



We believe, you achieve

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

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THE SHAW EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

The Shaw Trust
Mr C Richards
Mr R O'Shaughnessy (resigned 31 August 2018)
Mr D Bateson (appointed 10 December 2018)
Mr P Baldwin (appointed 10 December 2018)

Trustees

Mr D Bateson
Mr M Cladingbowl
Mr M Hawker
Mrs J Morgan, Chief Executive
Mr J Norman
Mr R O'Shaughnessy (resigned 31 August 2018)
Mr D Phipps
Mr C Richards, Chair (resigned 19 December 2017)
Mr J Rouse, Chair (appointed 13 March 2018)
Mrs J M Allen (appointed 19 December 2017)
Mr P Baldwin (appointed 10 December 2018)

Company registered number

09067175

Company name

The Shaw Education Trust

Principal and registered office

The Lodge, Wolstanton High School, Milehouse Lane, Newcastle-under-Lyme, Staffordshire, ST5 9JU

Company secretary

Mr N Carey

Chief executive officer

Mrs J Morgan

Senior management team

Mrs J Morgan, CEO and Accounting Officer
Mrs J Yarwood, Director of Education, Standards and Training
Mr P Harrison, Chief Operating Officer
Miss H Turner, Finance Director
Mr G Lawrie, Operations Director
Mr P Potts, Estates Director

Independent auditors

Pricewaterhouse Coopers LLP, 2 Glass Wharf, Bristol, BS2 0FR

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Bankers

Natwest Bank, 135 Bishops Gate, London, EC2M 3UR

Solicitors

Winckworth Sherwood, Minerva House, 5 Montague House, London, SE1 9BB

THE SHAW EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

As at the 31 August 2018, the Shaw Education Trust operated eleven academies for over 5,800 pupils aged 2-21 across Staffordshire, Birmingham, Bury and Wigan. They are:

Academy	Location	Type		Funded places
Blackfriars Academy	Staffordshire	Secondary incl. Post-16	Special	180
Coppice Academy	Staffordshire	Secondary	Special	87
Walton Hall Academy	Staffordshire	Secondary incl. Post-16	Special	135
Wolstanton High School	Staffordshire	Secondary	Mainstream	860
Saxon Hill Academy	Staffordshire	All-through incl Nursery and Post-16	Special	95
Great Barr Academy	Birmingham	Secondary incl. Post-16	Mainstream	1762
Madeley School	Staffordshire	Secondary	Mainstream	612
Castlebrook High School	Bury	Secondary	Mainstream	750
Seabridge Primary School	Staffordshire	Primary	Mainstream	415
The Meadows, Madeley	Staffordshire	Primary	Mainstream	96
Westleigh High School	Wigan	Secondary	Mainstream	856
			TOTAL	5848

The Shaw Education Trust is a full subsidiary of The Shaw Trust Group. The Shaw Trust Group consists of the following companies:

- The Shaw Trust
- The Shaw Education Trust
- Ixion Holdings
- The Prospects Group including Optimus Education.
- CDG Wiseability
- Fourth Sector

All companies are aligned in mission, vision and values. The accounts of The Shaw Education Trust are consolidated into the group accounts of The Shaw Trust.

Structure, governance and management

a. Constitution

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

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of The Shaw Education Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Shaw Education 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 1.

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TRUSTEES' REPORT (continued)
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b. Members' liability

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

c. Trustees' indemnities

The Trust subscribes to the Risk Protection Arrangement (RPA) with the Education and Skills Funding Agency (ESFA). This arrangement includes unlimited Trustees' indemnity cover.

d. Method of recruitment and appointment or election of Trustees

The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the articles of association. With the exception of the Chief Executive Officer the term of office for any trustee is four years.

e. Policies and procedures adopted for the induction and training of Trustees

Trustee's recruitment is targeted at both the ability of prospective trustees to support the academies within the academy trust as well as any skills needs identified by the board evaluation process. As such, a careful balance of experience and expertise is ensured. A board evaluation process is undertaken regularly and training is arranged for any shortfalls. New trustees are provided with all necessary documents to undertake their role, enrolled with the National Governors' Association and have access to formal training through external agencies upon identification of need or on request.

f. Organisational structure

The Shaw Trust is the sponsor company of the Shaw Education Trust.

The Shaw Trust provides three sponsor trustees to the Shaw Education Trust board. Additionally the Shaw Trust board meet bi-monthly and review the progress of the Shaw Education Trust as a standard agenda item.

The CEO of The Shaw Education Trust is a member of The Shaw Trust executive board.

The Shaw Education Trust board of trustees have overall responsibility and the ultimate decision making authority for all the work of the Trust, including establishing and running schools. The full board of trustees and three subcommittees (Finance and Audit and Educational Performance and Standards meet on a termly basis. Nominations and Remunerations meet bi-annually).

The day to day management and responsibility for the running of the Academies has been delegated to the Chief Executive Officer, who is also the Accounting Officer, and is supported by an Executive Leadership Team.

Principals have been appointed in each academy and report to the Chief Executive Officer and individual Academy Councils.

The board of trustees fulfil their responsibilities through strategic planning and by the setting of policy and standards as well as taking responsibility for the oversight and management of risk. The board of trustees have the power to direct change where required as indicated within the Scheme of Delegation.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Scheme of Delegation which has been centrally established, details levels of authority and appropriate parties within transparent earned autonomy guidelines.

Each Academy has a local governing body, these are called Academy Councils. The Academy Council assists in the monitoring and advising of standards and target setting in their Academy. They also have delegated authority to ensure policies and procedures are effectively deployed within the day to day running of the Academy. The Academy Council has an important community facing role, ensuring the Academy meets the needs of its community and the pupils attending the Academy. The Academy Council shall meet at least twice a term and have a minimum of two sub committees, one of which incorporates Health, Safety and Safeguarding.

g. Pay policy for key management personnel

The Trust has established a pay and remuneration policy that follows national terms and conditions for all teachers and senior academy leaders. The policy is posted on the Trust website and approved by the Trust board.

A Nominations and Remuneration Committee of the Trust Board undertakes the performance management of the director of the Trust and recommends any pay awards for the Trust Board to consider. No Trust Board member is paid for their services to the Trust.

The CEO is set performance management targets by the Chair, these are recommended to the Nominations and Remuneration Committee for consideration and any pay uplift determined by this committee.

The Trust Board ensure all that senior management pay rewards success, attracts and retains excellent personnel, whilst at the same time benchmarking against other similar trusts to ensure Best Value, with prudent consideration for the public purse.

Academy Councils propose pay increments for all staff to the Nominations and Remuneration Committee for consideration, following target setting quality assurance and review having been conducted by the Central Team.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	15
Full-time equivalent employee number	15

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	15
51%-99%	-
100%	-

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Percentage of pay bill spent on facility time	£000	
Total cost of facility time	9	
Total pay bill	625	
Percentage of total pay bill spent on facility time	1	%
Paid trade union activities		
Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%

Objectives and Activities

a. Objects and aims

Our vision

Our vision is for a society in which everyone has the opportunity to excel, gain employment and sustain independence; a society where aspiration is the norm and high achievement the only acceptable standard. Barriers to success will be removed by high quality educational and training experiences.

Our mission

We believe every young person can achieve great things, whatever their ability and whatever their background. We will facilitate excellence by all and for all: with no exceptions.

We will deliver 'best in class' tailored learning to ensure that every young person attending one of our academies has the opportunity and support required to achieve their potential.

High quality intervention and targeted leadership development will be the foundation stone of our Trust. We will accelerate improvement in all our academies from their individual starting points. Schools facing challenge will be intensively supported to 'get to good' within two years. Leaders will be celebrated, encouraged to excel, think innovatively and be incredible.

We pledge an unswerving commitment to improve the life chances of all the young people in our academies. We will focus on bridging the gap between school and the outside world to give young people the best chances to progress to high quality further/higher education, employment or training.

We will create a self-sustaining family of schools who will support each other's success and promote consistently high standards across the Trust. Our academies will be great places to work, buzz with creativity and achieve awesome outcomes.

Our values

To be pupil and people centered: To ensure everything we do realises the full potential of the pupils we are here to help. We will provide caring, tailored and supportive environments where young people can flourish. We will ensure that all members of the school community are the focus of our activity and as servant leaders we shall enable their success.

To act with integrity: To be an organisation that is open and transparent, actively embraces equality and diversity and has an honest, inclusive and respectful culture which everyone can trust.

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TRUSTEES' REPORT (continued)
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To be innovative: To be a creative, forward-thinking organisation that finds new ways of doing things. To break down barriers to learning, stimulating exciting futures and securing independent living. We will be relentless in our pursuit of the excellence which has the power to change lives.

To be best in class: To be a top performing education provider that helps every single pupil on their journey towards achieving their potential. We believe our staff are our greatest asset. We will support leaders, teachers and staff to provide exceptional teaching, learning and outcomes.

To be accountable: The Shaw Education Trust, its schools, and staff, are accountable to our pupils and stakeholders. We will demonstrate personal responsibility by carrying out our roles to the best of our ability and in adherence with our values.

Our ambition

Our Trust will consist of schools from all phases, all sectors and across a range of Ofsted categories.

We will challenge prejudice and low expectation for young people who are marginalised in society and support those whose aspirational ambitions, talents and abilities are squashed by poor quality teaching, learning and educational provision.

Education silos will be eradicated and our academies will work symbiotically for the good of each individual, within the community in which they live.

Our Trust will be self-sustaining: leadership and strength will be grown from within.

SET will be a national player and key influencer of educational direction by active engagement with system leaders.

Our training programmes will be second to none, with professional development at the heart of our corporate strategy...

We will provide school improvement services and high quality professional mentoring for Principals and future leaders.

We will lead the way in initial teacher training.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

b. Objectives, strategies and activities

Shaw Education Trust objectives 2018- 2021

Shaw Education Trust has clear strategic aims built on our mission and values.

Our three year strategic plan is based on growth development from an emergent multi-academy trust to a leading provider of exceptional outcomes.

We will:

- Raise standards for young people within our Trust so they exceed previous attainment performance and make progress beyond national averages
- Communicate a compelling strategic vision which is effectively delivered through shared accountabilities and corporate cohesion
- Embed a clear accountability framework at all levels, which effectively manages performance and has a significant impact on standards
- Establish robust quality assurance mechanisms across the academies within the Trust which enable consistently outstanding performance
- Ensure effective governance is secured through regular review, transparent lines of delegated authority, planned scrutiny and targeted challenge
- Provide bespoke school improvement services which accelerate performance and generate internal strength
- Manage risk to safeguard individual and corporate reputation
- Plan for succession, promote talent and develop staff at all levels to enable the very best to be retained and harnessed as a corporate strength.
- Contribute to the broader education agenda by engaging with then leading, local, regional and national networks
- Lead new initiatives to secure high quality teacher training, creating a high quality supply chain.

The trust is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status. The trust gives full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities.

c. Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. The Nolan Principles are applied to their practice and office.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Achievements and performance

Strategic report

a. Strategic reporting

The CEO and Executive Leadership Team provide a comprehensive full report to the Trustees three times per year alongside six, business led sub-committee agendas.

The standard termly format details: a report from the CEO, which includes DfE (Department of Education), RSC (Regional Schools Commissioner) and Ofsted updates; a strategic evaluation, staffing updates, business and pipeline plan review, schools update and MAT self-evaluation; a report from the Director of Education, which includes updates on school data and outcomes, CPD (Continued Professional Development), improvement activity and current assessment of our academies; a report from the Chief Operating Officer; a report from the Director of Finance; a Director of Operations report which includes the risk register and the reports from the Director of Estates, Health and Safety & Compliance (this includes allocations from the Schools Condition Allowance grant, risk assessments, traps and triggers, HR, governance and buildings).

This enables the Shaw Education Trust directors to have a broad understanding of current performance indicators and ensure robust governance.

Progress is shared with the Sponsor Board (Shaw Trust) through a formal meeting process.

We provide an annual report to members.

Operational planning

The Board of Trustees receive a termly report from the CEO which details progress against operational objectives and updates the board on outstanding matters and successes. This report incorporates business and financial updates. Progress is evaluated by the Board and the risk register updated.

The Board receives comprehensive due diligence reports on potential schools looking to join the Trust. These are then discussed in depth and the Board approves, or challenges, the Executive Leadership Team's recommendations. Educational considerations, financial details and estate review documentation is scrutinised to ensure effective risk management and growth strategy.

Self-evaluation

The Board receives a termly report on the progress of the Trust using the nine step Carter model. The CEO and ELT evaluate the position of the MAT as it grows and develops from: beginning; developing; embedding and leading. The most recent evaluation places the Trust between developing and embedding in all categories, however we self-assess that we are 'leading' in our Trust wide commitment to making a contribution to local, regional and national educational networks beyond the MAT.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Staffing

From the onset the board of trustees understood the need to establish a more sustainable staffing structure to manage the academy trust and increase our capacity to support academies effectively. We have a very experienced educational Chief Executive; a Director of Education; Chief Operating Officer and Director of Special Schools; five Subject Directors; a Finance Director a Director of Estates, Health and Safety and Compliance and a Director of Operations. We have also enhanced the team by creating several administrative posts to support the Trust's efficacy, this includes finance, ICT and marketing posts.

Alongside this we have increased the capacity of Blackfriars Teaching School by augmenting the number of Local Leaders in Education (LLE's) and Specialist Leaders in Education (SLE's) linked to the team. We also regularly engage an LLE consultant with significant experience in school improvement to support one of our academies. There are three national Leaders in Education (NLEs) in the Trust (including the CEO) which covers all three sectors; secondary, special and primary.

Recent developments have added a School Centred Initial Teacher Training (SCITT) and Research School to the Trust portfolio. These come with allotted staffing which is linked to external grants.

The CEO and the central team are continuing to develop strategy to support the more effective delivery of services. Evaluations of catering, IT, estates, and capital are well developed. There are well co-ordinated plans for buildings improvement across all of the existing academies. We were successful in achieving over £10 million from the Conditions Improvement Fund bid rounds which has had a significant impact on the environments of our academies.

b. Key performance indicators

The SET Executive Team provide the Board of Trustees with a comprehensive evaluation of each Academy's performance. The data includes external analysis (examinations and Ofsted) and internal monitoring, evaluation and quality assurance.

Our internal evaluation of performance in our four special Academies would place them all in the Good to Outstanding range; Blackfriars, Outstanding; Coppice, Good; Walton Hall, Good; Saxon Hill, Outstanding.

Our mainstream secondary academies; Wolstanton High Requires Improvement; Madeley High, Good with Outstanding features; Great Barr, Requires Improvement with Good features and Castlebrook, Requires Improvement with Good features. Performance has improved in one or more elements in all the academies since they have been with the Trust.

Seabridge Primary and Meadows Primary we evaluate as Outstanding.

The SCITT has been assessed by Ofsted as Outstanding.

c. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

d. Review of activities

Financial review

The financial objectives are to enable the trust to consistently provide high quality education for all students whilst undertaking to provide the best value for money on resources expended and to conduct all business in accordance with high standards of integrity. Financial objectives and policies are regularly reviewed throughout the financial year.

The risk management objective is to ensure that there are no events which can substantially impact on the provision of education. A budget with expenditure balanced against expected income from the Education and Skills Funding Agency (ESFA) is set, without the reliance on reserves. Additional expenditure may be approved in year against additional income or reserves as deemed fit by the trustees.

The academy trust is a wholly owned subsidiary of The Shaw Trust. The financial activity of academy trust is fully consolidated into The Shaw Trust group accounts.

The policy of the academy trust is to review risks arising and address them at trustees meetings or sooner if required.

The deficit on the restricted pension fund of £18.4m arises from an actuarial deficit on the local government pension scheme, which will be dealt with as advised by the actuary.

a. Reserves policy

The Trustees have adopted a policy takes into account the following principles:

- Reserves have a specific purpose related to future spending or covering current and future risks
- The size of the reserves balance the benefit of current spending with the risks the reserves cover
- They are transparent and maintain the link with the purpose for which the income was given
- They ensure that sufficient resources are available so that unexpected events can be accommodated without causing current year problems, generating a deficit or cash flow difficulties.

Reserves have been maintained by the Shaw Education Trust to ensure:

- Current reserves manage known risks which are not insurable or where insurance does not provide value for money
- Equalisation reserves are available to smooth out irregular spending
- Specific capital reserves are available to fund capital expenditure and other investments that would not be affordable if financed from a single year's funding
- There is a general reserve to provide for unexpected and unpredictable needs.
- Cash flow management enables variable cash demands across the Trust or specific parts of the Trust to be managed.

At 31 August 2018 unrestricted reserves are a surplus of £3.7 million. However, these reserves are largely committed for expenditure within the academies as contributions to capital projects, staffing restructures or specific educational interventions. Restricted funds at the end of the period are surplus £1 million less £18.4 million of pension liabilities.

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TRUSTEES' REPORT (continued)
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b. Material investments policy

The trust currently has no material investments.

c. Principal risks and uncertainties

The trust ensures that the identification, evaluation and monitoring of significant risks is a continuous process.

Emerging risks and changes to the risk profile are identified by the Executive Management Team and reported to the Audit Committee and main Trustee Board through a Corporate Risk Register. The board of trustees reviews new and existing risks, challenges risk ratings and assesses the effectiveness of mitigating actions and controls. It also considers whether other risks should be reviewed and advises management accordingly.

The assessment of risk is linked to the evolving trust strategy and the following have been identified as key risks:

- The inability to achieve growth and development objectives set by the board of trustees both culturally and commercially to enable its long term viability.
- The inability to deliver the required educational, pastoral or financial standards.
- Physical/mental or emotional harm caused to others.
- Loss or damage to premises and/or physical assets.
- The unexpected interruption in normal service delivery.

The trust is taking appropriate steps to monitor and mitigate the risks to the organisation by ensuring:

- The adoption of a range of policies and procedures which clearly set out the controls that will enable the effective management of risk and regulatory compliance.
- Clearly defined terms of reference for the trust which ensures appropriate organisational structures and governance arrangements.
- Objectives, strategies and tactical plans are clearly defined and communicated within the academy trust.
- The independent review and audit of all trust activities on a regular basis.
- All staff recruited to the trust are appropriately qualified and experienced. Effective Continuous Professional Development (CPD) to develop skills, set clear expectations and objectives and to drive improvement.
- Adequate engagement and dialogue with stakeholders to address issues and concerns.
- Robust assessment of all financial and educational risks of new schools prior to joining the academy trust.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

a. Future developments

The academy trust began supporting the first three Academies on the 1st October 2014 when three Staffordshire special schools joined. Blackfriars Academy and Coppice Academy joined as converter Academies and Walton Hall Academy became a sponsored Academy.

One of our key objectives for the first/second year of operation was to extend the family of schools in the West Midlands cluster and move into the North West. Our priority remains to recruit schools from all sectors, secondary, primary as well as special schools. In year two we added a mainstream secondary school, Wolstanton High School and a further all-through special school, Saxon Hill. In September 2018 we will open Newfriars College in Stoke-on-Trent. This provision will provide 16-25 education for pupils with special educational needs and disabilities.

As we grow the trustees we will continue to drive school improvement using a multi-faceted and evolutionary approach. We continue to work closely with our sponsor, The Shaw Trust, to develop systems and procedures to improve transition into employment and to provide effective learning environments for our students.

Funds held as custodian

The academy trust does not hold funds as custodian.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the academy's Equal Opportunities Policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

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TRUSTEES' REPORT (continued)
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Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 28/11/18 and signed on its behalf by:



Mr J Rouse
Chair of Trustees

THE SHAW EDUCATION TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Shaw Education 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 4 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
Mr D Bateson	2	4
Mr M Cladingbowl	3	4
Mr M Hawker	3	4
Mrs J Morgan, Chief Executive	4	4
Mr J Norman	4	4
Mr R O'Shaughnessy	1	4
Mr D Phipps	4	4
Mr C Richards, Chair	0	1
Mr J Rouse, Chair	1	1
Mrs J M Allen	1	1
Mr P Baldwin	0	0

During the financial year Jon Rouse has joined the Shaw Education Trust as Chair of the board of Trustees. Jon currently acts as the Chief Officer for the Greater Manchester Health and Social Care Partnership and brings a wealth of knowledge and expertise to his role within the Shaw Education Trust.

The Shaw Education Trust Governance structure ensures compliance with statutory duties, the monitoring of standards related to pupil progress and determines the growth of the Trust. The board of Trustees enacts the three functions of governance:

- Ensuring clarity of vision, ethos and strategic direction;
- Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff; and
- Overseeing the financial performance of the organisation and making sure money is well spent.

Ensuring clarity of vision, ethos and strategic direction;
Holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff; and
Overseeing the financial performance of the organisation and making sure money is well spent.

The board of Trustees recognise the need to ensure that Trust infrastructure gives the opportunity for growth and academy improvement. Additionally, Trustees recognise the need to vary levels of delegation attributed to each Academy depending on strengths, areas for development and starting points. As a result, our mechanisms for governance are agile within an agreed framework.

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GOVERNANCE STATEMENT (continued)

The board of Trustees uses the trust vision to determine the strategic direction of the academies.

Executive leaders are required to produce comprehensive reports from within their areas of responsibility. Summaries of all pupil performance information is provided to trustees. Trustees review the information and are able to provide effective oversight due to the succinct way in which the data is presented.

The board of Trustees evaluates performance management processes.

Financial governance is reviewed annually by internal and external audit. The principles and regulations set out in the Academies Financial Handbook form the cornerstone of Shaw Education Trust's approach to financial governance.

The governance structure is designed to adapt as our Trust grows. The governance structure is supported by the following:

- a. Trust Members – an independent member (founding Chair of Trustees); the CEO of the Shaw Trust (acting in a personal capacity); and the corporate sponsor, The Shaw Trust
- b. Trust Board – the Directors/Trustees; 4 Shaw Trust representatives; 2 educational experts; SET CEO (ex-officio); member elected from the Academy Councils and the independent chair
- c. Trust sub-committees
- d. Regional Boards and their sub-committees
- e. Local Governing Bodies – known as Academy Councils
- f. The Executive Leadership Team in attendance- the Director of Education Standards, Quality and Training, the Chief Operating Officer, Director of Finance, Director of Estates, Health and Safety and Compliance and the Director of Operations.

The Shaw Education Trust Board has overall responsibility and ultimate decision-making authority for all the work of the Academy Trust, this is reflected in the scheme of delegation.

The board of Trustees complete a questionnaire each year to provide a self-evaluation of their effectiveness and reflect on the appropriateness of their time spent on each aspect of their governance role.

The principle of 'no duplication of governance' requires a clear differentiation of the nature of the scrutiny and challenge provided by the Trust Board Sub-Committees. This compares with each academy council's scrutiny of each individual academy's contribution to overall performance across the trust.

There is a Nominations and Remunerations The Nominations and Remuneration committee approve all pay recommendations for the staff in the schools and the central team. The school based increments have been recommended by the ACAD councils and quality assured by the central team.

The finance and audit committee is a sub-committee of the main board of trustees. Its purpose is to provide the overview and high-level scrutiny of the performance of Academies and the Trust against agreed priorities and operational plans.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Hawker	3	4
Mrs J Morgan (Chief Executive Officer and Accounting Officer)	3	4
Mr D Phipps	4	4
Mrs J M Allen (appointed 19 December 2017)	1	1

Review of Value for Money

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GOVERNANCE STATEMENT (continued)

As Accounting Officer, the Chief Executive has responsibility for ensuring that the academy 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's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- Ensuring best value is robustly applied to all procurement
- Reviewing costs and exploring economies of scale in contracting
- Purchasing licenses in "bulk" to reduce additional costs to academies
- Sharing centrally employed personnel to reduced individual academy costs
- Analysing value for money in tendered services and re-negotiating the cost rates
- Securing economies of scale in procurement related to ICT programmes and systems
- Ensuring salaries are locally and nationally benchmarked
- Staffing structures are appropriate and without excess
- Ensured financial review in each academy promotes best value and lean costing

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Shaw Education Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy'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 of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Mitten Clarke Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. Within the financial period no formal internal audits were conducted by Mitten Clarke Limited.

The internal auditor reports to the board of trustees through the finance and audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Review of Effectiveness

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

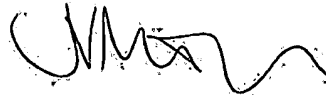
- the work of the internal auditor;
- the work of the independent external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and audit 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 28/11/10 and signed on their behalf, by:



Mr J Rouse
Chair of Trustees



Mrs J Morgan
Chief Executive Officer and Accounting Officer

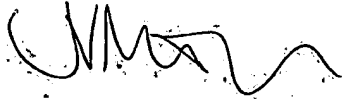
THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Mrs J Morgan
Chief Executive Officer and Accounting Officer

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 28/11/18 and signed on its behalf by:



Mr J Rouse, Chair
Chair of Trustees

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SHAW EDUCATION TRUST**

Report on the audit of the financial statements

Opinion

In our opinion, The Shaw Education Trust's financial statements:

- give a true and fair view of the state of the charitable Academy's (the "Academy Trust") affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law);
- have been prepared in accordance with the requirements of the Companies Act 2006;
- have been prepared in accordance with the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise the Academy Trust's:

- Statement of Financial Activities Incorporating Income and Expenditure Account for the Year Ended 31 August 2018.
 - Balance Sheet as at 31 August 2018.
 - Statement of Cash Flows for the Year Ended 31 August 2018.
 - Notes to the Financial Statements for the Year Ended 31 August 2018.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Academy Trust's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SHAW EDUCATION TRUST**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Trustees' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Report for the year ended 31 August 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities for the Year Ended 31 August 2018, set out on page 20, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the Academy Trust's members as a body

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SHAW EDUCATION TRUST**

in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Article 69(d) of the Academy Trust's funding agreement with the Secretary of State for Education and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

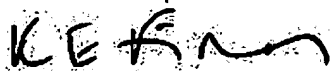
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf
Bristol
BS2 0FR

18 December 2018

- The maintenance and integrity of the Shaw Education Trust's website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on Regularity to the trustees of Shaw Education Trust ('the Academy Trust')

In accordance with the terms of our engagement letter dated 10 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Shaw Education Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them, as set out in the Academies Accounts Direction 2017 to 2018.

This report is made solely to Shaw Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Shaw Education Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than Shaw Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed, save where expressly agreed in writing.

Respective responsibilities of the Shaw Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Shaw Education Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them, as set out in the Academies Accounts Direction 2017 to 2018.

Approach

We conducted our limited assurance engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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 reasonable assurance 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:

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on Regularity to the trustees of Shaw Education Trust ('the Academy Trust)

Delegated authorities

Reviewing evidence of prior approval from the Secretary of State for:

- write-offs over 1% of total income or £45,000 (whichever is smaller);
- acquisitions or disposals of freehold land and buildings;
- disposal of heritage assets;
- taking up a finance lease;
- taking up a leasehold on land and buildings over five years; and
- any novel and contentious payments e.g. honorarium payments.

Reviewing special payments to staff, including compromise agreements has there been regard to the following:

- prior approval has been sought for non-contractual elements over £50,000;
- payments are not used as a substitute for taking appropriate action under the academy's misconduct or performance management procedures; and
- payments are in line with the severance guidance published by ESFA.

Confirming that any borrowings by the academy trust do not (in the form of loans, overdraft facilities or finance lease) contravene section 3.4 of the Academies Financial Handbook.

Transactions with connected parties

In accordance with the academy trust's internal processes and sections 2.5 and 2.6 of the Handbook checking that:

- declarations of business interests have been completed (for those in a position to influence the academy trust, including key staff);
- contracts with connected parties have been procured following the academy trust's procurement and tendering process;
- where contracts are entered into or renewed on or after 7 November 2013 the academy trust has obtained statements of assurance (confirming no profit element was charged) and the academy trust has followed their internal processes in reviewing this;
- the academy has requested, under the open book arrangement, a clear demonstration that the charges do not exceed the cost of supply;
- governors who provide consultancy services to the academy are not receiving a profit for their services and the correct procurement and tendering process is being followed;
- no connected party gains from their position by receiving payments under terms that are preferential; and
- if employees are providing external consultancy, that the income is being received into the academy's accounts if the work was performed within the academy's normal working hours.

Governance

In relation to governance considering whether:

- minutes of the various committees, and management accounts, have been reviewed for indications of irregular transactions; and
- the board of trustees and accounting officer have given formal representations of their responsibilities.

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on Regularity to the trustees of Shaw Education Trust ('the Academy Trust)

Internal controls

In relation to controls:

- considering whether the general control environment has regard to the regularity of underlying transactions;
- considering whether significant changes within the control environment have led to potential weaknesses that could impact the regularity of underlying transactions;
- checking through enquiry and sample testing that gifts and hospitality are given and received in line with the academy trusts policies;
- checking through enquiry and sample testing that the use of expense claims or credit cards adheres to internal control principles (and supported by receipts);
- checking through enquiry and sample testing expenditure does not contravene the funding agreement; and
- checking through enquiry and sample testing that items claimed on expenses or purchased on credit cards are not for personal benefit.

Procurement

In relation to procurement:

- confirming through enquiry and sample testing that the lines of delegation and the limits set both internally and by ESFA have been adhered to;
- considering whether tendering procedures have been administered through the Official Journal of the European Union (OJEU) where necessary;
- considering whether formal contracts are in place, where required;
- considering whether tendering policies have been adhered to; and
- considering whether procurement activity has been in accordance with Annex 4.6 of Managing Public Money.

Income

In relation to income, considering the conditions associated with specialist grant income and whether it has been spent as the purposes intended.

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 2017 to 31 August 2018 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them, as set out in the Academies Accounts Direction 2017 to 2018.



Katharine Finn
For and on behalf of PricewaterhouseCoopers LLP (Reporting Accountant)

18 December 2018

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

		Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	<i>As restated Total funds 2017 £000</i>
	Note					
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion	2	1,453	(875)	11,235	11,813	28,209
Transfer of existing academy into the trust	2	-	-	-	-	9,924
Other donations and capital grants	2	55	796	4,721	5,572	3,729
Charitable activities:	3					
Funding for Educational operations		347	34,723	-	35,070	26,459
Funding for Boarding Activities		-	801	-	801	860
Teaching School		28	121	-	149	-
Other trading activities	4	1,112	23	-	1,135	827
Investments	5	-	-	-	-	17
Total income		2,995	35,589	15,956	54,540	70,025
Expenditure on:						
Raising funds		-	-	-	-	16
Charitable activities:						
Educational Operations		-	37,500	2,740	40,240	30,709
Boarding Activities		-	775	-	775	879
Teaching Schools		-	112	-	112	-
Total expenditure	6	-	38,387	2,740	41,127	31,604
Net income / (expenditure) before transfers		2,995	(2,798)	13,216	13,413	38,421
Transfers between Funds	20	(2,275)	1,952	323	-	-
Net income / (expenditure) before other recognised gains and losses		720	(846)	13,539	13,413	38,421
Actuarial gains/(losses) on defined benefit pension schemes	25	-	4,589	-	4,589	(356)
Net movement in funds		720	3,743	13,539	18,002	38,065
Reconciliation of funds:						
Total funds brought forward		2,953	(21,135)	88,774	70,592	32,527
Total funds carried forward		3,673	(17,392)	102,313	88,594	70,592

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09067175

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	As restated 2017 £000
Fixed assets					
Intangible assets	13		52		16
Tangible assets	14		101,189		87,356
			<u>101,241</u>		<u>87,372</u>
Current assets					
Debtors	15	3,913		2,614	
Cash at bank and in hand		5,291		4,499	
		<u>9,204</u>		<u>7,113</u>	
Creditors: amounts falling due within one year	16	(3,377)		(3,103)	
Net current assets			<u>5,827</u>		<u>4,010</u>
Total assets less current liabilities			<u>107,068</u>		<u>91,382</u>
Creditors: amounts falling due after more than one year	17		(46)		(74)
Net assets excluding pension scheme liabilities			<u>107,022</u>		<u>91,308</u>
Defined benefit pension scheme liability	25		(18,428)		(20,716)
Net assets including pension scheme liabilities			<u>88,594</u>		<u>70,592</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	20	1,036		(419)	
Restricted fixed asset funds	20	102,313		88,774	
Restricted income funds excluding pension liability			103,349	88,355	
Pension reserve			(18,428)	(20,716)	
Total restricted income funds			84,921		67,639
Unrestricted income funds	20		3,673		2,953
Total funds			<u>88,594</u>		<u>70,592</u>

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 27 to 69 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



Mr J Rouse, Chair
Chair of Trustees

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

		2018	As restated
	Note	£000	2017 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(126)	308
Cash flows from investing activities:			
Dividends, interest and rents from investments		-	17
Purchase of tangible fixed assets		(5,221)	(3,662)
Capital grants from DfE Group		4,721	3,062
Purchase of intangible fixed asset		(51)	(21)
Cash transferred on conversion		1,453	1,538
Net cash provided by investing activities		902	934
Cash flows from financing activities:			
Repayments of borrowings		-	(37)
Cash inflows from new borrowing		16	-
Net cash provided by/(used in) financing activities		16	(37)
Change in cash and cash equivalents in the year		792	1,205
Cash and cash equivalents brought forward		4,499	3,294
Cash and cash equivalents carried forward	23	5,291	4,499

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

The Shaw Education Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

Where assets and liabilities are received by the trust on conversion to an academy, the transferred assets and liabilities are measured at fair value and recognised in the Balance Sheet under an appropriate category at the point when the risk and rewards of ownership pass to the trust. A corresponding amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

Where assets and liabilities are received on the transfer of an existing academy into the trust, the transferred assets and liabilities are measured at fair value and recognised in the Balance Sheet under an appropriate category at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. A corresponding amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

THE SHAW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software - 4 years

1.6 Tangible fixed assets and depreciation

All assets costing more than £3,000 are capitalised and are carried at cost or valuation, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

Freehold and Leasehold buildings -	50 years
Leasehold land -	125 years
Building improvements -	10 years
Equipment and vehicles -	4 years
Land -	Not depreciated
IT equipment -	4 years
Assets under construction -	Not depreciated

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

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

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount.

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.11 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement 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 15. 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, and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. 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.

1.12 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

1.15 Fund accounting

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

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

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

THE SHAW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Trustees have considered the allocation of depreciation between direct and support costs. The building and equipment are almost entirely used for the provision of education, and only an insignificant part is used for support services. Therefore it has been considered appropriate to allocate all depreciation costs to direct costs.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Income from donations and capital grants

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	As restated Total funds 2017 £000
Transfer from local authority on conversion	1,453	(875)	11,235	11,813	28,209
Transfer of existing academy trust on conversion	-	-	-	-	9,924
Subtotal detailed disclosure	1,453	(875)	11,235	11,813	38,133
 Donations	 55	 796	 4,721	 5,572	 3,729
	1,508	(79)	15,956	17,385	41,862
 Total 2017	 2,025	 (8,461)	 48,298	 41,862	

3. Income from charitable activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Academies educational operations	347	34,723	35,070	26,375
Teaching school	28	121	149	84
Boarding activities	-	801	801	860
	375	35,645	36,020	27,319
 Total 2017	 (2)	 27,321	 27,319	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. Income from charitable activities (continued)

Funding for Academy's educational operations

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
GAG	-	27,306	27,306	20,417
Start Up Grants	-	30	30	155
Other DfE/ESFA Grants	-	2,084	2,084	1,412
	-	29,420	29,420	21,984
Other government grants				
Special Education Projects	-	4,190	4,190	517
Other Local authority funding	-	140	140	3,876
	-	4,330	4,330	4,393
Other funding				
Other incoming resources	347	973	1,320	(2)
	347	973	1,320	(2)
	347	34,723	35,070	26,375
Total 2017	(2)	26,377	26,375	

4. Other trading activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Parental Contributions	-	-	-	82
Music Services	15	-	15	-
Sales of Goods/Services	821	-	821	-
Lettings Income	142	-	142	110
Other Income	113	23	136	579
Catering Income	21	-	21	56
	1,112	23	1,135	827
Total 2017	406	421	827	

THE SHAW EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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5. Investment income

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Short Term Deposits	-	-	-	17
Total 2017	17	-	17	

6. Expenditure

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Raising funds	-	-	-	-	16
Academies educational operations:					
Direct costs	25,145	2,740	2,135	30,020	20,232
Support costs	5,166	1,720	3,334	10,220	10,477
Teaching school:					
Direct costs	66	-	31	97	-
Support costs	13	-	1	14	-
Boarding activities:					
Direct costs	82	-	23	105	722
Support costs	623	31	17	671	161
	31,095	4,491	5,541	41,127	31,608
Total 2017	25,035	2,998	3,575	31,608	

THE SHAW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. Analysis of expenditure by activities

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000	Total 2017 £000
Academies educational operations	30,020	10,220	40,240	30,705
Teaching school	97	14	111	-
Boarding activities	105	671	776	883
Total 2018	30,222	10,905	41,127	31,588
Total 2017	20,954	10,634	31,588	

Analysis of support costs

	Academies educational operations £000	Teaching school £000	Boarding activities £000	Total 2018 £000	Total 2017 £000
Pension income	534	-	-	534	407
Staff costs	5,127	13	623	5,763	5,619
Depreciation and amortisation	-	-	-	-	1,405
Agency costs	39	-	-	39	-
Legal & professional	226	-	-	226	-
Premises costs	509	-	31	540	1,370
Technology	382	-	-	382	250
Rent & rates	368	-	-	368	-
Insurance	258	-	-	258	-
Transport & security	98	-	-	98	-
Catering	868	-	-	868	-
School trips	230	-	-	230	-
Other costs	1,528	1	17	1,546	1,512
Governance	53	-	-	53	71
	10,220	14	671	10,905	10,634
At 31 August 2017	10,473	-	161	10,634	

THE SHAW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. Net income/(expenditure)

This is stated after charging:

	2018	<i>As restated</i>
	£000	2017
		£000
Depreciation of tangible fixed assets:		
- owned by the charity	2,622	1,287
Amortisation of intangible fixed assets	15	5
Auditors' remuneration - audit	43	33
Operating lease rentals	-	28
Net interest on defined benefit pension liability	534	407

THE SHAW EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	22,649	17,663
Social security costs	2,182	1,677
Operating costs of defined benefit pension schemes	4,994	4,135
	<u>29,825</u>	<u>23,475</u>
Agency staff costs	1,121	1,027
Staff restructuring costs	149	393
Other costs	-	140
	<u><u>31,095</u></u>	<u><u>25,035</u></u>

Staff restructuring costs comprise:

	2018 £000	2017 £000
Redundancy payments	57	224
Severance payments	92	30
	<u>149</u>	<u>254</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £92,006 (2017 - £30,000) and redundancy pay totalling £57,451 (2017 - £223,696). Individually the payments were: £7,000 on 15/02/2018. £2,650 on 12/04/2018. £3,750 on 18/04/2018. £13,582 on 19/09/2018. £18,304 on 19/09/2018. £15,795 on 19/09/2018. £1,716 on 08/10/2018. £8,981 on 25/09/2018. £9,315 on 25/09/2018. £11,041 on 25/09/2018. £11,041 on 25/09/2018. £7,500 on 22/08/2018. £18,369 on 25/10/2018 and £2,500 on 25/09/2018. £17,913 is accrued expenditure.

THE SHAW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. Staff costs (continued)

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	334	303
Administration and Support	851	691
Management	54	56
	<u>1,239</u>	<u>1,050</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	16	9
In the band £70,001 - £80,000	7	8
In the band £80,001 - £90,000	4	4
In the band £90,001 - £100,000	2	0
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	0	1
In the band £120,001 - £130,000	1	0

e. Key management personnel

The Key Management Personnel of the Academy Trust comprise the trustees, the executive management team and the academy principals as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £682,015 (2017 - £1,200,613).

THE SHAW EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. Central services

The academy has provided the following central services to its academies during the year:

- School Improvement Support
- Marketing / Academy Promotion
- Special Academies Finance Manager
- External Audit Fees
- Internal Audit Fees
- Accountancy Fees (relating to consolidation of accounts – monthly and annual)
- ESFA Returns
- Bank Charges
- Land and Buildings valuations, Condition Surveys
- Annual actuary re-valuation fees
- ESFA Risk Protection Arrangement
- Minibus Insurance
- Overseas School Trip Insurance
- Engineering Inspection Insurance
- ICO Compliance
- SIMS Annual License Costs (not support costs)
- PS Financials License Costs (not support costs)
- SET Salaries
- Data management software
- Group purchasing arrangements / Contract negotiations
- Quality Assurance framework
- Policy and Standards Management
- Website
- CPD courses and training- 4 programmes: Senior Leaders; Middle Leaders; Teachers and Teaching Assistants
- Headteacher support
- Governance support and links
- KS3 graduation

The academy charges for these services on the following basis:

For the financial year 2017/18 The Shaw Education Trust will retain the following percentage of a constituent academies GAG funding:

- 3% for mainstream academies rated good and outstanding by Ofsted
- 5% for mainstream academies rated requiring improvement and special measures by Ofsted
- 5% for special academies

Income for the purposes of this calculation is only DFE/ESFA grants excluding the following grants:

- Pupil premium funding
- Year 7 Catch up funding
- PE Sports grant
- Nursery funding
- Universal free school meals funding
- Summer school funding
- Other non-GAG government funding
- Top-up funding for special education needs (SEN) or additional educational needs funding (AEN) in mainstream academies

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. Central services (continued)

- Other income generated by individual academies
- PFI Income

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Blackfriars Academy	93	93
Castlebrook High School	182	120
Coppice Academy	45	45
Great Barr Academy	286	202
Madeley High School, Madeley	86	59
Meadows Primary	10	-
Saxon Hill Academy	47	60
Seabridge Primary School	43	11
Walton Hall Academy	61	62
Westleigh High School	21	-
Wolstanton High School	119	119
	<u>993</u>	<u>771</u>
Total		

11. Trustees' remuneration and expenses

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

		2018 £000	2017 £000
Mrs J Morgan	Remuneration	160-165	150-155
	Pension contributions paid	25-30	20-25

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

12. Trustees' and Officers' Insurance

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. Intangible fixed assets

	Computer Software £000
Cost	
At 1 September 2017	21
Additions	51
At 31 August 2018	72
Amortisation	
At 1 September 2017	5
Charge for the year	15
At 31 August 2018	20
Carrying amount	
At 31 August 2018	52
<i>At 31 August 2017</i>	16

THE SHAW EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14. Tangible fixed assets

	Freehold property £000	Leasehold property £000	Equipment & Vehicles £000	Assets unc constructi £0
Cost or valuation				
At 1 September 2017	32,415	52,816	99	
Additions	-	-	48	4,2
Acquired on conversion	-	11,235	-	
Transfer between classes	4,112	(4,112)	-	1,1
At 31 August 2018	<u>36,527</u>	<u>59,939</u>	<u>147</u>	<u>5,3</u>
Depreciation				
At 1 September 2017 (as previously stated)	896	803	38	
Prior year adjustment	(112)	-	-	
At 1 September 2017 (as restated)	<u>784</u>	<u>803</u>	<u>38</u>	
Charge for the year	595	1,535	35	
At 31 August 2018	<u>1,379</u>	<u>2,338</u>	<u>73</u>	
Net book value				
At 31 August 2018	<u>35,148</u>	<u>57,601</u>	<u>74</u>	<u>5,3</u>
At 31 August 2017 (as restated)	<u>31,631</u>	<u>52,013</u>	<u>61</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. Debtors

	2018 £000	2017 £000
Trade debtors	1,042	514
Other debtors	638	829
Prepayments and accrued income	2,233	1,271
	<u>3,913</u>	<u>2,614</u>

16. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Government loans	44	-
Trade creditors	1,141	1,696
Other taxation and social security	-	347
Other creditors	3	282
Accruals and deferred income	2,189	778
	<u>3,377</u>	<u>3,103</u>

	2018 £000	2017 £000
Deferred income		
Deferred income at 1 September 2017	256	29
Resources deferred during the year	1,706	256
Amounts released from previous years	(256)	(29)
Deferred income at 31 August 2018	<u>1,706</u>	<u>256</u>

Creditors includes £1,706,000 (2017: £256,000) of income which has been deferred into the following year due to the timing of the Trust's entitlement to the income. There are no unfulfilled conditions attached to this income at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018	2017
	£000	£000
Government loans	46	74

Included within the above are amounts falling due as follows:

	2018	2017
	£000	£000
Between one and two years		
Government loans	46	37
Between two and five years		
Government loans	-	37

18. Financial instruments

	2018	2017
	£000	£000
Financial assets measured at amortised cost	1,042	514
Financial liabilities measured at amortised cost	1,231	1,770

Financial assets measured at amortised cost comprise trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors and government loans.

19. Prior year adjustment

The Trustees have considered the policy for valuing fixed assets acquired on conversion and have agreed a change to the valuation methodology applied. The Trustees consider that retrospective application of this policy is necessary to ensure comparability and consistency going forward. The prior year adjustment results in a reversal of £2,129k of previously recognised other recognised gains and losses, a decrease in donations on conversion of £339k, an increase in donations on transfer of an existing academy to the trust of £2,580k in year ended 31 August 2017 and an increase in the carrying value of freehold land & buildings of £112k as at 31 August 2017. In addition, the analysis of the funds in Note 20 has been updated to reclassify the balances and transactions previously presented as "Revaluation reserve" to "Transferred on conversion & inherited".

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. Statement of funds

	Balance at 1 September 2017 <i>As restated</i> £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds - all funds	2,953	2,995	-	(2,275)	-	3,673
Restricted funds						
General Annual Grant	(1,080)	27,306	(27,234)	1,669	-	661
Start up grants	54	30	(8)	(64)	-	12
Other DFE/ESFA grants	112	2,084	(2,010)	(62)	-	124
Other government grants	-	4,330	(4,192)	13	-	151
Boarding activities	(23)	801	(791)	13	-	-
Other restricted funds	518	1,913	(2,726)	383	-	88
Pension reserve	(20,716)	(875)	(1,426)	-	4,589	(18,428)
	(21,135)	35,589	(38,387)	1,952	4,589	(17,392)
Restricted fixed asset funds						
Transferred on conversion & inherited	85,451	15,956	(2,130)	(1,420)	-	97,857
Other DFE/ESFA capital grants	3,082	-	(589)	1,963	-	4,456
Capital expenditure from GAG	161	-	-	(161)	-	-
Private sector capital sponsorship	80	-	(21)	(59)	-	-
	88,774	15,956	(2,740)	323	-	102,313
Total restricted funds	67,639	51,545	(41,127)	2,275	4,589	84,921
Total of funds	70,592	54,540	(41,127)	-	4,589	88,594

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

Restricted funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education & Skills Funding Agency and local authorities, which are used for charitable purposes.

The pension reserve relates to the Local Government Pension Scheme (LGPS).

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Unrestricted funds

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20. Statement of funds (continued)

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education & Skills Funding Agency and local authorities where the asset acquired or created is held for a specific purpose.

Transfers between unrestricted funds and restricted funds relate to charitable expenditure being in excess of restricted income.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	<i>As restated Total 2017 £000</i>
Blackfriars Academy	486	443
Castlebrook High School	133	222
Coppice Academy	386	302
Great Barr Academy	816	881
Madeley School	(187)	(118)
Meadows Primary	23	-
Saxon Hill Academy	172	62
Seabridge Primary School	507	303
Central Services	25	18
Walton Hall Academy	395	156
Westleigh High School	1,456	-
Wolstanton High School	497	264
Total before fixed asset fund and pension reserve	4,709	2,533
Restricted fixed asset fund	102,313	88,774
Pension reserve	(18,428)	(20,716)
Total	88,594	70,591

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20. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2018 £000	Total 2017 £000
Blackfiars Academy	3,214	345	149	454	4,162	4,072
Castlebrook High School	2,797	387	176	815	4,175	2,282
Coppice Academy	957	86	32	155	1,230	1,477
Great Barr Academy	7,390	1,345	544	1,169	10,448	7,594
Madeley School	2,339	284	171	319	3,113	2,216
Meadows Primary	317	42	16	63	438	-
Saxon Hill Academy	1,562	562	46	268	2,438	2,644
Seabridge Primary School	1,561	239	383	368	2,551	605
Central Services	454	1,548	10	1,034	3,046	1,345
Walton Hall Academy	1,493	493	57	346	2,389	2,423
Westleigh High School	300	-	3	25	328	-
Wolstanton High School	2,909	470	296	397	4,072	4,211
	<u>25,293</u>	<u>5,801</u>	<u>1,883</u>	<u>5,413</u>	<u>38,390</u>	<u>28,869</u>

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20. Statement of funds (continued)

Statement of funds - prior year (as restated)

	<i>Balance at 1 September 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/(out) £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2017 As restated £000</i>
General funds						
General Funds - all funds	1,002	2,446	-	(495)	-	2,953
Restricted funds						
General Annual Grant (GAG)	-	20,417	(21,849)	352	-	(1,080)
Start up grants	-	155	(101)	-	-	54
Other DFE/ESFA grants	80	1,412	(1,380)	-	-	112
Other government grants	-	4,393	(4,393)	-	-	-
Boarding activities	-	860	(883)	-	-	(23)
Other restricted funds	36	685	(147)	(56)	-	518
Pension reserve	(10,273)	(8,641)	(1,446)	-	(356)	(20,716)
	(10,157)	19,281	(30,199)	296	(356)	(21,135)
Restricted fixed asset funds						
Transferred on conversion & inherited	40,103	45,236	112	-	-	85,451
Other DFE/ESFA capital grants	1,537	3,062	(1,517)	-	-	3,082
Capital expenditure form GAG	18	-	-	143	-	161
Private sector capital sponsorship	24	-	-	56	-	80
	41,682	48,298	(1,405)	199	-	88,774
Total restricted funds	31,525	67,579	(31,604)	495	(356)	67,639
Total of funds	32,527	70,025	(31,604)	-	(356)	70,592

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2018 As restated £000
Unrestricted funds						
General Funds - all funds	1,002	5,441	-	(2,770)	-	3,673
Restricted funds						
General Annual Grant (GAG)	-	47,723	(49,083)	2,021	-	661
Start up grants	-	185	(109)	(64)	-	12
Other DFE/ESFA grants	80	3,496	(3,390)	(62)	-	124
Other government grants	-	8,723	(8,585)	13	-	151
Boarding activities	-	1,661	(1,674)	13	-	-
Other restricted funds	36	2,598	(2,873)	327	-	88
Pension reserve	(10,273)	(9,516)	(2,872)	-	4,233	(18,428)
	<u>(10,157)</u>	<u>54,870</u>	<u>(68,586)</u>	<u>2,248</u>	<u>4,233</u>	<u>(17,392)</u>
Restricted fixed asset funds						
Transferred on conversion & inherited	40,103	61,192	(2,018)	(1,420)	-	97,857
Other DFE/ESFA capital grants	1,537	3,062	(2,106)	1,963	-	4,456
Capital expenditure form GAG	18	-	-	(18)	-	-
Private sector capital sponsorship	24	-	(21)	(3)	-	-
	<u>41,682</u>	<u>64,254</u>	<u>(4,145)</u>	<u>522</u>	<u>-</u>	<u>102,313</u>
	<u>31,525</u>	<u>119,124</u>	<u>(72,731)</u>	<u>2,770</u>	<u>4,233</u>	<u>84,921</u>
Total of funds	<u>32,527</u>	<u>124,565</u>	<u>(72,731)</u>	<u>-</u>	<u>4,233</u>	<u>88,594</u>

THE SHAW EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Intangible fixed assets	-	-	51	51
Tangible fixed assets	-	-	101,190	101,190
Current assets	3,673	4,459	1,072	9,204
Creditors due within one year	-	(3,377)	-	(3,377)
Creditors due in more than one year	-	(46)	-	(46)
Provisions for liabilities and charges	-	(18,428)	-	(18,428)
	<u>3,673</u>	<u>(17,392)</u>	<u>102,313</u>	<u>88,594</u>

Analysis of net assets between funds - prior year (as restated)

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	As restated Total funds 2017 £000
Intangible fixed assets	-	-	16	16
Tangible fixed assets	-	-	87,357	87,357
Current assets	2,953	2,758	1,401	7,112
Creditors due within one year	-	(3,103)	-	(3,103)
Creditors due in more than one year	-	(74)	-	(74)
Provisions for liabilities and charges	-	(20,716)	-	(20,716)
	<u>2,953</u>	<u>(21,135)</u>	<u>88,774</u>	<u>70,592</u>

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

	2018	<i>As restated</i>
	£000	2017
		£000
Net income for the year (as per Statement of Financial Activities)	13,413	38,421
Adjustment for:		
Depreciation charges	2,637	1,405
Investment income	-	(17)
Increase in debtors	(1,294)	(1,709)
Increase in creditors	226	1,957
Capital grants from DfE and other capital income	(4,721)	(3,062)
Defined benefit pension scheme cost less contributions payable	892	1,039
Defined benefit pension scheme finance cost	534	407
Net (loss) on assets and liabilities from local authority on conversion	(11,813)	(28,209)
Net (loss) on assets and liabilities from existing academy trust on conversion	-	(9,924)
Net cash (used in)/provided by operating activities	(126)	308

23. Analysis of cash and cash equivalents

	2018	2017
	£000	£000
Cash in hand	5,291	4,499
Total	5,291	4,499

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24. Conversion to an academy trust

During the year Westleigh High School, Meadows Primary Madeley and Castlebrook High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Shaw Education Trust from Wigan council, Cheshire County Council and Bury 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 headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - 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 incorporating Income and Expenditure Account.

Westleigh High School

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Freehold/leasehold land and buildings	-	-	11,235	11,235
Other assets	1,393	-	-	1,393
LGPS pension surplus/(deficit)	-	(875)	-	(875)
Net assets/(liabilities)	1,393	(875)	11,235	11,753

Meadows Primary, Madeley

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Other assets	44	-	-	44
Net assets/(liabilities)	44	-	-	44

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Castlebrook High School

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Other assets	27	-	-	27
Net assets/(liabilities)	27	-	-	27

25. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire Pension Fund, West Midlands Pension Fund and Greater Manchester Pensions fund. All are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £Nil were payable to the schemes at 31 August 2018 (2017 - £164,480) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.

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25. Pension commitments (continued)

- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £2,149,483 (2017 - £1,239,695).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £2,829,000 (2017 - £1,935,000), of which employer's contributions totalled £2,360,000 (2017 - £1,547,000) and employees' contributions totalled £469,000 (2017 - £388,000). The agreed contribution rates for future years are 5.5% for employers 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 academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Staffordshire pension fund

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.80 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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25. Pension commitments (continued)

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

Greater Manchester pension fund

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.10 %	3.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	21.5	21.5
Females	24.1	24.1
Retiring in 20 years		
Males	23.7	23.7
Females	26.2	26.2

West Midlands pension fund

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

	2018	2017
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	12,144	9,269
Gilts	117	-
Corporate bonds	3,000	1,531
Property	1,378	956
Cash and other liquid assets	729	512
Other Assets	226	69
Total market value of assets	17,594	12,337

The actual return on scheme assets was £510,000 (2017 - £1,390,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	2017 £000
Current service cost	(3,217)	(2,575)
Past service cost	(35)	(11)
Interest income	350	199
Interest cost	(884)	(606)
Total	(3,786)	(2,993)

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25. Pension commitments (continued)

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

	2018 £000	2017 £000
Opening defined benefit obligation	33,053	16,924
Upon conversion	2,643	-
Transferred in on existing academies joining the trust	-	11,127
Current service cost	3,217	2,575
Interest cost	884	606
Employee contributions	469	388
Actuarial (gains)/losses	(4,079)	1,547
Benefits paid	(199)	(125)
Past service costs	35	11
	<u>36,023</u>	<u>33,053</u>
Closing defined benefit obligation	<u>36,023</u>	<u>33,053</u>

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

	2018 £000	2017 £000
Opening fair value of scheme assets	12,337	6,651
Upon conversion	1,768	-
Transferred in on existing academies joining the trust	-	2,486
Interest income	350	199
Actuarial gains	510	1,191
Employer contributions	2,360	1,547
Employee contributions	469	388
Benefits paid	(199)	(125)
	<u>17,595</u>	<u>12,337</u>
Closing fair value of scheme assets	<u>17,595</u>	<u>12,337</u>

26. Operating lease commitments

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

	2018 £000	2017 £000
Amounts payable:		
Within 1 year	602	289
Between 1 and 5 years	166	229
	<u>768</u>	<u>518</u>
Total	<u>768</u>	<u>518</u>

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27. 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.

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NOTES TO THE FINANCIAL STATEMENTS
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28. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year the trust entered into transactions with a connected company Optimus Education Limited. The trust made purchases of £4,199 (2017 - £NIL).

During the year the trust entered into transactions with a connected company, Prospects Services. The trust made purchases of £19,203 (2017 - £NIL).

Corporate Sponsor - The Shaw Trust

£353,620 donation from Shaw Trust to Shaw Education Trust as contribution to board and central costs £2017 - £378,298)

In the prior year the following transactions took place with The Shaw Trust:

£28,000 donation from The Shaw Trust fund raising team to Coppice Academy to contribute to a new sensory room and equipment.

£18,900 donation from The Shaw Trust fund raising team to Blackfriars College to contribute towards a new school minibus.

£20,000 donation from The Shaw Trust fund raising team to Madeley School to contribute towards rebranding and redecoration of the school.

£30,000 donation from The Shaw Trust fund raising team to Saxon Hill Academy to contribute towards a community foodbank.

At the end of the financial year £Nil (2017 - £267k) was due to Shaw Education Trust from The Shaw Trust.

Related Parties - Employees & Academy Councillors

T Ahearn who is employed by the academy trust is the son of D Ahearn who is part of the academy senior management team. During the year T Ahearn received remuneration for this employment of £10,000-£15,000 (2017: £10,000- £15,000)

M Morrell who is employed by the academy trust is the partner of H Turner who is part of the executive leadership team. During the year M Morrell received remuneration for this employment of £10,000-£15,000. (2017: £10,000-£15,000)

S Johnson who is employed by the academy trust is the partner of R Millington who is part of the academy senior management team. During the year S Johnson received remuneration for this employment of £35,000-£40,000. (2017: £30,000-£35,000)

R Parr who is employed by the academy trust is the husband of A Parr who is part of the academy senior management team. During the year R Parr received remuneration for this employment of £15,000-£20,000 (2017: £15,000-£20,000)

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NOTES TO THE FINANCIAL STATEMENTS
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28. Related party transactions (continued)

A Dalziel who is employed by the academy trust is the daughter of A Cameron who is part of the academy senior management team. During the year A Dalziel received remuneration for this employment of £35,000-£40,000 (2017: £10,000-£15,000)

M Hobson who is employed by the academy trust at Wolstanton High School and has a declared interest at Hammond Gosschalk. During the financial year the academy placed orders totalling £1,668.

A Purcell, Chair of Governors at Seabridge Primary school is the husband of C Purcell who is employed by Seabridge Primary school. During the year C Purcell received remuneration for this employment of £10,000-£15,000 (2017: £Nil)

L Davies, Governor at Seabridge Primary school is the husband of K Davies who is employed by Seabridge Primary school. During the year K Davies received remuneration for this employment of £40,000-£45,000 (2017: £Nil)

29. Post balance sheet events

On 1st September 2018, Brookfields Special School located within Halton Local Authority joined The Shaw Education Trust. Brookfields is a special school with around 90 primary aged pupils.

On 1st November 2018 3 schools joined The Shaw Education Trust:

- Tottington High School located in Bury Local Authority is a mainstream high school catering for around 950 pupils aged between 11 and 16 years

- Kingsgrove High School located in Staffordshire Local Authority is a mainstream high school catering for around 350 pupils aged between 11 and 16 years. Kingsgrove High school has been rebrokered to The Shaw Education Trust.

- Kingsgrove Primary School located in Staffordshire Local Authority is a mainstream primary school catering for around 150 pupils aged between 2 and 11 years. Kingsgrove Primary school has been rebrokered to The Shaw Education Trust.

30. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent of the ESFA. In the accounting period ending 31 August 2018 the trust received £65k (2017 - £47k) and disbursed £65k (2017 - £47k) from the fund.

31. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is considered to be The Shaw Trust.

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NOTES TO THE FINANCIAL STATEMENTS
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32. Teaching school trading account

	2018 £000	2018 £000	2017 £000	2017 £000
Income				
Direct income				
Core Grant	121		84	
Other income				
Other income	28			
Total income		149		84
Expenditure				
Direct expenditure				
Direct depreciation	4			
Other expenditure	31			
Wages & salaries	56			
Employers NI	4			
Pension	6			
Total Direct expenditure	101			
Other expenditure				
Wages & salaries	10			
Employers NI	1			
Pension	2			
Other support costs	1			
Total Other expenditure	14			
Total expenditure		115		
Surplus from all sources		34		84
Teaching school balances at 1 September 2017		158		74
Teaching school balances at 31 August 2018		192		158

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**NOTES TO THE FINANCIAL STATEMENTS
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33. Boarding School Trading account

	£000	2018 £000	£000	2017 £000
Income				
Government grants		(801)		(860)
Direct costs				
Direct staff costs	82		701	
Technology Costs	-		1	
Educational supplies and services	17		4	
Examination fees	-		1	
Staff development	-		1	
Educational consultancy	-		7	
Other direct costs	6		7	
		105		722
Other costs				
Support staff costs	590		67	
Employers NI	9		-	
Pension	24		-	
Technology costs	-		7	
Premises costs	31		46	
Other support costs	16		37	
Governance costs	-		4	
		670		161
Total		26		(23)
 Surplus from all sources		26		(23)
 Boarding school balances at 1 September 2017		(26)		(3)
 Boarding school balances at 31 August 2018				(26)

THE SHAW EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

34. Major Non Cash Transactions

During the year, land and buildings totaling £11,235,000 (2017: £42,775,000) were transferred to the academy trust as detailed in note 24.