

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

SHIRES MULTI ACADEMY TRUST

ANNUAL REPORTS AND FINANCIAL STATEMENTS

31 AUGUST 2022

Presented by:

Mills Pyatt Limited

Chartered Accountants

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SHIRES MULTI ACADEMY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT

REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Thake
S Molloy
J Kerridge
M Hickin
Worcester Diocesan Academies Trust (corporate member)

Trustees

L Gray
E Shelley
M Thake
I Dixon
F Parkinson
A Pasquette
M Worrall
D Strain (resigned 16 December 2021)

Company Secretary

N Purslow

Senior Management Team

Chief Executive Officer

L Gray

Headteachers:

Studley High School
Webheath Academy Primary School
Feckenham Primary School
Ridgeway Secondary School
(joined MAT 1 September 2022)

R Eost
J Burton
J Little
M Ball

Deputy Headteachers:

Studley High School

A Page (on secondment June to August 2022)
R McGhie (appointed 1 September 2022)
M Maudsley (appointed 1 September 2022)
H Heffernan
J Worton
A Page (appointed 1 September 2022)

Webheath Academy Primary School
Ridgeway Secondary School
(joined MAT 1 September 2022)

Finance and Business Managers

Chief Financial Officer

K Sanders (appointed 20 October 2021)
C Williams (stepped down 20 October 2021)

Interim Chief Operations Officer

K Anthony

Senior Finance Administrator

S Hawkes

Business Managers

R Harrington (appointed 31 October 2022)
S Milsom (appointed 21 November 2022)
K Anthony (until 21 November 2022)

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Company Name	Shires Multi Academy Trust
Principal and Registered Office	Studley High School Crooks Lane Studley Warwickshire B80 7QX
Company Registration Number	7610791 (England and Wales)
Independent Auditor	Mills Pyatt Ltd 11 Kingfisher Business Park Arthur Street Lakeside Redditch Worcestershire B98 8LG
Bankers	Lloyds Bank Plc 19 Church Green East Redditch Worcestershire B98 8BZ
Solicitors	Browne Jacobson LLP 15th Floor 103 Colmore Row Birmingham B3 3AG

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and a strategic report under company law.

Shires Multi Academy Trust operates 3 schools; Studley High School (11-16 comprehensive), Webheath Academy Primary School (primary school with nursery care) and Feckenham CE Primary School (a primary school taking its first year 6 cohort in September 2022). The Trust grew to 4 schools on 1 September 2022 with the addition of Ridgeway Secondary School.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Shires Multi Academy Trust are also the Directors of the charitable company for the purposes of company law. The company is known as Shires Multi Academy Trust (the charitable trust).

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 2.

Members' Liability

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

Trustees' Indemnities

The Trust has a combination of commercial insurance and RPA cover across its 3 schools with cover up to £1,000,000 for claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

Method of Recruitment and Appointment or Election of Governors and Trustees

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

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

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

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

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

Organisational Structure

The Charitable Trust is constituted as a Multi Academy Trust, which has a multi academies Trust Board of Directors (the Trust Board) and at each school within the Trust, a local governing body (LGB). As at 31 October 2022 there were 4 schools (2 secondary and 2 primary) within the Charitable Trust. All 3 founding schools are judged good or outstanding with Ridgeway Secondary judged inadequate.

The schools are as follows:

Name	Date joined	Type
Studley High School	01/09/2020	Secondary
Webheath Academy Primary School	01/09/2020	Primary
Feckenham CE Primary School	01/09/2020	Primary
Ridgeway Secondary School	01/09/2022	Secondary

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

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

The Trust Board

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

The Principal is the accounting officer.

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

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

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

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

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

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

Business and Finance Committee

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

Audit and Risk Committee

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

Trade Union Facility Time

During 2021-22 there were no employees who were relevant trade union officials for the purposes of facility time reporting.

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

Total cost of facility time	£2,125
Total pay bill	£6,565,191
Percentage of the total pay bill spent on facility time	0.03%

Related Parties and other Connected Charities and Organisations

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

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Engagement with Employees (Including Disabled Persons)

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

Information provided includes:

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

The CEO has met with trade union representatives and all Trust HR policies have now been implemented. All staff were consulted on the developments to all HR and Trust policies.

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

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

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

The objects of the Trust are:

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

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

The aims of the Trust are:

Shires MAT Vision

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

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

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Principal Activities

The principal activity of Shires MAT was the operation of:

- Studley High School, Studley, Warwickshire providing Secondary education for 11-16 yrs.
- Ridgeway Secondary School, Astwood Bank, Worcestershire providing Secondary education for 11-16 yrs (from 1 September 2022).
- Webheath Academy Primary School, Redditch, Worcestershire providing Primary education 3-11 yrs with attached nursery provision.
- Feckenham CE Primary School, Feckenham, Worcestershire providing Primary education 3-11 yrs within a Church of England school setting.

Equal Opportunities

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

Public Benefit

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Academic outcomes for the year 2021-22 are as follows:

Feckenham Primary School

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

The school will have its first cohort of year 6 pupils graduating to secondary school this year. Assessment data indicates the class are doing well and whilst the writing gap remains (as is seen nationally) outcomes are on track to do well.

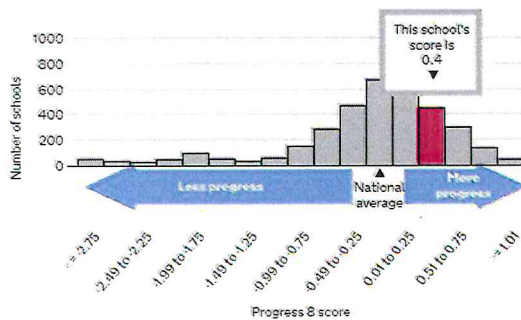
Webheath Academy Primary School (WAPS)

Summer 2022 assessment (SATS)			
	Average scaled score	Expected	National 2022
Maths	104.33	84.9%	71%
Reading	106.31	79.2%	74%
Writing		77.4%	69%
Science		81.1%	79%
SPAG	105.73	84.9%	72%

Outcomes for WAPS indicate the highest performance outcomes for the school ever at KS2. Pupils attaining the expected levels of reading, writing, maths, SPAG and science were all above or significantly above national figures. These are excellent school outcomes following 2 disrupted years.

Studley High School (SHS)

GCSE outcomes for pupils at SHS demonstrate the strongest ever progress scores for pupils. Outcomes for all key groups were very good or excellent in almost every area. The outcomes for this cohort are very pleasing. However, the impacts of COVID across different regions and schools make it difficult to compare outcomes across schools.



SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Attainment and progress for key groups remains strong in all areas. The following table highlights the progress scores across a range of groups.

Groups	Progress 8
Girls	0.74
Boys	-0.04
Disadvantaged	0.01
SEND	-0.1
Low Prior attainment	0.55
Middle Prior attainment	0.31
High Prior attainment	0.49
Maths	0.34
English	0.21
Ebacc	0.42
Open	0.54
Subject areas	Value Added
Science	0.29
Humanities	0.32
Languages	0.51

GCSE outcomes also reflect high attainment.

Subject	Performance
Maths 4+	83%
Maths 5+	62%
Maths 7+	26%
English 4+	86%
English 5+	70%
English 7+	20%
Science 4+	73%
Humanities 4+	76%
Languages 4+	89%

Key Performance Indicators

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

The Academy's core funding is based on pupil numbers. The total number of pupils for which GAG was received during the financial year was 1,286 across all MAT schools, an increase from the prior year number of 1,243. This has enhanced the financial confidence but resources will remain under close scrutiny to ensure that restricted funds received will be disbursed in the most efficient manner.

Incorporating agency staff, severance pay and LGPS pension finance expense, total staff costs for the year were 80% of total resources expended, a slight reduction from the 81% measure of the previous year.

Shires MAT understands that maintaining high levels of attendance, performance and enrolment of pupils will help ensure the financial security of the Trust going forward. The financial stability of organisations is being challenged through inflation, energy costs, staff pay increases and uncertainty in government future public spending commitments. The following KPIs enable us to highlight where we can impact across the financial year to promote stability and value for money.

School/Trust	MAT	WAPS	FPS	SHS
Attendance % (95% target)	92.06	92.49	93.09	91.69
No. on roll 2021/22	1387	446	107	834
PTR		24.11	23.78	16.23
Target		22.5	22.5	16.5
% Teaching staff		47.1	44.8	53.4
Target		49	49	53
% Total revenue income spent on all staff	79.3	71.2	74.9	77.9
Target		78	83	80
Average cost per teacher (£)		53864	58865	55747
Target (£)		53000	54000	55836

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Attendance

Attendance suffered in 2022 due to the continued impact of COVID (national picture- attendance data for schools not released until May 2023). We have met targets for spend on staffing, in line with benchmarked provision nationally and the number of staff we have working with our pupils is in line with benchmarked provision, helping maintain a quality of offer. Staffing costs were reduced relative to income as there was a teacher pay freeze but additional grant allocations. The percentage costs of staff will increase in 2022-23 due to cost of living pay increases and reduced (relative) funding.

Going Concern

The Board of Trustees has considered carefully the Trust's level of reserves at 31 August 2022 and its results for the period then ended. Based on budgets and forecasts prepared by the Trust's management and after making appropriate enquiries, the Board of Trustees' assessment of the principal risks described elsewhere in this report and the capacity of the Trust to make further adjustments to its cost base in the event of adverse changes, the Trustees are satisfied that the Trust has sufficient resources to continue successfully for the foreseeable future. Accordingly, the attached financial statements have been prepared on the going concern basis. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the Success of the Company

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

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

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

Where possible, local businesses to our schools are used for supplies and services, recognising our commitment to the local community each of our schools serve.

FINANCIAL REVIEW

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

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

During the accounting period, recurrent grant funding from DfE and other incoming resources of £8,118,090 was less than total expenditure of £8,251,554. The excess of expenditure over income for the period, before pension adjustments, was £133,464.

The Academy held fund balances at 31 August 2022 of £6,348,561, comprising £5,738,218 restricted fixed asset funds, £719,775 restricted general funds, £340,568 unrestricted general funds and a pension reserve deficit of £450,000. The Trustees consider that reserve levels held are appropriate and shall be utilised in their intended purpose, the precise timing of which has not been determined.

Covid-19 has had limited impact on the main sources of funding, as formulae and entitlement are independent of the pandemic. Income sources that have been affected through restrictions include facilities hire, catering, trips and events, and wrap around care. Additional costs and burden have been incurred as a consequence in areas such as cleaning, catering, resources, staffing and testing provision. In mitigation, additional income amounting to £34,759 has been received from ESFA and local authorities in recovery premium and to cover increased expenditure on mass testing. These funds have been deployed to areas intended. The Trustees consider that there is no significant additional financial uncertainty in the foreseeable future as a consequence of Covid, due to the level of reserves available.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy's balance sheet shows a net liability of £450,000.

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

Reserves Policy

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

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Investment Policy

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

Principal Risks and Uncertainties

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

The principal risk relates to the following:

- Control of staff costs given they account for a significant proportion of the Trust's operating income. Future income through the National Funding Formula is uncertain, pay settlements for teaching and support staff may exceed any increase in basic funding. This is being supported by Trust-wide KPI's linked to class sizes, teacher/adult ratios with pupils, curriculum planning and staffing costs as a proportion of total income.
- Maintaining reserves to the level of 5% of total income whilst maintaining the progress of student outcomes and continuing to grow (including special projects such as installation of 3g all-weather pitch).
- Managing the financial impact of inflationary pressures, energy costs and above forecast pay increases.
- Change to admission trends and local partnerships which may alter the application numbers across our schools and challenge the trend of strong numbers on roll seen across our schools This includes ensuring RSS is fully subscribed in year 7 within the next 2 years.
- The deficit of the Local Government Pension Schemes.

Fundraising

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

Streamlined Energy and Carbon Reporting

During the year, the Trust consumed 1,056,000 (2021: 1,230,000) kWh of energy, comprising 330,000 (2021: 338,000) kWh of electricity and 726,000 (2021: 892,000) kWh of gas/oil. As the Trust is not large under Companies Act 2006 thresholds, no additional information is required to be disclosed.

Plans for Future Periods

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

- Grow our local offer sustainably, developing local school to school collaboration within the context of realising the benefits of being part of a single trust.
- Increase the Trust to 6 schools by September 2023.
- Develop capacity within the Trust Shared Service ahead of taking on new schools so it is able to provide support at the earliest opportunity.
- Continue to refine and develop its due diligence process to ensure a full understanding of risks that potential new schools bring.

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2022 and signed on the Board's behalf by:


.....
Michael Thake
[Trustee]

14 December 2022

SHIRES MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Shires Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee		Meetings attended	Out of a possible
L Gray	Member appointed	7	7
E Shelley	Member appointed	7	7
M Thake	Chair, The Diocese of Worcestershire Academy Trust appointed	7	7
I Dixon	The Diocese of Worcestershire Academy Trust appointed	7	7
F Parkinson	Member appointed	6	7
A Pasquette	Member appointed	7	7
M Worrall	Member appointed	7	7
D Strain	Member appointed (resigned 16 December 2021)	0	2

Changes in the composition of the Board of Trustees are set out in the Reference and Administrative Details set out on page 2. The Trust Board considers a range of strategic factors such as risk appraisal, vulnerability, resilience, internal scrutiny programme, challenge and oversight of the Audit & Risk and Business & Finance Committees, and their own effectiveness as a body.

Conflicts of interests are managed through an annually reviewed formal policy and a central register of relevant business and pecuniary interest of members, Trustees and senior staff. They are declared and discussed at the beginning of every meeting and new information is updated on the register. The register is circulated and published on the Trust's website, to ensure that it is borne in mind on a day-to-day basis.

Governance reviews form part of the internal scrutiny programme undertaken by an external professional and are a standing agenda item at Full Board meetings. The Trust uses the SRMSAT checklist to self assess and uses its findings to implement actions to improve processes linked to good governance. Reviews reinforce the presence of good governance within the Trust and further appraisals will be conducted in the subsequent accounting period.

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

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

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

			Meetings attended	Out of a possible
I Dixon	(Chair)	Trustee member	5	5
D Strain		Trustee member (resigned 16 December 2021)	0	2
A Pasquette		Trustee member	4	5
M Thake		Trustee member	4	5
L Gray		Trustee member	5	5
K Sanders		Member	5	5

SHIRES MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money

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

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Shires Multi Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has decided to buy-in an internal scrutiny service from WES Education Finance Services, based on cost-effectiveness, sector experience and quality of the delivery. The internal reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included testing of financial oversight, credit card control, internal control and risk management, financial reporting and fixed asset registers. On a bi-annual basis, the reviewer reports to the Board of Trustees, through the Audit & Risk Committee, on the operation of the systems of control and on the discharge of the Board of Trustee's financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider remedial actions and assess year on year progress.

SHIRES MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of Effectiveness

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

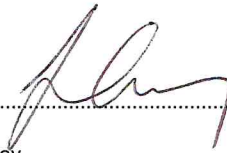
- The work of the internal scrutiny reviewer;
- The work of the external auditor;
- The financial management and governance self-assessment process or the school resource management self-assessment tool;
- Academy Trust Handbook;
- The work of the executive managers within the Academy Trust who have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

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

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on its behalf by:



Michael Thake
[Trustee]



Lee Gray
[Accounting Officer]


SHIRES MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Shires Multi Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the Funding Agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academy Trust Handbook 2021.

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



.....

Lee Gray
[Accounting Officer]
14 December 2022

SHIRES MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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


- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2022 and signed on its behalf by:



Michael Thake
[Trustee]

SHIRES MULTI ACADEMY TRUST

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

Opinion

We have audited the financial statements of Shires Multi Academy Trust (the 'Academy Trust') for the year ended 31 August 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Other Information

The other information comprises the information included in the Trustees annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

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

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

Matters on Which we are Required to Report by Exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

SHIRES MULTI ACADEMY TRUST

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

SHIRES MULTI ACADEMY TRUST

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

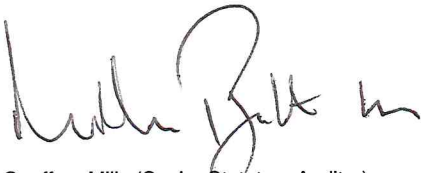
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

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

Use of Our Report

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



Geoffrey Mills (Senior Statutory Auditor)
for and on behalf of Mills Pyatt Limited
Chartered Accountants and Statutory Auditor
Redditch
Worcestershire
B98 8LG
14 December 2022

SHIRES MULTI ACADEMY TRUST

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

In accordance with the terms of our engagement letter dated 6 December 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Shires Multi Academy Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Shires Multi Academy Trust's Funding Agreement with the Secretary of State for Education dated 17 July 2020 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

14 December 2022

SHIRES MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021/22 £	Total 2020/21 £
Income and endowments from:						
Donations and capital grants:						
Surplus on joining	2	-	-	-	-	3,321,023
Transfer from local authority on conversion	2	-	-	-	-	179,157
Other donations and capital grants	2	-	9,955	85,312	95,267	59,850
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	7,542,722	-	7,542,722	6,921,189
Teaching school hub	4	-	41,316	-	41,316	103,806
Other trading activities	5	234,050	204,587	-	438,637	429,268
Investments	6	148	-	-	148	93
Total		234,198	7,798,580	85,312	8,118,090	11,014,386
Expenditure on:						
Charitable activities:						
Academy Trust educational operations	8	(260,986)	(7,744,394)	(195,995)	(8,201,375)	(7,890,022)
Teaching school hub	7	-	(50,179)	-	(50,179)	(107,625)
Total		(260,986)	(7,794,573)	(195,995)	(8,251,554)	(7,997,647)
Net income / (expenditure)		(26,788)	4,007	(110,683)	(133,464)	3,016,739
Transfers between funds	17	(8,863)	629	8,234	-	-
Other recognised gains / (losses):						
Actuarial gains/(losses) on defined benefit pension schemes	17,27	-	3,390,000	-	3,390,000	(165,000)
Net movement in funds		(35,651)	3,394,636	(102,449)	3,256,536	2,851,739
Reconciliation of funds:						
Total funds brought forward	17	376,219	(3,124,861)	5,840,667	3,092,025	240,286
Total funds carried forward	17	340,568	269,775	5,738,218	6,348,561	3,092,025


SHIRES MULTI ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2022

Company Number: 7610791

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	13		5,726,261		5,832,224
Current assets					
Debtors	14	282,743		118,830	
Cash at bank and in hand		1,397,976		1,081,141	
		<u>1,680,719</u>		<u>1,199,971</u>	
Liabilities					
Creditors: amounts falling due within one year	15	<u>(588,478)</u>		<u>(505,961)</u>	
Net current assets			<u>1,092,241</u>		<u>694,010</u>
Total assets less current liabilities			<u>6,818,502</u>		<u>6,526,234</u>
Creditors: amounts falling due after more than one year	16		<u>(19,941)</u>		<u>(26,209)</u>
Net assets excluding pension liability			<u>6,798,561</u>		<u>6,500,025</u>
Defined benefit pension scheme liability	27		<u>(450,000)</u>		<u>(3,408,000)</u>
Total net assets			<u>6,348,561</u>		<u>3,092,025</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	17	5,738,218		5,840,667	
Restricted income fund	17	719,775		283,139	
Pension reserve	17	<u>(450,000)</u>		<u>(3,408,000)</u>	
Total restricted funds			<u>6,007,993</u>		<u>2,715,806</u>
Unrestricted income funds					
General fund	17	<u>340,568</u>		<u>376,219</u>	
Total unrestricted funds			<u>340,568</u>		<u>376,219</u>
Total funds			<u>6,348,561</u>		<u>3,092,025</u>

The financial statements on pages 20 to 38 were approved by the Trustees and authorised for issue on 14 December 2022 and are signed on their behalf by:



 Michael Thake
 [Trustee]

SHIRES MULTI ACADEMY TRUST**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	320,401	813,282
Cash flows from investing activities	22	2,702	(10,376)
Cash flows from financing activities	23	(6,268)	32,416
Change in cash and cash equivalents in the reporting period		<u>316,835</u>	<u>835,322</u>
Cash and cash equivalents at 1 September 2021		1,081,141	245,819
Cash and cash equivalents at 31 August 2022	24	<u>1,397,976</u>	<u>1,081,141</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

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

Income

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

- Grants

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

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

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

- Donations

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

- Other Income

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

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

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

- Transfer of Existing Academies into the Academy Trust

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

- Transfer on Conversion

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

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Accounting Policies (continued)

Expenditure

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

• Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold buildings	5 - 34 years
Long leasehold land	125 years
Long leasehold buildings	50 years
Furniture	10 years
Fixtures, ICT and equipment	3 - 4 years
Motor vehicles	5 years

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

Liabilities

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

Leased Assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Accounting Policies (continued)

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

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

Critical Accounting Estimates and Areas of Judgement

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

Critical Accounting Estimates and Assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying value of the pension liability.

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Total 2021/22 £	Total 2020/21 £
Surplus on joining (WAPS)	-	-	-	3,321,023
Transfer from local authority on conversion (FFS)	-	-	-	179,157
Capital grants	-	78,759	78,759	30,704
Donated fixed assets	-	6,553	6,553	21,350
Other donations	-	9,955	9,955	7,796
	-	95,267	95,267	3,560,030

3. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2021/22 £	Total 2020/21 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	6,415,767	6,415,767	5,693,662
Pupil Premium	-	236,487	236,487	156,911
UIFSM income	-	86,879	86,879	94,161
Teachers pay and pension grants	-	6,941	6,941	301,286
Trust Capacity grants	-	-	-	99,400
Emergency School Improvement funding	-	85,120	85,120	-
Others	-	271,192	271,192	52,433
	-	7,102,386	7,102,386	6,397,853
Other Government grants				
Local authority grants	-	289,525	289,525	298,924
Special education projects	-	-	-	11,995
	-	289,525	289,525	310,919
Other income from the Academy Trust's educational operations	-	116,052	116,052	69,856
Covid-19 Additional Funding (DfE/ESFA)				
Catch up premium	-	-	-	102,880
Other DfE/ESFA Covid-19 funding	-	24,579	24,579	-
Covid-19 Additional Funding (non-DfE/ESFA)				
Coronavirus Job Retention Scheme grant	-	-	-	6,891
Mass testing funding	-	10,180	10,180	31,390
Other Covid-19 funding	-	-	-	1,400
	-	7,542,722	7,542,722	6,921,189

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

4. Teaching School Hub Income

	Unrestricted Funds £	Restricted Funds £	Total 2021/22 £	Total 2020/21 £
Teaching school grants	-	-	-	34,800
Schools Direct income	-	41,316	41,316	69,006
	-	41,316	41,316	103,806

5. Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2021/22 £	Total 2020/21 £
Hire of facilities	3,055	-	3,055	2,280
Catering income	230,995	-	230,995	189,657
Insurance claims	-	1,512	1,512	4,890
School trips and social events	-	181,964	181,964	175,051
Teaching support	-	-	-	57,390
Miscellaneous income	-	21,111	21,111	-
	234,050	204,587	438,637	429,268

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2021/22 £	Total 2020/21 £
Bank interest received	148	-	148	93

7. Expenditure

	Staff Costs £	Non Pay Expenditure Premises Other £ £		Total 2021/22 £	Total 2020/21 £
Academy's educational operations:					
Direct costs	5,308,603	-	423,928	5,732,531	5,293,604
Allocated support costs	1,276,896	435,622	756,326	2,468,844	2,596,418
Teaching school hub:					
Direct costs	45,287	-	-	45,287	96,402
Allocated support costs	-	-	4,892	4,892	11,223
	<u>6,630,786</u>	<u>435,622</u>	<u>1,185,146</u>	<u>8,251,554</u>	<u>7,997,647</u>

Net income/(expenditure) for the period includes:

	2021/22 £	2020/21 £
Operating lease rentals	41,792	28,256
Depreciation	188,721	193,894
Loss on disposal of fixed assets	-	3,958
Fees payable to auditor for:		
audit	11,520	10,990
assurance services other than audit	1,415	2,180
other services	<u>19,681</u>	<u>14,916</u>

8. Charitable Activities

	2021/22 £	2020/21 £
Direct costs - educational operations	5,732,531	5,293,604
Direct costs - teaching school hub	45,287	96,402
Support costs - educational operations	2,468,844	2,596,418
Support costs - teaching school hub	4,892	11,223
	<u>8,251,554</u>	<u>7,997,647</u>

Analysis of support costs

	Teaching school £	Educational operations £	Total 2021/22 £	Total 2020/21 £
Support staff costs	-	1,276,896	1,276,896	1,401,131
Depreciation	-	188,721	188,721	193,894
Loss on disposal of tangible fixed assets	-	-	-	3,958
Premises costs	-	290,057	290,057	309,564
Capital maintenance projects	-	7,274	7,274	7,991
Legal costs - legal opinion and MAT conversion	-	5,287	5,287	33,165
Other support costs	4,892	642,620	647,512	579,213
Governance costs	-	57,989	57,989	78,725
	<u>4,892</u>	<u>2,468,844</u>	<u>2,473,736</u>	<u>2,607,641</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Staff

a. Staff costs

Staff costs during the period were:	2021/22 £	2020/21 £
Wages and salaries	4,631,093	4,462,149
Social security costs	442,270	410,361
Pension costs	<u>1,491,828</u>	<u>1,555,392</u>
	6,565,191	6,427,902
Agency staff costs	65,595	53,756
Staff restructuring costs - severance payments	-	8,959
	<u>6,630,786</u>	<u>6,490,617</u>

b. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £nil (2021: £8,959). Individually, there was 1 payment in the prior year of £8,959.

c. Staff numbers

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

	2021/22 No.	2020/21 No.
Teachers	74	76
Administration and support	111	102
Management	<u>6</u>	<u>6</u>
	<u>191</u>	<u>184</u>

d. Higher paid staff

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

	2021/22 No.	2020/21 No.
£60,001- £70,000	2	2
£80,001- £90,000	1	1
£100,001- £110,000	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 2. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £598,185 (2021: £574,476).

10. Central Services

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

The actual amounts charged during the year were as follows:

	2021/22 £	2020/21 £
Studley High School	127,059	87,000
Webheath Academy Primary School	62,313	49,500
Feckenham CE Primary School	<u>16,718</u>	<u>13,500</u>
	<u>206,090</u>	<u>150,000</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Related Party Transactions - Trustees' Remuneration and Expenses

One Trustee has been paid remuneration or has received other benefits from employment with the Academy Trust. The CEO only receives remuneration in respect of services provided undertaking the role of CEO under a contract of employment. The value of Trustees' remuneration and other benefits during Trusteeship was as follows:

L Gray (CEO and Trustee):	Remuneration £105,000 - £110,000 (2021: £105,000 - £110,000)
	Employer's pension contributions paid £20,000 - £25,000 (2021: £20,000 - £25,000)

During the period ended 31 August 2022, travel and subsistence expenses totalling £374 were reimbursed or paid directly to 1 Trustee (2021: £32 to 1 Trustee).

The number of directors to whom retirement benefits in defined benefit plans accrued during the year was 1 (2021: 1).

Other related party transactions involving the Trustees are set out in note 28.

12. Trustees' and Officers' Insurance

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

13. Tangible Fixed Assets

	Long-term leasehold property £	Freehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2021	4,255,927	4,029,507	509,599	294,269	13,750	9,103,052
Additions	47,500	-	7,695	27,563	-	82,758
Disposals	-	-	-	-	-	-
At 31 August 2022	4,303,427	4,029,507	517,294	321,832	13,750	9,185,810
Depreciation						
At 1 September 2021	482,951	2,085,307	477,280	211,540	13,750	3,270,828
Charged in year	74,089	64,202	10,123	40,307	-	188,721
Disposals	-	-	-	-	-	-
At 31 August 2022	557,040	2,149,509	487,403	251,847	13,750	3,459,549
Net book values						
At 1 September 2021	3,772,976	1,944,200	32,319	82,729	-	5,832,224
At 31 August 2022	3,746,387	1,879,998	29,891	69,985	-	5,726,261

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

- the acquisition of an extension to classroom capacity, canopy and related building works amounting to £47,500.

14. Debtors

	2022 £	2021 £
Trade debtors	5,578	6,008
VAT recoverable	69,299	22,243
Other debtors	-	2,367
Prepayments and accrued income	207,866	88,212
	282,743	118,830

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Creditors: Amounts Falling due within One Year

	2022 £	2021 £
Trade creditors	159,698	166,789
Loans	6,207	6,207
Other creditors	113,329	110,896
Accruals and deferred income	309,244	222,069
	<u>588,478</u>	<u>505,961</u>
Deferred income at 1 September 2021	147,346	28,081
Released from previous years	(147,346)	(28,081)
Resources deferred in the year	66,095	147,346
Deferred income at 31 August 2022	<u>66,095</u>	<u>147,346</u>

At the balance sheet date, the Academy Trust was holding funds received in advance for Universal Infant Free School Meals (UIFSM) for the subsequent accounting period and advances from parents for subsequent year school activities. Deferred income brought forward represented pupil premium funding, PE grants and UIFSM, all of which have now been fully released.

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

	2022 £	2021 £
Loans	<u>19,941</u>	<u>26,209</u>

Included within loans is a CIF Improvement Fund (CIF) loan of £50,000 repayable in monthly instalments over a 10 year period to August 2027 with an applicable interest rate of 2.55%. The aggregate amount of instalments falling due for repayment after more than 5 years is £nil (2021: £5,000).

Also included within loans is a Salix loan of £7,244 repayable in six-monthly instalments over a 6 year period to March 2023 with an applicable interest rate of nil%. The total carrying amount is £1,207 of which £1,207 falls due within one year (2021: £1,207) and £nil falls due after more than one year (2021: £1,209).

17. Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	270,831	6,415,767	(6,005,387)	(4,946)	676,265
Pupil Premium	-	236,487	(236,487)	-	-
UIFSM income	-	86,879	(86,879)	-	-
Teachers pay and pension grants	-	6,941	(6,941)	-	-
Emergency School Improvement funding	-	85,120	(85,120)	-	-
Mass testing funding	-	10,180	(10,180)	-	-
Other Covid-19 funding	-	24,579	(24,579)	-	-
Other grants	-	560,717	(560,717)	-	-
Pension reserve	(3,408,000)	-	(432,000)	3,390,000	(450,000)
Teaching school	-	41,316	(50,179)	8,863	-
School fund	12,308	181,964	(147,474)	(3,288)	43,510
Other trading activities	-	148,630	(148,630)	-	-
	<u>(3,124,861)</u>	<u>7,798,580</u>	<u>(7,794,573)</u>	<u>3,390,629</u>	<u>269,775</u>
Restricted fixed asset funds					
Transfer on conversion	5,474,816	-	(137,582)	-	5,337,234
DfE Group capital grants	337,078	78,759	(48,973)	-	366,864
Capital expenditure from GAG	-	-	(172)	8,234	8,062
Donated fixed assets	28,773	6,553	(9,268)	-	26,058
	<u>5,840,667</u>	<u>85,312</u>	<u>(195,995)</u>	<u>8,234</u>	<u>5,738,218</u>
Total restricted funds	<u>2,715,806</u>	<u>7,883,892</u>	<u>(7,990,568)</u>	<u>3,398,863</u>	<u>6,007,993</u>
Total unrestricted funds	<u>376,219</u>	<u>234,198</u>	<u>(260,986)</u>	<u>(8,863)</u>	<u>340,568</u>
Total funds	<u>3,092,025</u>	<u>8,118,090</u>	<u>(8,251,554)</u>	<u>3,390,000</u>	<u>6,348,561</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Funds (continued)

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

The General Annual Grant (GAG) has been provided by the DfE in order to fund the normal running costs of the Academy Trust. During the period, the Academy Trust's GAG income exceeded GAG expenditure. Under the Funding Agreement with the Secretary of State, the Academy Trust is not subject to GAG carried forward limits.

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

Studley High School's grant-funded Teaching School project has ended. However, income continues to arise from leading an alliance that provides school to school support, professional development opportunities, promotes excellence among leadership and builds capacity for high potential schools to obtain their own teaching school designation. Income has been fully utilised during the period. The transfer from unrestricted reserves above covers excess expenditure over income on applicable training activities.

Other grants include special needs, Covid-19 support, rates relief, emergency school improvement and UIFSM. The income received was fully expensed during the year.

School fund incorporates income and expenditure earmarked for school trips and social events. The balance carried forward includes advance receipts for future events and ringfenced items for disbursement in the subsequent accounting period. Monies owed to or from school fund and main budget are recorded within the above transfers. The total amount carried forward of £43,510 arises in respect of £38,927 for Studley, £2,400 for Webheath and £2,183 for Feckenham.

The restricted Pension reserve represents the cumulative deficits on each Academy Trust's share of their respective Local Government Pension Schemes as at 31 August 2022.

Restricted fixed asset funds carried forward represent the unamortised cost of the Academy Trust's fixed assets, some of which were acquired by donation or on conversion/transfer. In addition, unspent capital grants carried forward were £11,957 in respect of Feckenham. Webheath's excess spend on fixed assets over capital funding amounting to £8,234 has been transferred from GAG.

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

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

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

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

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Funds (continued)

Total Funds Analysis by Academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Studley High School	468,252	258,117
Webheath Academy Primary School	483,192	293,955
Feckenham CE Primary School	38,073	27,059
MAT Central Services	70,826	80,227
Total before fixed assets and pension reserve	1,060,343	659,358
Restricted fixed asset fund	5,738,218	5,840,667
Pension reserve	(450,000)	(3,408,000)
Total	6,348,561	3,092,025

Total Cost Analysis by Academy

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

	Teaching & Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding depreciation) £	Total 2021/22 £	Total 2020/21 £
Studley High School	3,418,497	927,935	245,476	571,569	5,163,477	4,953,125
Webheath Academy Primary School	1,368,460	277,682	118,210	264,599	2,028,951	2,158,340
Feckenham CE Primary School	390,317	46,338	58,343	69,561	564,559	518,907
MAT Central Services	176,616	24,941	1,533	102,755	305,845	169,423
Academy Trust total	5,353,890	1,276,896	423,562	1,008,484	8,062,832	7,799,795

18. Analysis of Net Assets between Funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	5,726,261	5,726,261
Current assets	340,568	1,328,194	11,957	1,680,719
Current liabilities	-	(588,478)	-	(588,478)
Non-current liabilities	-	(19,941)	-	(19,941)
Pension scheme liability	-	(450,000)	-	(450,000)
Total net assets	340,568	269,775	5,738,218	6,348,561

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

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

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Capital Commitments

	2022 £	2021 £
Contracted for, but not provided in the financial statements	<u>230,255</u>	<u>-</u>

The amounts contracted for relate to works on a building extension, roof replacement and new fire doors.

20. Long-term Commitments Including Operating Leases

a. Operating Leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	39,228	15,228
Amounts due between one and five years	<u>26,229</u>	<u>15,911</u>
	<u>65,457</u>	<u>31,139</u>

b. Other Contractual Commitments

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

	2022 £	2021 £
Amounts due within one year	13,126	24,439
Amounts due between one and five years	<u>2,473</u>	<u>11,942</u>
	<u>15,599</u>	<u>36,381</u>

There are no pension commitments other than to settle the final month's payroll pension contributions in the subsequent month amounting to £110,317 (2021: £108,620).

21. Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities

	2021/22 £	2020/21 £
Net income/(expenditure) for the year (as per the statement of financial activities)	(133,464)	3,016,739
Adjusted for:		
Depreciation (note 13)	188,721	193,894
Loss on disposal of fixed assets	-	3,958
Capital grants from DfE and other capital income (note 2)	(85,312)	(52,054)
Interest receivable (note 6)	(148)	(93)
Defined benefit pension scheme cost less contributions payable (note 27)	371,000	250,000
Defined benefit pension scheme finance cost (note 27)	61,000	52,000
Defined benefit pension scheme obligation inherited on conversion/transfer (note 27)	-	238,000
(Increase)/Decrease in debtors	(163,913)	13,157
Increase in creditors	82,517	298,149
Funds brought in on joining the Trust	-	(3,200,468)
Net cash provided by operating activities	<u>320,401</u>	<u>813,282</u>

22. Cash Flows from Investing Activities

	2021/22 £	2020/21 £
Interest receivable	148	93
Purchase of tangible fixed assets	(82,758)	(62,523)
Capital grants from DfE Group	78,759	30,704
Capital funding received from sponsors and others	<u>6,553</u>	<u>21,350</u>
Net cash provided by/(used in) investing activities	<u>2,702</u>	<u>(10,376)</u>

23. Cash Flows from Financing Activities

	2021/22 £	2020/21 £
Repayments of borrowing	(6,268)	(6,207)
Cash inflows from new borrowing	-	38,623
Net cash (used in)/provided by financing activities	<u>(6,268)</u>	<u>32,416</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Analysis of Cash and Cash Equivalents

	2022 £	2021 £
Cash in hand and at bank	1,397,976	1,081,141
Total cash and cash equivalents	1,397,976	1,081,141

25. Analysis of Changes in Net Debt

	At 1 September 2021 £	Cash flows	At 31 August 2022 £
Cash	1,081,141	316,835	1,397,976
Loans falling due within one year	(6,207)	-	(6,207)
Loans falling due after more than one year	(26,209)	6,268	(19,941)
Total	1,048,725	323,103	1,371,828

26. 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.

27. Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £110,317 were payable to the schemes at 31 August 2022 (2021: £108,620) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £739,995 (2021: £715,425).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. Pension and Similar Obligations (continued)

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

This LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £238,000 (2021: £226,000), of which employer's contributions totalled £190,000 (2021: £180,000) and employees' contributions totalled £48,000 (2021: £46,000). The agreed contribution rates for future years are 23.3% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions

	2022	2021
Rate of increase in salaries	4.0%	3.7%
Rate of increase for pensions in payment / inflation assumption (CPI)	3.2%	2.9%
Discount rate for scheme liabilities	4.25%	1.65%
Commutation of pensions to lump sums	50%	50%

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

	2022	2021
Retiring today		
Males	21.6	21.8
Females	24.1	24.2
Retiring in 20 years		
Males	22.7	23.0
Females	25.9	26.1

Sensitivity analysis

	2022 £'000	2021 £'000
Real discount rate -0.1%	85	127
Salary increase rate +0.1%	8	12
Pension increase rate (CPI) +0.1%	78	113
Mortality assumption 1 year increase	167	247

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

	2022 £'000	2021 £'000
Equities	2,330	2,406
Bonds	1,049	931
Property	427	427
Cash	78	116
Total market value of assets	3,884	3,880

The actual return on scheme assets was a deficit of £166,000 (2021: return of £756,000).

Amount recognised in the Statement of Financial Activities

	2021/22 £'000	2020/21 £'000
Current service cost	(464)	(362)
Interest income	65	52
Interest cost	(106)	(88)
Total amount recognised in the SOFA	(505)	(398)

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. Pension and Similar Obligations (continued)

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

	2021/22 £'000	2020/21 £'000
At 1 September 2021	6,186	4,986
Current service cost	464	362
Interest cost	106	88
Employee contributions	48	46
Actuarial (gain)/loss	(2,552)	760
Benefits paid	(68)	(56)
At 31 August 2022	4,184	6,186

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

	2021/22 £'000	2020/21 £'000
At 1 September 2021	3,880	2,954
Interest income	65	52
Actuarial (loss)/gain	(231)	704
Employer contributions	190	180
Employee contributions	48	46
Benefits paid	(68)	(56)
At 31 August 2022	3,884	3,880

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

This LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £143,000 (2021: £157,000), of which employer's contributions totalled £118,000 (2021: £130,000) and employees' contributions totalled £25,000 (2021: £27,000). The agreed contribution rates for future years are 19.3% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions

	2022	2021
Rate of increase in salaries	4.3%	4.3%
Rate of increase for pensions in payment / inflation	2.9%	2.9%
Discount rate for scheme liabilities	4.3%	1.7%
Inflation assumption (CPI)	2.8%	2.8%

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

	2022	2021
Retiring today		
Males	22.6	22.7
Females	25.0	25.1
Retiring in 20 years		
Males	24.1	24.4
Females	27.0	27.1

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. Pension and Similar Obligations (continued)

Sensitivity analysis

	2022 £'000	2021 £'000
Real discount rate -0.1%	35	57
Salary increase rate +0.1%	3	5
Pension increase rate +0.1%	35	57
Mortality assumption 1 year increase	29	73

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

	2022 £'000	2021 £'000
Equities	957	1,044
Other bonds	35	1
Property	108	55
Cash and other liquid assets	23	31
Other	180	123
Total market value of assets	1,303	1,254

The actual return on scheme assets was a deficit of £29,000 (2021: return of £180,000).

Amount recognised in the Statement of Financial Activities

	2021/22 £'000	2020/21 £'000
Current service cost	(215)	(198)
Interest income	22	18
Interest cost	(40)	(32)
Administration expenses	(2)	(2)
Total amount recognised in the SOFA	(235)	(214)

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

	2021/22 £'000	2020/21 £'000
At 1 September	2,356	1,378
Conversion of academy trusts	-	411
Current service cost	215	198
Interest cost	40	32
Employee contributions	25	27
Actuarial (gain)/loss	(1,119)	271
Benefits/transfers paid	(64)	39
At 31 August	1,453	2,356

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

	2021/22 £'000	2020/21 £'000
At 1 September	1,254	707
Conversion of academy trusts	-	173
Interest income	22	18
Actuarial (loss)/gain	(50)	162
Employer contributions	118	130
Employee contributions	25	27
Benefits/transfers paid	(64)	39
Administration expenses	(2)	(2)
At 31 August	1,303	1,254

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Trustee M Worrall is a director of Kaai Ltd. During the year, Kaai Ltd provided architectural services to the Trust in relation to property development. An amount of £5,000 plus VAT was incurred and paid, representing an "at no more than cost" basis. The transaction was notified to ESFA and carried out in accordance with relevant Handbook requirements, financial regulations and procurement policies. M Worrall was not part of the Trust Board's decision-making process in this respect to demonstrate impartiality. The Board made their selection on the best value for money basis. No outstanding balance, securities or guarantees existed at the balance sheet date.

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

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