our schools are used for supplies and services, recognising our commitment to the local community each of our schools serve. It is recognised that every school is part of a local community and during the pandemic most of the resources developed to support the Trust schools were made available and shared with a wider community.

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, recurrent grant funding from DfE and other incoming resources of £11,014,386 was more than total expenditure of £7,997,647. The excess of income over expenditure for the period, before pension adjustments, was £3,016,739.

Income includes exceptional items amounting to £3,500,180 relating to transfers of two schools into the MAT.

The Academy held fund balances at 31 August 2021 of £3,092,025, comprising £5,840,667 restricted fixed asset funds, £283,139 restricted general funds, £376,219 unrestricted general funds and a pension reserve deficit of £3,408,000. 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.

Covid-19 has had limited impact on the main sources of funding, as formulae and entitlement are independent of the pandemic. Income sources that have been affected through restrictions include facilities hire, catering, trips and events, and wrap around care. Additional costs and burden have been incurred as a consequence in areas such as cleaning, catering, resources, staffing and testing provision. In mitigation, additional income amounting to £135,670 has been received from ESFA and local authorities to cover increased expenditure, mass testing and wellbeing, the majority of which came from the Government's Covid-19 catch-up premium. These funds have been deployed to areas intended. The Trustees consider that there is no significant additional financial uncertainty in the foreseeable future as a consequence of Covid, due to the level of reserves available.

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 £3,408,000.

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

TRUSTEES' REPORT (CONTINUED)

Principal Risks and Uncertainties

Shires MAT has a formal risk management process in place to assess all risks and implements risk management strategies. The risk register, which is overseen and reviewed by the Audit and Risk Committee, identifies the types of risk the Trust faces. These risks are then assessed and prioritised in terms of their potential operational and financial impact and the likelihood of occurrence. Where necessary, actions to mitigate the risks identified are put in place.

The principal risk relates to the following:

- Control of staff costs given they account for a significant proportion of the Trust's operating income. Future income through the National Funding Formula is uncertain, pay settlements for teaching and support staff may exceed any increase in basic funding. This is being supported by Trust-wide KPI's linked to class sizes, teacher/adult ratios with pupils, curriculum planning and staffing costs as a proportion of total income.
- Continuation of building and maintaining reserves to the level of 5% of total income whilst maintaining the progress of student outcomes and continuing to grow.
- Managing the financial impact of Covid-19, particularly the reduction in lettings income and increased resources costs, including cleaning, catering and covering staff absences.
- Change to admission trends and local partnerships which may alter the application numbers across our schools and challenge the trend of strong numbers on roll seen across our schools.
- The increasing deficit of the Local Government Pension Schemes.

Fundraising

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

Streamlined Energy and Carbon Reporting

During the year, the Trust consumed 629,000 (2020: 275,000) kWh of energy, comprising 338,000 (2020: 226,000) kWh of electricity and 291,000 (2020: 49,000) kWh of gas/oil. As the Trust is not large under Companies Act 2006 thresholds, no additional information is required to be disclosed.

Plans for Future Periods

The Board of Trustees has considered the growth of the Trust and agreed the following:

- Grow our local offer sustainably, developing local school to school collaboration within the context of realising the benefits of being part of a single trust.
- Develop capacity within the Trust Shared Service ahead of taking on new schools so it is able to provide support at the earliest opportunity.
- Continue to refine and develop its due diligence process to ensure a full understanding of risks that potential new schools bring.
- Develop the sponsor application route for supporting schools in special measures.

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 15 December 2021 and signed on the Board's behalf by:



Michael Thake
[Trustee]

15 December 2021

SHIRES MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Shires Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

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 Chief Executive Officer, 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 Shires Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee		Meetings attended	Out of a possible
L Gray	Member appointed	8	8
E Shelley	Member appointed	8	8
M Thake	Chair, The Diocese of Worcestershire Academy Trust appointed	8	8
I Dixon	The Diocese of Worcestershire Academy Trust appointed	7	8
F Parkinson	Member appointed	8	8
A Pasquette	Member appointed	7	8
M Worrall	Member appointed	8	8
D Strain	Member appointed	7	8

Where Covid-19 presented constraints on the reasonable ability to conduct meetings in a face-to-face environment, meetings were held via video link instead. The ability to effectively manage risk and control was not considered to be impaired in this respect. Changes in the composition of the Board of Trustees are set out in the Reference and Administrative Details set out on page 2. The Trust Board considers a range of strategic factors such as risk appraisal, vulnerability, resilience, internal scrutiny programme, challenge and oversight of the Audit & Risk and Business & Finance Committees, and their own effectiveness as a body.

The Audit & Risk Committee is a committee of the main Board of Trustees. The powers and functions delegated by the Board to the Audit & Risk Committee are as set out in the Terms of Reference covering external audit, internal audit, financial management and policies, and health and safety. Attendance at meetings in the year was as follows:

Trustee		Meetings attended	Out of a possible
E Shelley	(Chair)	4	4
M Thake		4	4
F Parkinson		3	4

The Business & Finance Committee is a committee of the main Board of trustees. The powers and functions delegated by the Board to the Business & Finance Committee are as set out in the Terms of Reference covering funding, budgeting, expenditure, asset and property management, and pay progression. Attendance at meetings in the year was as follows:

		Meetings attended	Out of a possible
I Dixon	(Chair)	4	5
D Strain	Trustee member	4	5
L Gray	Trustee member	5	5
A Pasquette	Trustee member	4	5
K Sanders	Member	5	5

Review of Value for Money

As Accounting Officer, the Chief Executive Officer 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 or by using a framework 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 and investment in 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.
- The growth of the Shires MAT.

SHIRES MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

- Investing in 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.

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 Shires Multi Academy Trust for the period 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 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 Business & Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investments) guidelines;
- Identification and management of risks.

The Board of Trustees has decided to buy-in an internal audit service from WES Education Finance Services. The internal 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 financial oversight, credit card control, internal control and risk management, financial reporting and fixed asset registers. On a bi-annual basis, the reviewer reports to the Board of Trustees, through the Audit & Risk 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 remedial actions and assess year on year progress.

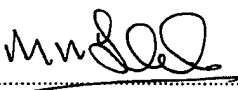
Review of Effectiveness

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

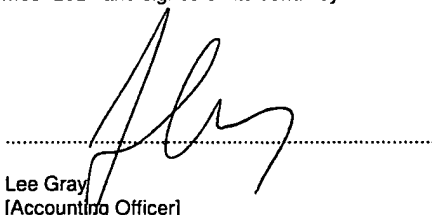
- The work of the internal reviewer;
- The work of the external auditor;
- The financial management and governance self-assessment process or the school resource management self-assessment tool;
- Academies Financial Handbook;
- The work of the executive managers within the Academy Trust who have responsibility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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit & Risk 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 15 December 2021 and signed on its behalf by:



Michael Thake
[Trustee]


Lee Gray
[Accounting Officer]

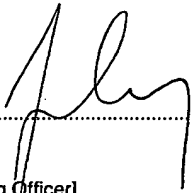
SHIRES MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Shires Multi Academy Trust 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 2020.

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 2020.

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]
15 December 2021

SHIRES MULTI ACADEMY TRUST

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:

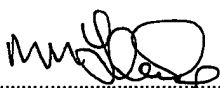
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting 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 15 December 2021 and signed on its behalf by:



Michael Thake
[Trustee]

SHIRES MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHIRES MULTI ACADEMY TRUST

Opinion

We have audited the financial statements of Shires Multi Academy Trust (the 'Academy Trust') for the year ended 31 August 2021 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 2020 to 2021 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 2021, 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 2020 to 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

SHIRES MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHIRES MULTI ACADEMY TRUST (CONTINUED)

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 13, the Trustees (who are also the Directors of the charitable company 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 charitable company'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 charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation concerning policies and procedures relating to the identification, evaluation and compliance with laws and regulations, whether they were aware of any instances of non-compliance, review for actual and potential litigation and claims, detecting and responding to the risks of fraud, whether they have knowledge of any actual, suspected or alleged fraud, and internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- obtaining an understanding of the legal and regulatory framework that the entity operates in, reviewing laws and regulations that may have a direct effect on the financial statements or are fundamental to the entity's operations;
- discussing among the engagement team those areas that may be susceptible to irregularities, ensuring that we remain vigilant, sceptical, open-minded, inquisitive and alert to any potential indicators of fraud;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations, and susceptibility of the financial statements to material misstatement;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing internal scrutiny reports and minutes of meetings of those charged with governance and management, to review any potential indicators of fraud and non-compliance and management's response to any issues or weaknesses identified;
- assessing and challenging sensitive assumptions and management judgements that form part of significant estimates, looking for indicators of manipulation through management bias; and
- observing any signs of management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether any judgements made in making accounting estimates are indicative of potential bias, and evaluating the rationale of any significant transactions that are unusual or outside the normal course of business.

SHIRES MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SHIRES MULTI ACADEMY TRUST (CONTINUED)


Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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 charitable company'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
15 December 2021

SHIRES MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHIRES MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 6 December 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Shires Multi Academy Trust during the period 1 September 2020 to 31 August 2021 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 Shires Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Shires Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Shires Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of Shires Multi Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Shires Multi Academy Trust's Funding Agreement with the Secretary of State for Education dated 17 July 2020 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

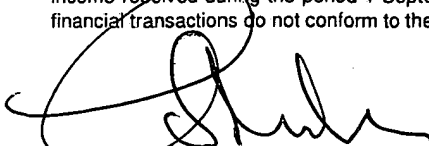
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

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 Trust's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, reviewing for any indication of purchase for personal use by card holders;
- 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 Trust;
- 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 2020 to 31 August 2021 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

15 December 2021

SHIRES MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2020/21 £	Total 2019/20 £
Income and endowments from:						
Donations and capital grants:						
Surplus on joining (note 28)	2	238,681	(666,134)	3,748,476	3,321,023	-
Transfer from local authority on conversion (note 29)	2	31,998	2,092	145,067	179,157	-
Other donations and capital grants	2	-	7,796	52,054	59,850	23,266
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	6,921,189	-	6,921,189	4,094,909
Teaching schools	4,30	-	103,806	-	103,806	48,268
Other trading activities	5	191,937	237,331	-	429,268	317,760
Investments	6	93	-	-	93	701
Total		462,709	6,606,080	3,945,597	11,014,386	4,484,904
Expenditure on:						
Charitable activities:						
Academy Trust educational operations	8	(188,327)	(7,495,852)	(205,843)	(7,890,022)	(4,893,041)
Teaching schools	7,30	-	(107,625)	-	(107,625)	(145,774)
Total		(188,327)	(7,603,477)	(205,843)	(7,997,647)	(5,038,815)
Net income / (expenditure)		274,382	(997,397)	3,739,754	3,016,739	(553,911)
Transfers between funds	17	-	-	-	-	-
Other recognised gains / (losses):						
Actuarial gains / (losses) on defined benefit pension schemes	17,26	-	(165,000)	-	(165,000)	18,000
Net movement in funds		274,382	(1,162,397)	3,739,754	2,851,739	(535,911)
Reconciliation of funds:						
Total funds brought forward	17	101,837	(1,962,464)	2,100,913	240,286	776,197
Total funds carried forward	17	376,219	(3,124,861)	5,840,667	3,092,025	240,286

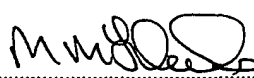
SHIRES MULTI ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2021

Company Number: 7610791

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	13		5,832,224		2,096,085
Current assets					
Debtors	14	118,830		131,987	
Cash at bank and in hand		<u>1,081,141</u>		<u>245,819</u>	
		1,199,971		377,806	
Liabilities					
Creditors: amounts falling due within one year	15	<u>(505,961)</u>		<u>(201,605)</u>	
Net current assets			<u>694,010</u>		<u>176,201</u>
Total assets less current liabilities			<u>6,526,234</u>		<u>2,272,286</u>
Creditors: amounts falling due after more than one year	16		<u>(26,209)</u>		
Net assets excluding pension liability			<u>6,500,025</u>		<u>2,272,286</u>
Defined benefit pension scheme liability	26		<u>(3,408,000)</u>		<u>(2,032,000)</u>
Total net assets			<u>3,092,025</u>		<u>240,286</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	17	5,840,667		2,100,913	
Restricted income fund	17	283,139		69,536	
Pension reserve	17	<u>(3,408,000)</u>		<u>(2,032,000)</u>	
Total restricted funds			<u>2,715,806</u>		<u>138,449</u>
Unrestricted income funds					
General fund	17	<u>376,219</u>		<u>101,837</u>	
Total unrestricted funds			<u>376,219</u>		<u>101,837</u>
Total funds			<u>3,092,025</u>		<u>240,286</u>

The financial statements on pages 18 to 37 were approved by the Trustees and authorised for issue on 15 December 2021 and are signed on their behalf by:


 Michael Thake
 [Trustee]

SHIRES MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	813,282	(86,143)
Cash flows from investing activities	21	(10,376)	5,529
Cash flows from financing activities	22	32,416	-
Change in cash and cash equivalents in the reporting period		<u>835,322</u>	<u>(80,614)</u>
Cash and cash equivalents at 1 September 2020		245,819	326,433
Cash and cash equivalents at 31 August 2021	23	<u>1,081,141</u>	<u>245,819</u>

SHIRES MULTI ACADEMY TRUST

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

• Transfer of Existing Academies into the Academy Trust

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

• Transfer on Conversion

Where assets and liabilities are received by the Academy Trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within Donations and Capital Grants to the net assets received. Land and property meeting the definition of fixed assets are assessed by a professional valuation and brought into the balance sheet at that valuation, which has been calculated on a Depreciated Replacement Cost method.

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Accounting Policies (continued)

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.

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
Long leasehold land	125 years
Long leasehold buildings	50 years
Furniture	10 years
Fixtures, ICT and equipment	3 - 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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. 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.

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Accounting Policies (continued)

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 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.

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 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 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Total 2020/21 £	Total 2019/20 £
Surplus on joining (note 28)	238,681	3,082,342	3,321,023	-
Transfer from local authority on conversion (note 29)	31,998	147,159	179,157	-
Capital grants	-	30,704	30,704	16,116
Donated fixed assets	-	21,350	21,350	6,200
Other donations	-	7,796	7,796	950
	<u>270,679</u>	<u>3,289,351</u>	<u>3,560,030</u>	<u>23,266</u>

3. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2020/21 £	Total 2019/20 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	5,693,662	5,693,662	3,528,833
Pupil Premium	-	156,911	156,911	110,696
UIFSM income	-	94,161	94,161	-
Teachers pay and pension grants	-	301,286	301,286	196,025
Trust Capacity grants	-	99,400	99,400	86,360
Others	-	52,433	52,433	74,101
	-	<u>6,397,853</u>	<u>6,397,853</u>	<u>3,996,015</u>
Other Government grants				
Local authority grants	-	298,924	298,924	84,423
Special education projects	-	11,995	11,995	-
	-	<u>310,919</u>	<u>310,919</u>	<u>84,423</u>
Other income from the Academy Trust's educational operations	-	69,856	69,856	-
Covid-19 Additional Funding (DfE/ESFA)				
Catch up premium	-	102,880	102,880	-
Covid-19 Additional Funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	6,891	6,891	14,471
Mass testing funding	-	31,390	31,390	-
Other Covid-19 funding	-	1,400	1,400	-
	-	<u>6,921,189</u>	<u>6,921,189</u>	<u>4,094,909</u>

The Academy Trust received funding for catch-up premium and mass testing. CJRS funds were received for furloughed catering staff and a sum received from the local authority for wellbeing and counselling. All of these funds were disbursed during the period.

4. Teaching Schools Income

	Unrestricted Funds £	Restricted Funds £	Total 2020/21 £	Total 2019/20 £
Teaching school grants	-	34,800	34,800	-
Schools Direct income	-	69,006	69,006	43,739
NLE and SLE income	-	-	-	4,529
	-	<u>103,806</u>	<u>103,806</u>	<u>48,268</u>

5. Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2020/21 £	Total 2019/20 £
Hire of facilities	2,280	-	2,280	3,139
Catering income	189,657	-	189,657	123,253
Insurance claims	-	4,890	4,890	-
School trips and social events	-	175,051	175,051	175,449
Teaching support	-	57,390	57,390	15,919
	<u>191,937</u>	<u>237,331</u>	<u>429,268</u>	<u>317,760</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2020/21 £	Total 2019/20 £
Bank interest received	93	-	93	701

7. Expenditure

	Staff Costs £	Non Pay Expenditure Premises £	Other £	Total 2020/21 £	Total 2019/20 £
Academy's educational operations:					
Direct costs	4,993,084	-	300,520	5,293,604	3,243,848
Allocated support costs	1,401,131	452,106	743,181	2,596,418	1,649,193
Teaching school:					
Direct costs	96,402	-	-	96,402	132,051
Allocated support costs	-	-	11,223	11,223	13,723
	6,490,617	452,106	1,054,924	7,997,647	5,038,815

Net income/(expenditure) for the period includes:

	2020/21 £	2019/20 £
Operating lease rentals	28,256	6,819
Depreciation	193,894	276,380
Loss on disposal of fixed assets	3,958	-
Fees payable to auditor for:		
audit	10,990	8,525
assurance services other than audit	2,180	1,450
other services	14,916	13,879

8. Charitable Activities

	2020/21 £	2019/20 £
Direct costs - educational operations	5,293,604	3,243,848
Direct costs - teaching school	96,402	132,051
Support costs - educational operations	2,596,418	1,649,193
Support costs - teaching school	11,223	13,723
	7,997,647	5,038,815

Analysis of support costs

	Teaching school £	Educational operations £	Total 2020/21 £	Total 2019/20 £
Support staff costs	-	1,401,131	1,401,131	779,784
Depreciation	-	193,894	193,894	276,380
Loss on disposal of tangible fixed assets	-	3,958	3,958	-
Premises costs	-	309,564	309,564	153,585
Capital maintenance projects	-	7,991	7,991	-
Legal costs - legal opinion and MAT conversion	-	33,165	33,165	15,925
Other support costs	11,223	567,990	579,213	387,237
Governance costs	-	78,725	78,725	50,005
	11,223	2,596,418	2,607,641	1,662,916

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Staff

a. Staff costs

Staff costs during the period were:

	2020/21 £	2019/20 £
Wages and salaries	4,462,149	2,806,037
Social security costs	410,361	265,062
Pension costs	1,555,392	814,530
	<u>6,427,902</u>	<u>3,885,629</u>
Agency staff costs	53,756	56,131
Staff restructuring costs - severance payments	8,959	9,000
	<u>6,490,617</u>	<u>3,950,760</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs was an individual non-statutory/non-contractual severance payment amounting to £8,959 (2020: £9,000).

c. Staff numbers

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

	2020/21 No.	2019/20 No.
Teachers	76	45
Administration and support	102	57
Management	6	5
	<u>184</u>	<u>107</u>

d. Higher paid staff

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

	2020/21 No.	2019/20 No.
£60,001- £70,000	2	-
£70,001- £80,000	-	1
£80,001- £90,000	1	-
£100,001- £110,000	1	1
	<u>4</u>	<u>2</u>

e. 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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £574,476 (2020: £523,905).

10. Central Services

During the year, the Academy Trust has provided central services to its constituent academies. Services include software, professional services, ICT provision and HR. Where considered fair and reasonable, proportionality is based on pupil numbers.

The actual amounts charged during the year were as follows:

	2020/21 £	2019/20 £
Studley High School	87,000	-
Webheath Academy Primary School	49,500	-
Feckenham CE Primary School	13,500	-
	<u>150,000</u>	<u>-</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. 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 CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits during Trusteeship was as follows:

L Gray (CEO and Trustee):	Remuneration £105,000 - £110,000 (2020: £100,000 - £105,000) Employer's pension contributions paid £20,000 - £25,000 (2020: £20,000 - £25,000)
R J Eost (Trustee in previous year):	Remuneration £nil - £5,000 (2020: £70,000 - £75,000) Employer's pension contributions paid £nil - £5,000 (2020: £15,000 - £20,000)
J Lumley (Trustee in previous year):	Remuneration £nil - £5,000 (2020: £40,000 - £45,000) Employer's pension contributions paid £nil - £5,000 (2020: £10,000 - £15,000)
Z Haines (Trustee in previous year):	Remuneration £nil - £5,000 (2020: £50,000 - £55,000) Employer's pension contributions paid £nil - £5,000 (2020: £10,000 - £15,000)

During the period ended 31 August 2021, travel and subsistence expenses totalling £32 were reimbursed or paid directly to 1 Trustee (2020: £724 to 2 Trustees).

The number of directors to whom retirement benefits in defined benefit plans accrued during the year was 1 (2020: 4).

Other related party transactions involving the Trustees are set out in note 27.

12. Trustees' and Officers' Insurance

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

13. Tangible Fixed Assets

	Long-term leasehold property £	Freehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2020	-	4,029,507	380,696	193,702	13,750	4,617,655
Additions	3,220	-	17,697	41,606	-	62,523
Transfers on joining	4,252,707	-	115,863	58,961	-	4,427,531
Disposals	-	-	(4,657)	-	-	(4,657)
At 31 August 2021	4,255,927	4,029,507	509,599	294,269	13,750	9,103,052
Depreciation						
At 1 September 2020	-	2,019,074	352,278	136,468	13,750	2,521,570
Charged in year	68,317	66,233	16,707	42,637	-	193,894
Transfers on joining	414,634	-	108,994	32,435	-	556,063
Disposals	-	-	(699)	-	-	(699)
At 31 August 2021	482,951	2,085,307	477,280	211,540	13,750	3,270,828
Net book values						
At 1 September 2020	-	2,010,433	28,418	57,234	-	2,096,085
At 31 August 2021	3,772,976	1,944,200	32,319	82,729	-	5,832,224

14. Debtors

	2021 £	2020 £
Trade debtors	6,008	19,126
VAT recoverable	22,243	44,357
Other debtors	2,367	-
Prepayments and accrued income	88,212	68,504
	<u>118,830</u>	<u>131,987</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Creditors: Amounts Falling due within One Year

	2021 £	2020 £
Trade creditors	166,789	74,901
Loans	6,207	-
Other creditors	110,896	73,261
Accruals and deferred income	222,069	53,443
	<u>505,961</u>	<u>201,605</u>
Deferred income at 1 September 2020	28,081	36,684
Resources deferred in the year	147,346	(36,684)
Released from previous years	(28,081)	28,081
Deferred income at 31 August 2021	<u>147,346</u>	<u>28,081</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, all of which has now been fully released.

16. Creditors: Amounts Falling due after more than one Year

	2021 £	2020 £
Loans	<u>26,209</u>	-

Included within loans is a CIF Improvement Fund (CIF) loan of £50,000 repayable in monthly instalments over a 10 year period to August 2027 with an applicable interest rate of 2.55%. The aggregate amount of instalments falling due for repayment after more than 5 years is £5,000 (2020: £nil).

Also included within loans is a Salix loan of £7,244 repayable in six-monthly instalments over a 6 year period to March 2023 with an applicable interest rate of nil%. The total carrying amount is £2,416 of which £1,207 falls due within one year (2020: £nil) and £1,209 falls due after more than one year (2020: £nil).

17. Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	492	5,693,662	(5,423,323)	-	270,831
Pupil Premium	-	156,911	(156,911)	-	-
UIFSM Income	-	94,161	(94,161)	-	-
Teachers pay and pension grants	-	301,286	(301,286)	-	-
Trust Capacity grants	-	99,400	(99,400)	-	-
Catch up premium	-	102,880	(102,880)	-	-
Coronavirus Job Retention Scheme grant	-	6,891	(6,891)	-	-
Mass testing funding	-	31,390	(31,390)	-	-
Other Covid-19 funding	-	1,400	(1,400)	-	-
Other grants	14,412	363,352	(377,764)	-	-
Pension reserve	(2,032,000)	(671,000)	(540,000)	(165,000)	(3,408,000)
Teaching school	3,819	103,806	(107,625)	-	-
School fund	50,813	175,051	(215,648)	2,092	12,308
Other trading activities	-	139,932	(139,932)	-	-
Transfers on conversion - School fund	-	6,958	(4,866)	(2,092)	-
	<u>(1,962,464)</u>	<u>6,606,080</u>	<u>(7,603,477)</u>	<u>(165,000)</u>	<u>(3,124,861)</u>
Restricted fixed asset funds					
Transfer on conversion	1,733,501	3,893,543	(152,228)	-	5,474,816
DfE Group capital grants	349,677	30,704	(43,303)	-	337,078
Donated fixed assets	17,735	21,350	(10,312)	-	28,773
	<u>2,100,913</u>	<u>3,945,597</u>	<u>(205,843)</u>	-	<u>5,840,667</u>
Total restricted funds	<u>138,449</u>	<u>10,551,677</u>	<u>(7,809,320)</u>	<u>(165,000)</u>	<u>2,715,806</u>
Total unrestricted funds	<u>101,837</u>	<u>462,709</u>	<u>(188,327)</u>	-	<u>376,219</u>
Total funds	<u>240,286</u>	<u>11,014,386</u>	<u>(7,997,647)</u>	<u>(165,000)</u>	<u>3,092,025</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Funds (continued)

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 Trust. During the period, the Academy Trust's GAG income exceeded GAG expenditure. 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 Trust schools 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 Trust 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 and related income sources have been fully utilised during the period.

Other grants include special needs, Covid-19 support, rates relief, trust capacity, UIFSM, and teachers pay and pension from DfE Group. The income received was fully expensed during the year, along with the £14,412 balance brought forward from last year relating to a grant received for the purpose of converting a target school into the Academy Trust.

School fund incorporates income and expenditure earmarked for school trips and social events. The balance carried forward includes advance receipts for future events and ringfenced items for disbursement in the subsequent accounting period. Transferred in school fund surpluses, from historic activities of schools joining the MAT, amounted to £6,958. Those funds which have not been utilised during the period have been transferred into the main MAT school fund account and carried forward. The total amount carried forward of £12,308 arises from £10,216 in respect of Studley and £2,092 in respect of Feckenham.

The restricted Pension reserve represents the cumulative deficits on each Academy Trust's share of their respective Local Government Pension Schemes as at 31 August 2021.

Restricted fixed asset funds carried forward represent the unamortised cost of the Academy Trust's fixed assets, some of which were acquired by donation or on conversion/transfer. In addition, unspent capital grant funds carried forward amounted to £8,443 in respect of Feckenham (2020: £4,828 in respect of Studley).

Unrestricted funds derive from surplus income from catering activities and the hire of Academy Trust 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 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)	-	-
	(1,717,047)	4,335,495	(4,670,912)	90,000	(1,962,464)
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
	2,354,977	22,316	(276,380)	-	2,100,913
Total restricted funds	637,930	4,357,811	(4,947,292)	90,000	138,449
Total unrestricted funds	138,267	127,093	(91,523)	(72,000)	101,837
Total funds	776,197	4,484,904	(5,038,815)	18,000	240,286

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Funds (continued)

Total Funds Analysis by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Studley High School	258,117	171,373
Webheath Academy Primary School	293,955	-
Feckenham CE Primary School	27,059	-
MAT Central Services	80,227	-
Total before fixed assets and pension reserve	659,358	171,373
Restricted fixed asset fund	5,840,667	2,100,913
Pension reserve	(3,408,000)	(2,032,000)
Total	3,092,025	240,286

Total Cost Analysis by Academy

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

	Teaching & Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding depreciation) £	Total 2020/21 £	Total 2019/20 £
Studley High School	3,271,768	803,669	181,443	696,245	4,953,125	4,762,435
Webheath Academy Primary School	1,349,663	523,957	85,567	199,153	2,158,340	-
Feckenham CE Primary School	369,802	63,282	25,173	60,650	518,907	-
MAT Central Services	98,252	10,223	4,200	56,748	169,423	-
Academy Trust total	5,089,485	1,401,131	296,383	1,012,796	7,799,795	4,762,435

18. Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	5,832,224	5,832,224
Current assets	376,219	815,309	8,443	1,199,971
Current liabilities	-	(505,961)	-	(505,961)
Non-current liabilities	-	(26,209)	-	(26,209)
Pension scheme liability	-	(3,408,000)	-	(3,408,000)
Total net assets	376,219	(3,124,861)	5,840,667	3,092,025

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	-	-	2,096,085	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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Long-term Commitments Including Operating Leases

Operating Leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	15,228	7,936
Amounts due between one and five years	15,911	9,818
Amounts due after five years	-	198
	<u>31,139</u>	<u>17,952</u>

Other Contractual Commitments

The Academy Trust has entered into various revenue contracts, such as software licensing and broadband, under which the following minimum payments are due, exclusive of VAT, to be settled by the restricted general fund:

	2021 £	2020 £
Amounts due within one year	24,439	30,111
Amounts due between one and five years	11,942	20,721
Amounts due after five years	-	7,967
	<u>36,381</u>	<u>58,799</u>

There are no pension commitments other than to settle the final month's payroll pension contributions in the subsequent month amounting to £108,620 (2020: £71,169).

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

	2020/21 £	2019/20 £
Net income/(expenditure) for the year (as per the statement of financial activities)	3,016,739	(553,911)
Adjusted for:		
Depreciation (note 13)	193,894	276,380
Loss on disposal of fixed assets	3,958	-
Capital grants from DfE and other capital income (note 2)	(52,054)	(22,316)
Interest receivable (note 6)	(93)	(701)
Defined benefit pension scheme cost less contributions payable (note 26)	182,000	152,000
Defined benefit pension scheme finance cost (note 26)	358,000	35,000
Decrease in debtors	13,157	87,382
Increase/(Decrease) in creditors	298,149	(59,977)
Funds brought in on joining the Trust	(3,200,468)	-
Net cash provided by/(used in) operating activities	<u>813,282</u>	<u>(86,143)</u>

21. Cash Flows from Investing Activities

	2020/21 £	2019/20 £
Interest receivable	93	701
Purchase of tangible fixed assets	(62,523)	(17,488)
Capital grants from DfE Group	30,704	16,116
Capital funding received from sponsors and others	21,350	6,200
Net cash (used in)/provided by investing activities	<u>(10,376)</u>	<u>5,529</u>

22. Cash Flows from Financing Activities

	2020/21 £	2019/20 £
Repayments of borrowing	(6,207)	-
Cash inflows from new borrowing	38,623	-
Net cash provided by financing activities	<u>32,416</u>	<u>-</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. Analysis of Cash and Cash Equivalents

	2021 £	2020 £
Cash in hand and at bank	1,081,141	245,819
Total cash and cash equivalents	1,081,141	245,819

24. Analysis of Changes in Net Debt

	At 1 September 2020 £	Cash flows	At 31 August 2021 £
Cash	245,819	835,322	1,081,141
Loans falling due within one year	-	(6,207)	(6,207)
Loans falling due after more than one year	-	(26,209)	(26,209)
Total	245,819	802,906	1,048,725

25. Members Liability

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

26. 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 and Worcestershire County Council depending on the location of each Academy within the Trust. 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 2019.

Contributions amounting to £108,620 were payable to the schemes at 31 August 2021 (2020: £71,009) 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%.

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 £715,425 (2020: £375,284).

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.

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Pension and Similar Obligations (continued)

a) Local Government Pension Scheme - Warwickshire Pension Fund - Studley High School

This 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 2021 was £226,000 (2020: £207,000), of which employer's contributions totalled £180,000 (2020: £165,000) and employees' contributions totalled £46,000 (2020: £42,000). 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

	2021	2020
Rate of increase in salaries	3.7%	3.1%
Rate of increase for pensions in payment / inflation assumption (CPI)	2.9%	2.3%
Discount rate for scheme liabilities	1.7%	1.7%
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:

	2021	2020
Retiring today		
Males	21.8	21.6
Females	24.2	23.8
Retiring in 20 years		
Males	23.0	22.5
Females	26.1	25.4

Sensitivity analysis

	2021 £'000	2020 £'000
Real discount rate -0.1%	127	105
Salary increase rate +0.1%	12	10
Pension increase rate (CPI) +0.1%	113	92
Mortality assumption 1 year increase	247	150

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

	2021 £'000	2020 £'000
Equities	2,406	1,772
Bonds	931	739
Property	427	384
Cash	116	59
Total market value of assets	3,880	2,954

The actual return on scheme assets was £756,000 (2020: £83,000 deficit).

Amount recognised in the Statement of Financial Activities

	2020/21 £'000	2019/20 £'000
Current service cost	(362)	(317)
Interest income	52	53
Interest cost	(88)	(88)
Total amount recognised in the SOFA	(398)	(352)

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Pension and Similar Obligations (continued)

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

	2020/21 £'000	2019/20 £'000
At 1 September 2020	4,986	4,740
Current service cost	362	317
Interest cost	88	88
Employee contributions	46	42
Actuarial loss/(gain)	760	(154)
Benefits paid	(56)	(47)
At 31 August 2021	6,186	4,986

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

	2020/21 £'000	2019/20 £'000
At 1 September 2020	2,954	2,877
Interest income	52	53
Actuarial gain/(loss)	704	(136)
Employer contributions	180	165
Employee contributions	46	42
Benefits paid	(56)	(47)
At 31 August 2021	3,880	2,954

b) Local Government Pension Scheme - Worcestershire Pension Fund - Webheath and Feckenham Schools

This LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. Comparative figures provided in this section relate specifically to that of the separate entity Webheath Academy Primary School Trust before it joined the MAT, and is provided for information purposes. The total contribution made for the year ended 31 August 2021 was £157,000 (2020: £92,000), of which employer's contributions totalled £130,000 (2020: £75,000) and employees' contributions totalled £27,000 (2020: £17,000). The agreed contribution rates for future years are 19.3% 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

	2021	2020
Rate of increase in salaries	4.3%	3.8%
Rate of increase for pensions in payment / inflation	2.9%	2.4%
Discount rate for scheme liabilities	1.8%	1.8%
Inflation assumption (CPI)	2.8%	2.3%

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

	2021	2020
Retiring today		
Males	22.7	22.6
Females	25.1	25.0
Retiring in 20 years		
Males	24.4	24.2
Females	27.1	27.0

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Pension and Similar Obligations (continued)

Sensitivity analysis

	2021 £'000	2020 £'000
Real discount rate -0.1%	57	639
Salary increase rate +0.1%	5	675
Pension increase rate +0.1%	57	705
Mortality assumption 1 year increase	73	710

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

	2021 £'000	2020 £'000
Equities	1,044	467
Government bonds	-	47
Other bonds	1	37
Property	55	38
Cash and other liquid assets	31	30
Other	123	88
Total market value of assets	1,254	707

The actual return on scheme assets was £180,000 (2020: £26,000).

Amount recognised in the Statement of Financial Activities

	2020/21 £'000	2019/20 £'000
Current service cost	(198)	(127)
Interest income	18	13
Interest cost	(32)	(23)
Administration expenses	(2)	(1)
Total amount recognised in the SOFA	(214)	(138)

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

	2020/21 £'000	2019/20 £'000
At 1 September	1,378	1,289
Conversion of academy trusts	411	-
Current service cost	198	127
Past service cost	-	-
Interest cost	32	23
Employee contributions	27	17
Actuarial loss/(gain)	271	(73)
Benefits/transfers paid	39	(5)
At 31 August	2,356	1,378

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

	2020/21 £'000	2019/20 £'000
At 1 September	707	665
Conversion of academy trusts	173	-
Interest income	18	13
Actuarial gain/(loss)	162	(57)
Employer contributions	130	75
Employee contributions	27	17
Benefits/transfers paid	39	(5)
Administration expenses	(2)	(1)
At 31 August	1,254	707

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. 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 Academies Financial Handbook, including notifying 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.

Trustee M Worrall is a director of Kaai Ltd. During the year, Kaai Ltd provided architectural services to the Trust in relation to property alterations. An amount of £10,000 plus VAT was incurred and paid, representing an "at no more than cost" basis. The transaction was notified to ESFA and carried out in accordance with relevant Handbook requirements, financial regulations and procurement policies. M Worrall was not part of the Trust Board's decision-making process in this respect to demonstrate impartiality. The Board made their selection on the best value for money basis. No outstanding balance, securities or guarantees existed at the balance sheet date.

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.

28. Transfer of Existing Academies into the Trust

Webheath Academy Primary School:

Effective 1 September 2020

	Value reported by transferring Trust	Transfer in recognised
Tangible fixed assets		
Long-term leasehold property	3,706,073	3,706,073
Furniture and equipment	6,869	6,869
Computer equipment	26,526	26,526
Current assets		
Debtors due within one year	69,087	69,087
Cash at bank and in hand	359,377	359,377
Liabilities		
Creditors due in less than one year	(143,493)	(143,493)
Creditors due in more than one year	(32,416)	(32,416)
Pensions		
Pension scheme liabilities	(671,000)	(671,000)
Net assets	<u>3,321,023</u>	<u>3,321,023</u>
Unrestricted funds		
General funds		238,681
Restricted general funds		
General Annual Grant (GAG)	-	
School fund	4,866	
Pension reserve	(671,000)	
		(666,134)
Restricted fixed asset funds		
Transferred on conversion	1,996,381	
Fixed assets purchased from GAG	71,047	
DfE/ESFA capital grants	<u>1,681,048</u>	
		3,748,476
Total funds		<u>3,321,023</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. Conversion to an Academy Trust

On 1 September 2020 Feckenham Church of England Primary School converted to Academy Trust status under the Academies Act 2010. All the operations, assets and liabilities were transferred to Shires Multi Academy Trust from Worcestershire County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - Transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets - land and buildings	-	-	145,067	145,067
Current assets - surplus cash on LA funds	31,998	2,092	-	34,090
Total net assets	31,998	2,092	145,067	179,157

30. Teaching School Trading Account

	2020/21 £	2020/21 £	2020/21 £	2019/20 £	2019/20 £	2019/20 £
Income						
<i>Direct income:</i>						
Grants receivable		34,800				
<i>Other income:</i>						
Fundraising and other trading activities		69,006			48,268	
Total income			103,806			48,268
Expenditure						
<i>Direct costs:</i>						
Direct staff costs	96,402			132,051		
Other direct costs	-			5,016		
Total direct costs		96,402			137,067	
<i>Other costs:</i>						
Support costs	11,223			8,707		
Total other costs		11,223			8,707	
Total expenditure			(107,625)			(145,774)
Deficit from all sources			(3,819)			(97,506)
Teaching school balances brought forward			3,819			101,325
Teaching school balances carried forward			-			3,819