

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

SHIRES MULTI ACADEMY TRUST

ANNUAL REPORTS AND FINANCIAL STATEMENTS

31 AUGUST 2024

Presented by:

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SHIRES MULTI ACADEMY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT

REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Thake
S Molloy
J Kerridge
M Hickin
The Worcester Diocesan Academies Trust (corporate member)
(whose Directors are M Gorick, M Hunter and D Valentine)

Trustees

L Gray
E Shelley
M Thake
I Dixon
A Pasquette
M Worrall
J Breakwell
H Dunnico (appointed 22 May 2024)
G Mellor (appointed 1 September 2024)
K Reilly (appointed 4 September 2024)
F Parkinson (resigned 25 September 2023)

Company Secretary

N Purslow

Senior Management Team

Chief Executive Officer

L Gray

Headteachers:

Studley High School
Webheath Academy Primary School
Feckenham CE Primary School
Ridgeway Secondary School
Astwood Bank Primary School
(joined MAT 1 September 2023)
North Bromsgrove High School
(joined MAT 1 December 2023)

R Eost
J Burton
J Little
M Ball
D Yarnold
N Gibson

Finance and Business Managers

Chief Financial Officer

K Sanders

Chief Operations Officer

K Anthony

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Company Name	Shires Multi Academy Trust
Principal and Registered Office	1366 Evesham Road Astwood Bank Redditch Worcestershire B96 6BD
Company Registration Number	7610791 (England and Wales)
Independent Auditor	Mills Pyatt Audit Limited 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 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Shires MAT operates 6 school, having grown by 2 schools (1500 pupils) since the last report; Studley High School (11-16 comprehensive), Ridgeway Secondary School (10-16 comprehensive until September 2023 then 11-16), North Bromsgrove High School (13-18 comprehensive with sixth form), Webheath Academy Primary School (3-11 primary school with nursery care), Feckenham CE Primary School (4-11) and Astwood Bank Primary School (4-11).

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 MAT 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 throughout the year, except as noted, are included in the Reference and Administrative Details.

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 is a member of the school sector's risk protection arrangement (RPA), protecting Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The RPA provides unlimited cover on any one claim.

Method of Recruitment and Appointment or Election of Governors and Trustees

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

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

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

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

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

Organisational Structure

The Charitable Trust is constituted as a Multi Academy Trust, which has a multi academies Trust Board of Directors (the Trust Board) and at each school within the Trust, a local governing committee (LGC). As at 31 August 2024 there were 6 schools (3 secondary and 3 primary) within the Charitable Trust.

The schools are as follows:

Name	Ofsted	Date joined	Type
Studley High School	Grade 1	01/09/2020	Secondary
Webheath Academy Primary School	Grade 2	01/09/2020	Primary
Feckenham CE Primary School	Grade 2	01/09/2020	Primary
Ridgeway Secondary School	Grade 4	01/09/2022	Secondary
Astwood Bank Primary School	Grade 2	01/09/2023	Primary
North Bromsgrove High School	Grade 2	01/12/2023	High/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, COO and CFO) along with a central shared resource. The Trust central service implements the policies agreed by the Trustees and LGCs, 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.

Educational Standards Group

This is a group consisting of HTs and Executive that supports in providing all educational quality and outcomes information through to Trustees via CEO reports and presentations. As the Trust grows it is envisaged this group will become a Trustee committee separate from the workforce.

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 and CEO.

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 CEO 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.

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Trade Union Facility Time

The Trust has 4 members of staff who represent unions. The following summarises only those instances where facility time has been spent at the Trust's expense during the year on representation duties:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.59

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Cost of internal facility time	£423
Total pay bill	£15,030,608
Percentage of the total pay bill spent on internal facility time	0.003%

Paid trade union activities

Time spent on paid trade union activities as a % of total paid facility time hours	0%
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In addition, an agreement has been entered into with the Warwickshire Partnership to provide facilities arrangements to the Academy.

Cost of external facility time	£2,296
Total pay bill	£15,030,608
Percentage of the total pay bill spent on external facility time	0.02%

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 all schools under its management.

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, Electric Vehicle Scheme, 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.

All Trust HR policies have 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, together with employment opportunities, training and development. This is reflected in all Trust policies, including: Annual Equality Statement, Bullying and Harassment Policy, Equalities Policy, Recruitment and Selection Policy.

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

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

'Growing together, guided through nurture, equity, service and wisdom'



- **Nurture**- Feeling valued by others for who you are so you can build up personal confidences and step into challenges.
- **Equity**- Understanding that no-one is born successful, but we are all capable of flourishing as individuals at any age, given the right opportunities, support and challenge, within an inclusive environment.
- **Service**- Helping others and being a positive member of society and your community bringing its own innate rewards.
- **Wisdom**- Acquiring knowledge and skills to thrive academically and personally, leading to fulfilment.

Shires MAT offers excellent educational experiences, guiding with purpose, so everyone can flourish and make the most of the opportunities collaboration brings.

This will be achieved by ensuring high quality leadership across the Trust

We use a compass to symbolise this guided journey. The word compass comes from the Latin phrases Com and Passus meaning 'together' and 'walk/pace'. Through our Trust values of **Nurture**, **Equity**, **Service** and **Wisdom**, everyone has opportunities to develop interests and passions within a safe environment, in a direction they choose. Our Shires MAT logo incorporates an Oak tree as a symbol of longevity and resilience, connecting the past to what we all do now and our plans for the future. Shires MAT is a community where we all understand the high standards we set for ourselves and how we can demonstrate our Trust values.

Each school within the Trust understands this vision and works closely with the MAT to ensure the values, experiences and high expectations permeate their culture. Each school has taken time to understand its connection with the past and how this inspires and shapes the current provision within and beyond classrooms. As a result of this connectedness within and between schools in the Shires MAT pupils experience a breadth of opportunities to develop skills and knowledge.

We are committed to ensuring that pupils, staff, parents and wider society benefit from the collective provision within the MAT, beyond what might normally be provided by one school.

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.
- North Bromsgrove High School, Bromsgrove, Worcestershire providing Secondary and Sixth Form education for 13-18 yrs.
- Webheath Academy Primary School, Redditch, Worcestershire providing Primary education 3-11 yrs with attached nursery provision.
- Feckenham CE Primary School, Feckenham, Worcestershire providing Primary education 4-11 yrs within a Church of England school setting.
- Astwood Bank Primary School, Astwood Bank, Worcestershire providing Primary education for 4-11 yrs.

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 2023-24 are as follows:

Shires' Primary Schools

KS 2 Year 6 Outcomes

	RWM	HSRW M	R	HSR	W	GDW	M	HSM	S	G	HSG	M	R	G
Worcs LA	57	6	72	26	70	11	70	19	80	69	26	103	105	104
National All	61	8	74	28	72	13	73	24	81	72	32	104	105	105
DA	45	3	62	18	58	6	59	13	69	59	20	101	103	102
SEN ALL	21	1	41	10	30	3	37	7	46	34	9	98	99	98
WAPS (56)	57	2	70	25	73	7	70	7	82	61	18	101	104	102
DA (7%)	50	0	50	25	75	0	50	0	75	75	0	98	103	101
SEN ALL (14%)	13	0	38	25	13	0	38	0	38	38	13	96	97	94
FPS (15 pupils)	53	0	80	20	60	0	53	0	67	53	7	99	105	102
DA (20%)	33	0	100	0	67	0	33	0	67	33	0	95	106	102
SEN ALL (47%)	14	0	57	13	14	0	14	0	29	29	0	95	100	97
ABPS (57)	71	18	84	38	82	18	79	27	89	72	35	106	106	105
DA	36	0	40	4	40	4	40	0	40	40	4	97	106	100
SEN ALL	40	0	46	4	55	0	46	0	46	46	4	100	99	98

Outcomes for Primary schools show a mixed performance across schools. Strengths in reading and science are evident this year but outcomes with improvements to writing and SPAG overall.

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Secondary Schools

GCSE outcomes for pupils at SHS have matched the strongest ever progress scores for pupils (achieved in 2023). Outcomes for all key groups were very good or excellent in almost every area. The outcomes for this cohort are very pleasing. Outcomes at RSS showed considerable improvements in attainment and progress across almost all subjects. Outcomes at RSS demonstrate excellent performance overall and set the basis for further improvements. Outcomes at NBHS were lower than the previous year with outcomes broadly aligned to national performance. Sustained improvements will be a priority for the coming year.

	SHS	NBHS	RSS
Groups			
All	+0.50	-0.47	+0.46
Girls	+0.060	-0.28	+0.28
Boys	+0.50	-0.65	+0.51
Disadvantaged	+0.34	-0.97	-0.28
SEND	0	-0.55	+0.1
Maths	+0.60	-0.31	+0.62
English	+0.20	-0.54	+0.46

SHS has maintained another excellent year and our assessment that RSS would see significant improvement this year has borne true.

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 2,960 across all MAT schools, an increase from the prior year number of 1,718. 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 67% of total resources expended, a reduction from the 73% measure of the previous year. The reduction is in part influenced by the significant estates improvement expenditure incurred during 2023/24.

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. However, the impact of these factors may be settling through the next year, impacting positively on financial stability and strategic planning.

Attendance

MAT attendance overall across 2023-24 was excellent. All schools maintained good to excellent attendance and low rates of persistent absence. RSS, SHS, FPS, WAPS and ABPS all sit in the top 20% of schools for either attendance or low PA rates. NBHS also maintained strong attendance which is more challenging with a yr 9-13 cohort.

Going Concern

The Board of Trustees has considered carefully the Trust's level of reserves at 31 August 2024 and its results for the period then ended. Based on budgets and forecasts prepared by the Trust's management team 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.

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FINANCIAL REVIEW

Most of the Academy Trust'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 Trust 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 Trust.

During the accounting period, recurrent grant funding from DfE and other incoming resources of £25,710,451 was more than the total expenditure of £22,658,671. The excess of income over expenditure for the period, before pension adjustments, was £3,051,780.

Income includes exceptional items amounting to £3,414,094 relating to the transfers of two schools into the MAT. One of the joining entities is a PFI school, which the Trust has assumed responsibility for until the normal expiry date of the contract of 10 March 2038. During the year, exceptional PFI items include an expense of £1,239,806 and income from the local authority of £762,000 to mitigate short-term deficits as a consequence of managing the PFI obligation. Significant expenditure in the region of £1.4m has been spent on major infrastructure projects, funded in part by CIF grants and loans. Such projects have included replacement boilers, roofs and windows.

The Trust held fund balances at 31 August 2024 of £15,292,712, comprising £13,460,532 restricted fixed asset funds, £1,404,478 restricted general funds, £427,702 unrestricted general funds and a pension reserve deficit of £nil. The Trustees consider that reserve levels held are appropriate and shall be utilised in their intended purpose, the precise timing of which has not been determined.

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The Trust's share of the Scheme's assets in the LGPS on the FRS102 accounting basis at the balance sheet date is assessed to be £1,271,000 higher than its liabilities in the Scheme. However, the formal 31 March 2022 Actuarial Valuation placed no significant asset surplus, no material prepayment or plan to refund any surplus, and no reduction in future contribution rates. Furthermore, the Scheme remains open to new employees, refunds from the LGPS are considered extremely unlikely and in reality any recorded LGPS asset in the balance sheet is not realistically recoverable. Consequently, the Trust has concluded that it is prudent to reduce the accounting basis surplus to £nil in the balance sheet by equalising the value of liabilities with the value of assets assessed in the FRS102 valuation.

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. Earmarked reserves and their intended future disbursement proposals are set out in the Plans for Future Periods section of this Report.

Investment Policy

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

SHIRES MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Principal Risks and Uncertainties

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

The principal risks relate to the following:

- Controlling staff costs, as they are 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 increases 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 4% of total income whilst maintaining the progress of student outcomes, continuing to grow and undertaking special projects.
- 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 schools are fully subscribed and seeking approval to raise PAN where numbers are over subscribed.
- Managing the improvements and development of RSS to ensure a financially viable school within the next 18 months.
- Ensuring the Trust's estate is safe, well maintained and complies with relevant regulations, through regular reviews, condition surveys, compliance monitoring, forming a long-term estates plan and submitting CIF bids.

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 2,879,037 (2023: 1,510,524) kWh of energy, comprising 1,064,021 (2023: 454,718) kWh of electricity, 1,793,988 (2023: 1,045,675) kWh of gas/oil and 21,028 (2023: 10,131) kWh in respect of transport mileage. 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 educational offering to 10 schools in the next year.
- Develop capacity within the Trust Shared Service ahead of taking on new schools, so it can provide support at the earliest opportunity.
- Continue to refine and develop its due diligence process to ensure a full understanding of risks that potential new schools bring.
- Develop strategic and operational plans to support the development of provision in schools and high quality estates as the trust grows past 10 schools and 4000 pupils.
- Earmark current reserves for the following purposes: Short term North Bromsgrove deficit as well as its PFI obligations, estates condition improvements and strategic growth plans.

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 10 December 2024 and signed on the Board's behalf by:



Michael Thake
[Trustee]

10 December 2024

SHIRES MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

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

Governance

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

Trustee		Meetings attended	Out of a possible
L Gray	Member appointed	8	8
E Shelley	Member appointed	8	8
M Thake	Chair, The Diocese of Worcestershire Academy Trust appointed	8	8
I Dixon	The Diocese of Worcestershire Academy Trust appointed	7	8
F Parkinson	Member appointed (resigned 25 September 2023)	0	1
A Pasquette	Member appointed	5	8
M Worrall	Member appointed	7	8
J Breakwell	Co-opted	8	8
H Dunnico	Member appointed	2	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 SRMSAC 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		4	4
J Breakwell		3	4

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

		Meetings attended	Out of a possible	
I Dixon	(Chair)	Trustee member	5	5
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, as well as estates safety and management, 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.
- Shires Multi Academy Trust is comprised of six schools. Each school is responsible for meeting safety, maintenance and compliance requirements in line with Trust policy and process overseen by the Chief Operations Officer. The Trust employs Worknest as our external H&S and compliance auditors and competent persons. Each school is subject to annual audit and action points arising from each audit are addressed at each school with oversight from the COO. Each school follows the Trusts' Health & Safety Policy and handbook. Each school uses the Good Estates Management compliance tracker for monitoring compliance and the Trust has developed an estates vision and strategy.

At present each school has a condition survey completed by the government's CDC2 programme. In addition all schools have had an in depth condition survey conducted by Barker Associates who are extremely reputable in education estates. This excludes North Bromsgrove as it is a PFI school. These condition surveys have formed the basis for a ten year estates plan and will replace the current estates plan held by the Trust. Each school follows the Trust's finance policy in regard to ensuring value for money, and consults with the CFO / COO when looking at estates / building works. The COO has oversight and responsibility for large capital projects across the Trust.

We had a successful round of CIF bids in the academic year with four projects including boilers at two schools, a roof and a window replacement which means our move to SCA in 24/25 will allow us to bring our most high level issues down within 24 months.

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 2023 to 31 August 2024 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 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

SHIRES MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework

The Academy Trust's system of internal 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 related party identification and transactions, GAG income, terms of engagement with external service providers, probity and GAG income. Twice per year, 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.

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.

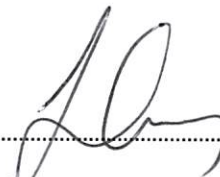
Conclusion

Based on the advice of the Audit and Risk Committee and the Accounting Officer, the Board of Trustees is of the opinion that the Academy Trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the Board of Trustees on 10 December 2024 and signed on its behalf by:



Michael Thake
[Trustee]



Lee Gray
[Accounting Officer]

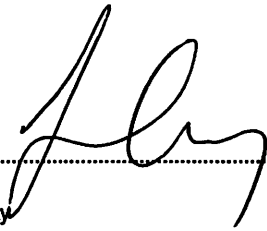
SHIRES MULTI ACADEMY TRUST

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, including for estates safety and management, under the funding agreement 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 2023, including responsibilities for estates safety and management.

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 2023.

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]

10 December 2024

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 2023 to 2024;
- 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 of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 10 December 2024 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 2024 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 2023 to 2024 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 2024, 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 2023 to 2024 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 16, 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.



David Parkes (Senior Statutory Auditor)
for and on behalf of Mills Pyatt Audit Limited
Chartered Accountants and Statutory Auditor
Redditch
Worcestershire
B98 8LG
10 December 2024

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 2023 to 2024, 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 2023 to 31 August 2024 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 as subsequently Supplemented) and the Academy Trust Handbook, extant from 1 September 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 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 large or unusual entries and made further enquiries into any such items where relevant including obtaining supporting documentation;
- Performing an evaluation of the general control environment of the Trust;

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 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mills Pyatt Audit Ltd

David Parkes (Reporting Accountant)
Mills Pyatt Audit Limited
Chartered Accountants and Statutory Auditor
Redditch
Worcestershire
B98 8LG
10 December 2024

SHIRES MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2024

(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2023/24 £	Total 2022/23 £
Income and endowments from:						
Donations and capital grants:						
Surplus on joining	2, 28	248,315	(287,001)	3,340,921	3,302,235	4,807,461
Transfer from local authority on conversion	2, 29	-	54,031	57,828	111,859	-
Other donations and capital grants	2	-	10,555	983,362	993,917	519,185
Other trading activities	4	23,657	920,651	-	944,308	723,615
Investments	5	43,749	-	-	43,749	247
Charitable activities:						
Funding for the Academy Trust's educational operations	3	-	20,314,383	-	20,314,383	11,163,598
Total		315,721	21,012,619	4,382,111	25,710,451	17,214,106
Expenditure on:						
Charitable activities:						
Academy Trust educational operations	7	(2,173)	(22,189,499)	(466,999)	(22,658,671)	(11,969,735)
Total		(2,173)	(22,189,499)	(466,999)	(22,658,671)	(11,969,735)
Net income / (expenditure)		313,548	(1,176,880)	3,915,112	3,051,780	5,244,371
Transfers between funds	16	(267,058)	1,085,807	(818,749)	-	-
Other recognised gains / (losses):						
Actuarial gains on defined benefit pension schemes	16, 26	-	55,000	-	55,000	593,000
Net movement in funds		46,490	(36,073)	3,096,363	3,106,780	5,837,371
Reconciliation of funds:						
Total funds brought forward	16	381,212	1,440,551	10,364,169	12,185,932	6,348,561
Total funds carried forward	16	427,702	1,404,478	13,460,532	15,292,712	12,185,932

SHIRES MULTI ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2024

Company Number: 7610791

	Note	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	12		13,324,701		10,297,373
Current assets					
Debtors	13	2,207,065		421,107	
Cash at bank and in hand		<u>5,043,676</u>		<u>2,502,908</u>	
		7,250,741		2,924,015	
Liabilities					
Creditors: amounts falling due within one year	14	<u>(4,686,508)</u>		<u>(964,527)</u>	
Net current assets			<u>2,564,233</u>		<u>1,959,488</u>
Total assets less current liabilities			<u>15,888,934</u>		<u>12,256,861</u>
Creditors: amounts falling due after more than one year	15		<u>(596,222)</u>		<u>(70,929)</u>
Net assets excluding pension liability			<u>15,292,712</u>		<u>12,185,932</u>
Defined benefit pension scheme liability	26		<u>-</u>		<u>-</u>
Total net assets			<u>15,292,712</u>		<u>12,185,932</u>
Funds of the Academy Trust:					
Restricted funds					
Fixed asset fund	16	13,460,532		10,364,169	
Restricted income fund	16	1,404,478		1,440,551	
Pension reserve	16	<u>-</u>		<u>-</u>	
Total restricted funds			<u>14,865,010</u>		<u>11,804,720</u>
Unrestricted income funds					
General fund	16	<u>427,702</u>		<u>381,212</u>	
Total unrestricted funds			<u>427,702</u>		<u>381,212</u>
Total funds			<u>15,292,712</u>		<u>12,185,932</u>

The financial statements on pages 21 to 41 were approved by the Trustees and authorised for issue on 10 December 2024 and are signed on their behalf by:

Michael Thake
[Trustee]

SHIRES MULTI ACADEMY TRUST**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,135,262	1,048,184
Cash flows from investing activities	21	880,213	(706)
Cash flows from financing activities	22	525,293	57,454
Change in cash and cash equivalents in the reporting period		2,540,768	1,104,932
Cash and cash equivalents at 1 September 2023		2,502,908	1,397,976
Cash and cash equivalents at 31 August 2024	23	5,043,676	2,502,908

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 (Charities SORP (FRS 102)), the Academies Accounts Direction 2023 to 2024 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.

• Interest and Short Term Cash Deposits

Surplus cash is placed on term deposit, valued at the cash transfer amount, with associated interest earnings and bank credit interest recognised as it is received.

• 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 is 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 Grant Income 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.

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 services costs are allocated on the basis of pupil number proportionality.

• 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
Property improvements	5 - 25 years
Furniture	10 years
Fixtures, fittings, ICT and equipment	3 - 5 years
Motor vehicles	5 years

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

Liabilities

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

Leased Assets

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

Financial Instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Accounting Policies (continued)

Taxation

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

Pensions Benefits

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

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

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

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

Fund Accounting

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

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

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

Critical Accounting Estimates and Areas of Judgement

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

Critical Accounting Estimates and Assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. 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 2023/24 £	Total 2022/23 £
Surplus on joining (ABPS) (22/23: RSS) (note 28)	248,315	3,053,920	3,302,235	4,807,461
Transfer from local authority on conversion (NBHS)	-	111,859	111,859	-
Devolved capital grants (DFC)	-	81,042	81,042	126,924
Condition improvement fund (CIF)	-	889,167	889,167	196,883
Section 106 grant funding	-	-	-	17,624
Local authority capital funding	-	-	-	84,500
Donated fixed assets	-	13,153	13,153	88,718
Other donations	-	10,555	10,555	4,536
	248,315	4,159,696	4,408,011	5,326,646

3. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2023/24 £	Total 2022/23 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	15,731,571	15,731,571	9,121,096
Pupil Premium	-	502,079	502,079	305,346
16 to 19 funding	-	763,787	763,787	-
UIFSM income	-	180,076	180,076	83,567
Teachers pay and pension grants	-	405,820	405,820	3,987
Trust Capacity grants	-	-	-	151,980
Emergency School Improvement funding (RSS)	-	-	-	150,000
Mainstream schools additional grant MSAG	-	451,658	451,658	133,928
Schools supplementary grant	-	-	-	265,661
New sponsor deficit funding (NBHS)	-	762,000	762,000	150,000
Start up grant	-	151,650	151,650	-
Environmental improvement grant	-	-	-	80,000
PE & sport premium	-	57,380	57,380	51,660
Rates relief	-	84,444	84,444	42,182
Others	-	16,805	16,805	47,922
	-	19,107,270	19,107,270	10,587,329
Other Government grants				
SEN income	-	577,665	577,665	236,441
Nursery provision funding	-	136,100	136,100	118,238
Other local authority grants	-	254,422	254,422	42,378
	-	968,187	968,187	397,057
Other income from the Academy Trust's educational operations: wrap around care and nursery	-	129,313	129,313	113,608
Covid-19 Additional Funding (DfE/ESFA)				
Other DfE/ESFA Covid-19 funding	-	109,613	109,613	65,604
	-	20,314,383	20,314,383	11,163,598

The Academy Trust received final tranches of funding for Covid recovery premium, all of which were disbursed during the period.

4. Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2023/24 £	Total 2022/23 £
Hire of facilities	23,657	-	23,657	3,733
Catering income	-	336,130	336,130	270,736
Insurance claims	-	10,645	10,645	6,336
School trips and social events	-	352,042	352,042	249,761
Teaching alliance income	-	50,875	50,875	60,125
Music tuition income	-	41,190	41,190	32,740
Pupil travel recoveries	-	-	-	32,325
DofE income	-	71,283	71,283	27,915
Miscellaneous income	-	58,486	58,486	39,944
	23,657	920,651	944,308	723,615

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2023/24 £	Total 2022/23 £
Bank interest received	43,749	-	43,749	247

6. Expenditure

	Staff Costs £	Non Pay Expenditure Premises Other £ £		Total 2023/24 £	Total 2022/23 £
Academy's educational operations:					
Direct costs	13,212,043	-	1,247,867	14,459,910	8,135,493
Allocated support costs	2,045,968	2,952,899	3,199,894	8,198,761	3,834,242
	<u>15,258,011</u>	<u>2,952,899</u>	<u>4,447,761</u>	<u>22,658,671</u>	<u>11,969,735</u>

Net Income/(expenditure) for the period includes:

	2023/24 £	2022/23 £
Operating lease rentals	158,735	64,054
Depreciation	466,999	405,635
Fees payable to auditor for: audit	16,900	14,600
assurance services other than audit	1,810	980
other services	<u>39,020</u>	<u>20,460</u>

7. Charitable Activities

	2023/24 £	2022/23 £
Direct costs - educational operations	14,459,910	8,135,493
Support costs - educational operations	<u>8,198,761</u>	<u>3,834,242</u>
	<u>22,658,671</u>	<u>11,969,735</u>

Analysis of support costs - Educational operations

	Total 2023/24 £	Total 2022/23 £
Support staff costs	2,045,968	1,371,486
Depreciation	466,999	405,635
Premises costs	2,603,461	723,268
Capital maintenance projects	-	166,690
Legal costs - legal opinion and transfers/conversions into the Trust	30,776	5,287
Other support costs	2,804,919	1,051,786
Governance costs	<u>246,638</u>	<u>110,090</u>
	<u>8,198,761</u>	<u>3,834,242</u>

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Staff

a. Staff costs and employee benefits

Staff costs during the period were:	2023/24 £	2022/23 £
Wages and salaries	11,258,043	6,374,366
Social security costs	1,143,330	615,739
Pension costs	2,561,148	1,514,866
Other employee benefits	68,087	-
	<u>15,030,608</u>	<u>8,504,971</u>
Agency staff costs	227,403	152,477
Staff restructuring costs - severance payments	-	42,104
	<u>15,258,011</u>	<u>8,699,552</u>

b. Special staff severance payments

Included in staff restructuring costs are special severance payments amounting to £nil (2023: £42,104).

c. Staff numbers

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

	2023/24 No.	2022/23 No.
Teachers	178	97
Administration and support	208	128
Management	7	5
	<u>393</u>	<u>230</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:

	2023/24 No.	2022/23 No.
£60,001- £70,000	7	1
£70,001- £80,000	2	2
£80,001- £90,000	2	-
£90,001- £100,000	-	1
£100,001- £110,000	1	-
£110,001- £120,000	-	1
£120,001- £130,000	1	-
	<u>13</u>	<u>5</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 £806,308 (2023: £580,948).

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Central Services

During the year, the Academy Trust provided central services to its constituent academies. Services include software, professional services, ICT provision and HR. The top-slice method for central services is used and is reasonably assessed at 4% of GAG.

The actual amounts charged during the year were as follows:

	2023/24 £	2022/23 £
Studley High School	198,898	185,484
Webheath Academy Primary School	72,947	70,284
Feckenham CE Primary School	24,008	21,149
Ridgeway Secondary School	83,789	87,919
Astwood Bank Primary School	71,890	-
North Bromsgrove High School	179,981	-
	<u>631,513</u>	<u>364,836</u>

10. 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 £125,000 - £130,000 (2023: £115,000 - £120,000)
	Employer's pension contributions paid £30,000 - £35,000 (2023: £25,000 - £30,000)

During the period ended 31 August 2024, travel and subsistence expenses totalling £482 were reimbursed or paid directly to 1 Trustee (2023: £592 to 1 Trustee).

The number of directors to whom retirement benefits in defined benefit plans accrued during the year was 1 (2023: 1).

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

11. Trustees' and Officers' Insurance

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

12. Tangible Fixed Assets

	Long-term leasehold property £	Freehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost						
At 1 September 2023	10,328,414	4,119,285	844,597	485,416	36,950	15,814,662
Additions	-	-	72,262	74,636	-	146,898
Transfers on joining	3,935,536	-	7,440	82,384	-	4,025,360
At 31 August 2024	<u>14,263,950</u>	<u>4,119,285</u>	<u>924,299</u>	<u>642,436</u>	<u>36,950</u>	<u>19,986,920</u>
Depreciation						
At 1 September 2023	2,257,331	2,213,712	644,243	384,386	17,617	5,517,289
Charged in year	277,755	71,683	56,523	56,398	4,640	466,999
Transfers on joining	619,436	-	7,440	51,055	-	677,931
At 31 August 2024	<u>3,154,522</u>	<u>2,285,395</u>	<u>708,206</u>	<u>491,839</u>	<u>22,257</u>	<u>6,662,219</u>
Net book values						
At 1 September 2023	8,071,083	1,905,573	200,354	101,030	19,333	10,297,373
At 31 August 2024	<u>11,109,428</u>	<u>1,833,890</u>	<u>216,093</u>	<u>150,597</u>	<u>14,693</u>	<u>13,324,701</u>

The Academy Trust's transactions relating to land and buildings included the acquisition of the leasehold land and property, together with building improvements, of Astwood Bank Primary School on its transfer into the MAT on 1 September 2023. Astwood Bank Primary School's lease is dated 1 October 2013 and has a term of 125 years.

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Debtors

	2024 £	2023 £
Trade debtors	6,333	123,602
VAT recoverable	544,795	69,583
Other debtors	-	1,147
Prepayments and accrued income	1,655,937	226,775
	<u>2,207,065</u>	<u>421,107</u>

14. Creditors: Amounts Falling Due Within One Year

	2024 £	2023 £
Trade creditors	2,448,784	276,308
Loans	12,673	12,673
Other creditors - payroll pension contributions	340,099	148,774
Accruals and deferred income	1,884,952	526,772
	<u>4,686,508</u>	<u>964,527</u>
Deferred income at 1 September 2023	65,390	65,390
Released from previous years	(65,390)	(65,390)
Resources deferred in the year	699,904	65,390
Deferred income at 31 August 2024	<u>699,904</u>	<u>65,390</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, CIF grant funding for release against maintenance projects completing during 2024/25, and advances from parents for subsequent year school trips and activities including DofE and music. Deferred income brought forward, being that of UIFSM, trips and activities, has all been fully released during the year.

15. Creditors: Amounts Falling Due After More Than One Year

	2024 £	2023 £
Loans	<u>596,222</u>	<u>70,929</u>

Loans brought forward incorporate Condition Improvement Fund (CIF) loans for roofing and improvement works which were typically 10 years in duration, incur interest at rates ranging from 2% to 5.37%, with the final repayment anticipated to be in September 2033.

New CIF loans of £532,258 have been recognised during the year in respect of major infrastructure works on replacement boilers and roofing refurbishments. The implicit interest rate is 5.36%, the loans have durations of up to 10 years starting from the one year anniversary following completion of each project, and are expected to be repayable on a monthly basis until Summer 2035.

The aggregate amount of instalments falling due for repayment after more than 5 years is £291,989 (2023: £29,424).

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2024 £
Restricted general funds					
General Annual Grant (GAG)	1,431,672	15,731,571	(16,939,178)	1,090,701	1,314,766
Pupil Premium	-	502,079	(502,079)	-	-
16 to 19 funding	-	763,787	(763,787)	-	-
UIFSM income	-	180,076	(180,076)	-	-
Teachers pay and pension grants	-	405,820	(405,820)	-	-
Mainstream schools additional grant (MSAG)	-	451,658	(451,658)	-	-
New sponsor deficit funding (NBHS)	-	762,000	(762,000)	-	-
Start up grant	-	151,650	(151,650)	-	-
PE & sport premium	-	57,380	(57,380)	-	-
Other Covid-19 funding	-	109,613	(109,613)	-	-
SEN income	-	577,665	(577,665)	-	-
Nursery provision funding	-	136,100	(136,100)	-	-
Rates relief	-	84,444	(84,444)	-	-
Other DfE family grants	-	16,805	(16,805)	-	-
Other local authority grants	-	254,422	(254,422)	-	-
Pension reserve	-	(170,000)	115,000	55,000	-
School fund	8,879	493,073	(407,346)	(4,894)	89,712
Teaching alliance income	-	50,875	(50,875)	-	-
Music tuition income	-	41,190	(41,190)	-	-
DofE income	-	71,283	(71,283)	-	-
Wrap around care and nursery	-	129,313	(129,313)	-	-
Catering	-	336,130	(336,130)	-	-
Other trading activities	-	79,686	(79,686)	-	-
Transfers on joining the Trust	-	(204,001)	204,001	-	-
	1,440,551	21,012,619	(22,189,499)	1,140,807	1,404,478
Restricted fixed asset funds					
Transfer on conversion	9,461,044	3,398,749	(350,954)	-	12,508,839
DfE Group capital grants	428,914	970,209	(46,317)	(908,095)	444,711
Local authority grants	148,380	-	(8,344)	-	140,036
Capital expenditure from GAG	222,195	-	(37,833)	89,346	273,708
Donated fixed assets	103,636	13,153	(23,551)	-	93,238
	10,364,169	4,382,111	(466,999)	(818,749)	13,460,532
Total restricted funds	11,804,720	25,394,730	(22,656,498)	322,058	14,865,010
Total unrestricted funds	381,212	315,721	(2,173)	(267,058)	427,702
Total funds	12,185,932	25,710,451	(22,658,671)	55,000	15,292,712

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. 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.

Various other grant and income sources are listed above. The income received was fully expensed during the year except where eligible unspent resources are carried forward to meet outgoings of the subsequent accounting period.

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. The transfer recorded above of £4,894 relates to the transfer of a net historic school fund surplus to the main GAG fund.

The restricted Pension reserve represents the combined surplus/deficit on the Trust's share of their respective Local Government Pension Schemes as at 31 August 2024.

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Funds (continued)

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. Unspent capital grants carried forward were £77,889 in respect of Devolved Formula Capital and £57,942 in respect of CIF, which are expected to be utilised in the subsequent financial period. The £89,346 transfer recorded above represents GAG funds spent on capital expenditure items. The £908,095 transfer above represents capital funding received that has been spent on significant estates projects which for accounting purposes are treated as revenue items.

Unrestricted funds derive from cumulative unencumbered surplus income from the hire of Trust facilities to third parties, interest receivable and surpluses on joining. No conditions are placed on how unrestricted funds carried forward can be utilised. The £267,058 transfer recorded above relates to the utilisation of certain unrestricted fund surpluses to mitigate restricted GAG deficits that have arisen primarily from spending on major estates maintenance projects.

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 2022	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2023
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	676,265	9,121,096	(8,140,215)	(225,474)	1,431,672
Pupil Premium	-	305,346	(305,346)	-	-
UIFSM income	-	83,567	(83,567)	-	-
Teachers pay and pension grants	-	3,987	(3,987)	-	-
Trust Capacity grants	-	151,980	(151,980)	-	-
Emergency School Improvement funding (RSS)	-	150,000	(150,000)	-	-
Mainstream schools additional grant (MSAG)	-	133,928	(133,928)	-	-
Schools supplementary grant	-	265,661	(265,661)	-	-
New sponsor grant (NBHS)	-	150,000	(150,000)	-	-
Environmental improvement grant	-	80,000	(80,000)	-	-
PE & sport premium	-	51,660	(51,660)	-	-
Other Covid-19 funding	-	65,604	(65,604)	-	-
SEN income	-	236,441	(236,441)	-	-
Nursery provision funding	-	118,238	(118,238)	-	-
Rates relief	-	42,182	(42,182)	-	-
Other DfE family grants	-	47,922	(47,922)	-	-
Other local authority grants	-	42,378	(42,378)	-	-
Pension reserve	(450,000)	(26,000)	(117,000)	593,000	-
School fund	43,510	249,761	(276,717)	(7,675)	8,879
Teaching alliance income	-	60,125	(60,125)	-	-
Music tuition income	-	32,740	(32,740)	-	-
Pupil travel recoveries	-	32,325	(32,325)	-	-
DofE income	-	27,915	(27,915)	-	-
Wrap around care and nursery	-	113,608	(113,608)	-	-
Other trading activities	-	50,816	(50,816)	-	-
Transfer on conversion - school fund	-	211,335	(211,335)	-	-
	269,775	11,802,615	(10,991,690)	359,851	1,440,551
Restricted fixed asset funds					
Transfer on conversion	5,337,234	4,461,142	(337,332)	-	9,461,044
DfE Group capital grants	366,864	323,807	(214,257)	(47,500)	428,914
Local authority grants	-	102,124	(1,244)	47,500	148,380
Capital expenditure from GAG	8,062	-	(8,352)	222,485	222,195
Donated fixed assets	26,058	88,718	(11,140)	-	103,636
	5,738,218	4,975,791	(572,325)	222,485	10,364,169
Total restricted funds	6,007,993	16,778,406	(11,564,015)	582,336	11,804,720
Total unrestricted funds	340,568	435,700	(405,720)	10,664	381,212
Total funds	6,348,561	17,214,106	(11,969,735)	593,000	12,185,932

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Funds (continued)

Total Funds Analysis by Academy

Fund balances at 31 August 2024 were allocated as follows:

	2024 £	2023 £
Studley High School	60,627	665,338
Webheath Academy Primary School	476,322	500,596
Feckenham CE Primary School	(77,930)	29,911
Ridgeway Secondary School	269,202	368,158
Astwood Bank Primary School	124,186	-
North Bromsgrove High School	66,446	-
MAT Central Services	913,327	257,760
Total before fixed assets and pension reserve	1,832,180	1,821,763
Restricted fixed asset fund	13,460,532	10,364,169
Pension reserve	-	-
Total	15,292,712	12,185,932

Feckenham CE Primary School is carrying a net deficit of £77,930 on these funds due to necessary reserves contributions of £57,510 towards replacement windows and £65,080 towards a new boiler. In mitigation, a surplus budget has been set for the next 10 years.

Excluding the £596,896 net expenditure incurred on major estates project works, the carried forward funds in each component of the Trust on a normalised operational basis would have been:

	2024 £	2023 £
Studley High School	534,933	665,338
Webheath Academy Primary School	476,322	500,596
Feckenham CE Primary School	44,660	29,911
Ridgeway Secondary School	269,202	368,158
Astwood Bank Primary School	124,186	-
North Bromsgrove High School	66,446	-
MAT Central Services	913,327	257,760
Total before fixed assets and pension reserve	2,429,076	1,821,763

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 2023/24 £	Total 2022/23 £
Studley High School	4,021,164	569,127	405,544	1,917,964	6,913,799	5,473,057
Webheath Academy Primary School	1,645,888	168,189	142,346	325,589	2,282,012	2,162,677
Feckenham CE Primary School	481,615	74,438	38,443	403,264	997,760	623,016
Ridgeway Secondary School	1,747,047	230,273	197,997	757,303	2,932,620	2,656,024
Astwood Bank Primary School	1,542,968	219,845	56,842	309,832	2,129,487	-
North Bromsgrove High School	3,507,528	519,478	304,099	1,695,851	6,026,956	-
MAT Central Services	265,833	264,618	43,324	335,263	909,038	482,636
Academy Trust total	13,212,043	2,045,968	1,188,595	5,745,066	22,191,672	11,397,410

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Analysis of Net Assets between Funds

Fund balances at 31 August 2024 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	13,324,701	13,324,701
Current assets	427,702	6,687,208	135,831	7,250,741
Current liabilities	-	(4,686,508)	-	(4,686,508)
Non-current liabilities	-	(596,222)	-	(596,222)
Total net assets	427,702	1,404,478	13,460,532	15,292,712

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	-	-	10,297,373	10,297,373
Current assets	381,212	2,476,007	66,796	2,924,015
Current liabilities	-	(964,527)	-	(964,527)
Non-current liabilities	-	(70,929)	-	(70,929)
Total net assets	381,212	1,440,551	10,364,169	12,185,932

18. Contingent Liabilities

North Bromsgrove High School is a PFI converter that joined the MAT on 1 December 2023. The Trust has an obligation under the PFI agreement to disburse restricted funds to Worcestershire County Council on an annual basis until 10 March 2038, which is the normal expiry date of the original project agreement between the Council and the private sector contractor.

19. Long-term Commitments Including Operating Leases

a. Operating Leases

At 31 August 2024 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2024 £	2023 £
Amounts due within one year	140,471	38,033
Amounts due between one and five years	174,396	2,974
Amounts due after five years	3,557	-
	318,424	41,007

b. Other Contractual Commitments

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

	2024 £	2023 £
Amounts due within one year	506,744	25,191
Amounts due between one and five years	248,333	60,460
	755,077	85,651

There are no pension commitments other than to settle the final month's payroll pension contributions in the subsequent month amounting to £339,678 (2023: £148,646).

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	2023/24	2022/23
	£	£
Net income/(expenditure) for the year (as per the statement of financial activities)	3,051,780	5,244,371
Adjusted for:		
Depreciation (note 12)	466,999	405,632
Capital grants from DfE and other capital income (note 2)	(983,362)	(514,649)
Interest receivable (note 5)	(43,749)	(247)
Defined benefit pension scheme cost less contributions payable (note 26)	(73,000)	97,000
Defined benefit pension scheme finance cost (note 26)	(42,000)	20,000
Defined benefit pension scheme obligation inherited on conversion/transfer (note 26)	170,000	26,000
Increase in debtors	(1,785,958)	(138,364)
Increase in creditors	3,721,981	369,583
Funds brought in on joining the Trust	(3,347,429)	(4,461,142)
Net cash provided by operating activities	1,135,262	1,048,184

21. Cash Flows from Investing Activities

	2023/24	2022/23
	£	£
Interest receivable	43,749	247
Purchase of tangible fixed assets	(146,898)	(515,602)
Capital grants from DfE Group	970,209	323,807
Capital funding received from sponsors and others	13,153	190,842
Net cash provided by/(used in) investing activities	880,213	(706)

22. Cash Flows from Financing Activities

	2023/24	2022/23
	£	£
Repayments of borrowing	(6,965)	(7,972)
Cash inflows from new borrowing	532,258	58,848
Borrowing brought in on joining the Trust	-	6,578
Net cash provided by financing activities	525,293	57,454

23. Analysis of Cash and Cash Equivalents

	2024	2023
	£	£
Cash in hand and at bank	5,043,676	2,502,908
Total cash and cash equivalents	5,043,676	2,502,908

24. Analysis of Changes in Net Debt

	At 1 September 2023	Cash flows	At 31 August 2024
	£		£
Cash	2,502,908	2,540,768	5,043,676
Loans falling due within one year	(12,673)	-	(12,673)
Loans falling due after more than one year	(70,929)	(525,293)	(596,222)
Total	2,419,306	2,015,475	4,434,781

25. Members Liability

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

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Pension and Similar Obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warwickshire County Council and Worcestershire County Council depending on the geographical 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 2020 and of the LGPS 31 March 2022.

Contributions amounting to £339,678 were payable to the schemes at 31 August 2023 (2023: £148,646) 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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the period amounted to £2,033,000 (2023: £1,025,000).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Academy Trust has taken advantage of the exemption in FRS 102 and 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.

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 2024 was £268,000 (2023: £246,000), of which employer's contributions totalled £208,000 (2023: £194,000) and employees' contributions totalled £60,000 (2023: £52,000). The agreed contribution rates for future years are 21.2% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

	2024	2023
Rate of increase in salaries	3.65%	4.0%
Rate of increase for pensions in payment / inflation assumption (CPI)	2.65%	3.0%
Discount rate for scheme liabilities	5%	5.2%
Commutation of pensions to lump sums	65%	65%

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Pension and Similar Obligations (continued)

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

	2024	2023
Retiring today		
Males	20.7	20.7
Females	24.3	24.3
Retiring in 20 years		
Males	20.7	20.8
Females	25.3	25.4

Sensitivity analysis

	2024 £'000	2023 £'000
Real discount rate -0.1%	74	67
Salary increase rate +0.1%	3	5
Pension increase rate (CPI) +0.1%	72	63
Mortality assumption 1 year increase	163	148

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

	2024 £'000	2023 £'000
Equities	2,263	2,369
Bonds	1,385	1,021
Property	924	653
Cash	46	41
Total market value of assets	4,618	4,084

The actual return on scheme assets was £362,000 (2023: deficit of £38,000).

Amount recognised in the Statement of Financial Activities

	2023/24 £'000	2022/23 £'000
Current service cost	(214)	(251)
Interest income	217	168
Interest cost	(197)	(182)
Total amount recognised in the SOFA	(194)	(265)

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

	2023/24 £'000	2022/23 £'000
At 1 September 2023	4,084	4,184
Current service cost	214	251
Interest cost	197	182
Employee contributions	60	52
Actuarial loss/(gain)	159	(500)
Benefits paid	(96)	(85)
At 31 August 2024	4,618	4,084

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

	2023/24 £'000	2022/23 £'000
At 1 September 2023	4,084	3,884
Interest income	217	168
Actuarial gain/(loss)	145	(129)
Employer contributions	208	194
Employee contributions	60	52
Benefits paid	(96)	(85)
At 31 August 2024	4,618	4,084

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Pension and Similar Obligations (continued)

b) Local Government Pension Scheme - Worcestershire Pension Fund - Webheath, Feckenham, Ridgeway, Astwood Bank and North Bromsgrove

This LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. Comparative figures provided in this section relate to those of Webheath, Feckenham and Ridgeway combined, before Astwood Bank and North Bromsgrove joined the MAT, and are provided for information purposes. The total contribution made for the year ended 31 August 2024 was £555,000 (2023: £206,000), of which employer's contributions totalled £437,000 (2023: £159,000) and employees' contributions totalled £118,000 (2023: £47,000). The agreed contribution rates for future years are 20.5% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

	2024	2023
Rate of increase in salaries	4.15%	4.3%
Rate of increase for pensions in payment / inflation assumption (CPI)	2.65%	2.9%
Discount rate for scheme liabilities	5%	5.3%
Commutation of pensions to lump sums	75%	-

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

	2024	2023
Retiring today		
Males	21.2	21.5
Females	23.6	23.8
Retiring in 20 years		
Males	22.5	22.8
Females	25.4	25.6

Sensitivity analysis

	2024 £'000	2023 £'000
Real discount rate -0.1%	127	48
Salary increase rate +0.1%	5	6
Pension increase rate +0.1%	125	48
Mortality assumption 1 year increase	215	46

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

	2024 £'000	2023 £'000
Equities	4,089	1,940
Bonds	488	61
Property	1,465	217
Cash and other liquid assets	61	24
Other - infrastructure funds, stock options and private debt	-	408
Total market value of assets	6,103	2,650

The actual return on scheme assets was £655,000 (2023: £54,000).

Amount recognised in the Statement of Financial Activities

	2023/24 £'000	2022/23 £'000
Current service cost	(358)	(199)
Interest income	260	106
Interest cost	(238)	(109)
Administration expenses	-	(3)
Total amount recognised in the SOFA	(336)	(205)

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Pension and Similar Obligations (continued)

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

	2023/24 £'000	2022/23 £'000
At 1 September	2,650	1,453
Transfer in of academy trust	2,216	1,113
Current service cost	358	199
Interest cost	238	109
Employee contributions	118	47
Actuarial loss/(gain)	606	(233)
Benefits paid	(83)	(38)
At 31 August	6,103	2,650

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

	2023/24 £'000	2022/23 £'000
At 1 September	2,650	1,303
Transfer in of academy trust	2,326	1,087
Interest income	260	106
Actuarial gain/(loss)	395	(11)
Employer contributions	437	159
Employee contributions	118	47
Benefits paid	(83)	(38)
Administration expenses	-	(3)
At 31 August	6,103	2,650

c) Explanation on LGPS surplus not recognised

The Trust's share of the Scheme's assets in the LGPS on the FRS102 accounting basis at the balance sheet date is assessed to be £1,271,000 higher than its liabilities in the Scheme. However, the formal 31 March 2022 Actuarial Valuation placed no significant asset surplus, no material prepayment or plan to refund any surplus, and no reduction in future contribution rates. Furthermore, the Scheme remains open to new employees, refunds from the LGPS are considered extremely unlikely and in reality any recorded LGPS asset in the balance sheet is not realistically recoverable. Consequently, the Trust has concluded that it is prudent to reduce the accounting basis surplus to £nil in the balance sheet by equalising the value of liabilities with the value of assets assessed in the FRS102 valuation.

27. Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the 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.

Under the Government initiative Cycle to Work Salary Sacrifice Scheme, Trustee L Gray has the use of a bicycle to ride to work. Of the initial £3,307 cost, 10 further monthly hire instalments amounting to £2,756 are due for deduction from L Gray in the subsequent accounting period and are included within debtors. The amounts represent no more than cost.

The spouse of a Trustee is employed by the Academy in a support staff role. 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.

SHIRES MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. Transfer of Existing Academies into the Trust

Astwood Bank Primary School (company no. 8637890):

Acquisition effective 1 September 2023	Value reported by transferring Trust	Transfer in recognised
Tangible fixed assets		
Long-term leasehold property	3,316,100	3,316,100
Computer equipment	22,244	22,244
Current assets		
Debtors due within one year	84,651	84,651
Cash at bank and in hand	270,086	270,086
Liabilities		
Creditors due in less than one year	(307,846)	(307,846)
Pensions		
Pension scheme liabilities	(83,000)	(83,000)
Net assets	3,302,235	3,302,235
Unrestricted funds		
General funds		248,315
Restricted general funds		
General Annual Grant (GAG)	(204,001)	
Pension reserve	(83,000)	
		(287,001)
Restricted fixed asset funds		
Transferred on conversion	2,363,086	
Capital grants	977,835	
		3,340,921
Total funds		3,302,235

29. Conversion to an Academy Trust

On 1 December 2023 North Bromsgrove High School converted to Academy Trust status under the Academies Act 2010. All the operations, current assets and liabilities were transferred to Shires Multi Academy Trust from Worcestershire County Council for £nil consideration. As the converter was a PFI school, the land and property was not transferred as such assets remain privately owned.

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

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

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets - computer equipment	-	-	9,085	9,085
Current assets - unspent Devolved Formula Capital cash	-	-	48,743	48,743
Current assets - school fund cash	-	141,031	-	141,031
Pension scheme liability	-	(87,000)	-	(87,000)
Total net assets	-	54,031	57,828	111,859