

Company Registration No. 09422746 (England and Wales)

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Statement of trustees' responsibilities	14
Independent auditor's report on the financial statements	15 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities including income and expenditure account	20 - 21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements including accounting policies	24 - 46

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mrs C A Jones (Chair of board of trustees)
Mr M H Holmes (Resigned 19 September 2018)
Mr A N Chell (Chief Executive Officer) (Resigned 1 January 2019)
Mr C M Young
Mrs S J Berns
Rev K M Hammond (Appointed 1 September 2018)
Mrs C E Garside (Appointed 1 September 2018)
Mr O M Huppertz (Appointed 5 November 2018 and resigned 26 April 2019)
Mrs R L Lyne (Appointed 5 November 2018)

Members

Diocesan Church of England Central Education Trust

Senior management team

Headteacher (Resigned 31 August 2019) Mrs P Edwards
Headteacher (Appointed 01 September 2019) Mrs M Easthope
Headteacher Miss V Hulme
MAT Business Manager Mrs M Johnson
Chief Executive Office (Resigned 31 July 2019) Mr A Chell
Acting Headteacher Miss K Sweet
Accounting Officer (Appointed 01 September 2019) Mr M Highfield

Company registration number 09422746 (England and Wales)

Registered office St Lawrence CE Primary School
Lowfield Lane
Gnosall
Staffordshire
ST20 0ET

Academies operated

Gnosall St Lawrence CE Primary Academy
Haughton St Gile's CE (C) Primary Academy
Woodseaves C of E Primary Academy

Location

Staffordshire
Staffordshire
Staffordshire

Headteacher

Mrs P Edwards
Miss V Hulme
Mrs P Gallant

Independent auditor

Deans
Gibson House
Hurricane Court
Hurricane Close
Stafford
ST16 1GZ

Bankers

Santander
Bridle Road
Bootle
Merseyside
L30 4GB

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
REFERENCE AND ADMINISTRATIVE DETAILS**

Solicitors

Freeths Solicitors
Federation House
Station Road
Stoke-on-Trent
ST4 2SA

Other advisors

Entrust Support Services
Riverway Centre
Riverway
Stafford
Staffordshire
ST16 3TH

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 3 Primary Academies within Villages around Stafford. Its academies have a combined pupil capacity of 525 and had a roll of 464 in the school census on 4th October 2018.

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 charitable company is known as The Shire Learning Trust. The constituent academies of the trust are:

- Gnosall St Lawrence C.E. Primary Academy and Pre-School
- Haughton St Giles C.E. Primary Academy
- Woodseaves C.E. Primary Academy

The trustees of The Shire Learning Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

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.

Trustee's

For the boards of academy trust's to be effective, they need a variety of personalities, skills and experience to be able to pro-actively lead and challenge the operations of the academy trust. Below are brief biographies of the individual Trustees as of 31 August 2019.

Sandra Berns

Sandra is an experienced HR professional from the Public Sector. She now runs her own HR Consultancy business and uses this experience to provide challenge and support on aspects of staffing.

Claire Jones – Chair of Trustees

Claire is a qualified Teacher specialising in Special Educational Needs. Claire has been a Trustee since the Trust was formed in 2015. Her experience in the development of the Board as well her teaching experience means she gives effective challenge within educational matters.

Rachel Lyne

Rachel works as a lawyer for Browne Jacobson and specialises in the area of Health and Safety and has advised and represented clients in a number of high profile cases. This experience enables her to advise and challenge the board on legal matters as well as in there of health and safety.

Rev Kathryn Hammond

Kathryn is rector of the Staffordshire Group of Churches benefice which includes Gnosall and Woodseaves, she advises and challenges the trustees on matters to do with Christian distinctiveness.

Cathie Read

Cathie has worked as a school improvement officer for Entrust for over ten years and as a lead teacher in Maths. She uses this experience to provide challenge and support in school improvement and development. Prior to her role within Entrust she worked as a teacher in local schools for over 20 years.

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
TRUSTEES' REPORT (CONTINUED)
*FOR THE YEAR ENDED 31 AUGUST 2019***

Trustees' indemnities

As part of the overall insurance cover taken out with the DfE Risk Protection Arrangement the trust has taken out insurance relating to Governors' Indemnity. The limit of Indemnity cover is £10 million for any one loss in each membership year in this respect.

Method of recruitment and appointment or election of trustees

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association subject to Articles 48 and 49:

- The number of trustees shall be no fewer than 5, appointed under Article 50.
- Any trustees appointed in accordance with Article 51.

The term of office for any trustee is 4 years and providing the trustee remains eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

The Board and its Committees have the appropriate balance of skills and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively. The search for Board candidates is conducted, and appointments made, on merit, against objective criteria of skills required by the Company and with due regard for the benefits of diversity on the Board, including gender.

Policies and procedures adopted for the induction and training of trustees

The training and induction of trustees will depend on their existing experience. New trustees will be appointed according to the level of expertise which meets the requirements of the academy trust. Where necessary, training will be given on legal, financial and educational matters.

All trustees are encouraged to undertake personal training in addition to courses organised for all trustees, to ensure that they are up to date in their knowledge and able to carry out their roles effectively. Shared inset between all the schools in the trust include elements of trustee training and this is supported by external training providers. Trustees meet regularly both formally and informally with the Executive Headteacher and members of school staff and receive on a regular basis updated copies of policies and procedures and are encouraged to have an input into school self-evaluation and improvement planning.

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The board of trustees are responsible for the overall strategic direction of the academy trust. The trustees have a duty to act in the fulfilment of the academy trust objects. They set the strategic direction and determine the policies and procedures of the academy trust whilst holding each academy within the academy trust to account. The trustees will meet at least three times a year and local governing body committees will report to meetings of the board of trustees throughout the year.

Each academy within the academy trust is governed by an academy committee which is appointed by the board of trustees and elected by staff and parents in a manner similar to the board of trustees. The academy committee is responsible for determining the strategic direction of the academy in accordance with the overall strategic direction of the academy trust. The academy committee should engage with the local community, constructively challenge the leadership team of the academy and provide evaluative feedback and supporting evidence to the board of trustees on the impact and effectiveness of the collective and individuals aims, objectives, policies, targets and future plans.

The board of trustees and each academy committee do not exercise a managerial role. The leadership and management across the academy trust is delegated by the board of trustees to the Senior Leadership Team within each academy. The Senior Leadership Teams are responsible at an executive level for implementing the policies laid down by board of trustees and reporting back to them through various committees. This includes actions concerning the budget, staffing, and school improvement.

The Accounting Officer is responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to designated budget holders within the hierarchy of limits and in accordance with the approved Financial Regulations and Financial Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the key management personnel of the academy trust are subject to the 'school teachers pay and conditions document and guidance on school teachers pay and conditions'. The determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range.

Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Senior Leadership Team within each academy. Recommendations for pay increases are made by the Senior Leadership Team to the academy committee and their decision is validated by the board of trustees at the Autumn term meeting.

Trade union facility time

No Trade Union officials are employed at West Stafford Multi Academy Trust

Related parties and other connected charities and organisations

The members, board of trustees, academy committee members and the accounting officer all complete a pecuniary interest declaration on an annual basis. This declaration sets out any relationship with the academy trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential 'conflict of interest' if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared.

In respect of the current year, all transactions that have taken place with related parties and other connected charities and organisations are listed in note 23.

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

As a group of Church of England voluntary controlled primary schools, The Shire Learning Trust works to principles which firmly embed Christian values at the heart of all we plan and deliver for our children, staff and the wider community. Our vision for each of our schools is encapsulated in the four vision goals below:

- Personal development – to enable all children to be safe, confident, resilient and persevering in the face of life's challenges
- Curriculum design – to enable all children to be self-motivated, enthusiastic about learning so that they achieve the full extent of their potential
- Teaching and learning of the highest quality – to enable all children to be fully equipped for learning now and throughout their future, especially through the acquisition of high skill levels in Literacy and Numeracy
- Spiritual development – to enable all children to acquire strong moral compasses and an ability to reflect on their own spiritual journey

Objectives, strategies and activities

From 1 September 2018 – 31 August 2019 the objectives of The Shire Learning Trust were:

- Raising standards across the member schools
- To continue to develop policies and procedures across the academy trust
- To continue the development of MAT wide management communication and information systems
- To continue the implementation of moderation and assessment systems across the trust to quality assure and promote the sharing of best practice
- To promote teamwork within each academy and across the academy trust through a series of shared events
- To evaluate how efficiencies from collaborative procurement can be achieved across the trust
- To continue and further develop collaborative discussions with other Schools regarding joining TSLT
- To ensure outstanding governance which is effective at all levels and has evidenced positive impact on outcomes and the progress for all

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the academy trust objective and aims and in planning future activities for the period. The trustees consider that the academy trust can clearly demonstrate that its aims are to advance education for public benefit.

Strategic report

Achievements and performance

- New trustees have been appointed to the board to ensure that the board represents a broad and balanced skills base.
- Separate committees meet half termly and key issues are reported to the MAT Board in a timely manner.
- The SENCO provision has been considered and all Schools within the MAT enjoy effective provision.
- Attendance across the Academies continues to be above national average.
- Joint policies are now in place across the MAT for pay and appraisal, health & safety, Safeguarding, Reserves, Charging & Remissions, Disciplinary, Online Safety, Complaints, Harassment & Bullying, Time Off, Staff Expenses, Preventing Extremism, Trustee and Governor Expenses, Acceptable Use, School Improvement, Grievance, Social Media, Flexible Working, Capability and Staff Code of Conduct.
- Headteachers have been appointed at two of the academies within the trust.
- Pupil Premium children continue to be tracked and appropriate interventions put in place and this continues to be a focus of the action plan of each Academy.
- An advisor from the Schools Resource and Management Advisory Scheme has worked closely with the trust to review the Trust's finances and to make fiscal recommendations.

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

The board of trustees have monitored these KPIs over the course of the 2018/19 and are satisfied that they have been achieved in the majority of areas. Where they have not been met, the MAT Board have investigated the reasons and appropriate action is planned.

- Self-evaluation of each academy to be at least good in all areas.
- Pupil results to be above national.
- All schools to have a good or outstanding SIAMs inspection.
- Attendance to be over 96%.
- Schools to set balanced or surplus budgets
- Specific health & safety KPIs to be met
- External quality assurance endorses good or better self-evaluation

Going concern

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

Financial review

Income for the year was £2,569,021 of which £2,050,418 was provided by the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) by means of standard grants to cover operational and capital costs. This was supplemented by donations and Capital Grants and other trading activities including third party lettings and funds generated by extended school activities which totalled the remaining £518,603.

All expenditure supports the academy trust key objectives to deliver quality education to our pupils and community. Expenditure for the year was £2,678,383 with the largest element of this expenditure being attributed to staff costs totalling £2,109,920 for the year. The depreciation charge on assets of £62,118 has been included. Net expenditure for the year was £109,362.

The academy trust element of the Pension fund that forms part of the Local Government Pension Scheme was valued at 31 August 2019, showing a net deficit of 1,338,000.

As at 31 August 2019, the net book value of tangible fixed assets was £505,236 and the movements are shown in note 13 of the financial statements. The assets were used exclusively in providing education and the associated support services to the pupils across the academy trust.

The academy trust complies with the principles of financial control as outlined in the Academies Financial Handbook and the Accounts Direction. The financial procedures, Scheme of Delegation and Value for Money statement together with systems of financial control ensure that the academy trust conforms to the requirements of propriety, regularity and sound financial management.

The board of trustees are accountable for the allocation of resources to meet the objectives set out in the School Development Plan. The Accounting Officer together with the Finance Committee is responsible for reviewing the Financial Procedures on an annual basis and recommending approval to the main board of trustees. The intention is for individual academy budgets to be monitored on a monthly basis with reports and commentary on income and expenditure against budget provided to the Finance Committee on a twice termly basis and to the board of trustees on a termly basis.

Reserves policy

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the Education & Skills Funding Agency. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them to commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements, especially to buildings repair not covered by insurance. The board of trustees identify capital projects on an annual basis and reserves are reviewed alongside this exercise. The board of trustees will review the level of reserves and reserves policy annually.

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

As at 31 August 2019 the academy trust has free reserves of £338,088 with unrestricted funds of £294,833 and restricted funds of £43,255.

The Reserves Policy states that the general reserves are to be maintained at a level so that when added to any current reserves they are at least 3% of the gross income of the Schools. The level will be reviewed annually by the Board.

Unspent income and / or grants not specifically identified for any other purposes will be added to this reserve. Any in year deficits will be resourced from this fund as far as possible. If deficits result in the fund falling below the 3% threshold, additional resources will be set aside from next year's budget to restore it. In exceptional circumstances where the short fall is large, the LGB may propose to the Trust Board and Finance Committee that it is restored over more than one year.

Investment policy

Currently the Trust has no investments. The Academy Trust is in the process of creating a policy on investments by which the Board of Trustees will endeavour to adopt a low risk philosophy of funds but attract as high an interest return as possible.

Principal risks and uncertainties

The Academy Trust has compiled a Risk Register and Risk Management Policy which addresses the principle risks and uncertainties facing the Academy Trust. The MAT board acknowledge the need to maintain a reserves fund to mitigate any financial risk and to ensure the stability of the academy trust as a whole and that of the constituent academies.

A review of the principal risks highlights the financial risk involved in the reliance on Government funding and the limited influence of the academy trust on the level and future of this funding.

The deficit on the Local Government Pension Scheme of £1,338,000 presents a concern. However, Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. This guarantee came into force on 18 July 2013.

The Trust has compiled a Risk Register and Risk Management Policy which addresses the principle risks and uncertainties facing the Trust.

Fundraising

The Board of Trustees take responsibility for their duties in fundraising and adopt the following principles:

- Planning effectively
- Supervision of fundraisers
- Protecting our reputation, money and other assets
- Identifying and ensuring compliance with the laws and regulations
- Identifying and following recognised standards
- Being open and accountable

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

- The Shire Learning Trust will continue to develop and strengthen the Academy Trust and its constituent Academies throughout the year ahead through greater collaboration and engagement with school improvement partners.
- The Academy Trust will continue to drive forward the performance of all of its Academies in the priority areas of teaching and learning in English, Maths, SPAG and the Early Years and resources will be allocated accordingly. Pupil Premium will continue to be used effectively to make progress in closing the achievement gap with greater focus on higher achieving pupils. This will be implemented through the establishment of internal moderation, coaching and evaluation teams.
- The Trust will continue to develop the provision for pupils with Special Educational Needs to raise the attainment and progress of this group.
- To establish the long-term financial security and sustainability of the MAT, opportunities will be explored to grow with other Schools looking to join a MAT or larger Multi Academy Trusts.
- Recommendations from the SRMA will be implemented to ensure the financial stability of the Trust and the efficient and effective use of resources.

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.

A resolution proposing that Deans be reappointed as auditor of the charitable company will be put to the members.

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

.....
Mrs C A Jones
Chair of board of trustees

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The board of trustees delegated the day-to-day responsibility to the Chief Executive Officer from November 2017, who adopted the role of accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Shire Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
Mrs C A Jones (Chair of board of trustees)	7	7
Mr M H Holmes (Resigned 19 September 2018)	0	0
Mr A N Chell (Chief Executive Officer) (Resigned 1 January 2019)	2	2
Mr C M Young	5	7
Mrs S J Berns	7	7
Rev K M Hammond (Appointed 1 September 2018)	4	7
Mrs C E Garside (Appointed 1 September 2018)	4	5
Mr O M Huppertz (Appointed 5 November 2018 and resigned 26 April 2019)	4	5
Mrs R L Lyne (Appointed 5 November 2018)	5	6

During the financial year to 31st August 2019 there were a number of changes to the board. Andy Chell resigned from the board on advice from the Department for Education to provide greater clarity of roles and to avoid conflicts of interest in holding the CEO to account. Martin Holmes resigned to focus on his work within trade unions and Oliver Huppertz resigned due to time constraints. Several new appointments were made to the board ensuring that the board is comprised of skilled individuals who are able to hold the CEO and leaders of the trust to account.

A main focus for the previous financial year was to establish a board of trustees with relevant skills, now that positions have been filled it is the intention of the board to carry out a review of governance of the trust early in the 2019-2020 year. The CEO, as a National Leader of Governance was instrumental in setting up the now established governance structure.

Reviews of governance within the three member schools were carried out by the CEO and action plans drawn up by each Local Academy Committee following this.

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Review of value for money

The Chief Executive Officer of The Shire Learning Trust acts as accounting officer and as such has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

A thorough review of the Trust's finances was undertaken by an advisor from the Schools Management Advisory Scheme. Several recommendations were made as a result of this

- centralising the operational financial management of the Trust
- A complete analysis of teacher contact ratios to ensure best value for money
- A review of catering and cleaning services
- A review of staffing levels and gradings to ensure parity and efficiency across the Trust
- Costings to School Development plans

The use of resources has been improved thereby delivering better value for money by

- joint staff training where appropriate
- joint purchasing of resources and services
- additional opportunities for collaboration and joint working

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 The Shire Learning Trust for the period 1 September 2018 to 31 August 2019 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 year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes 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 investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has identified the need for a specific internal audit function. This is currently being progressed.

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The internal auditor's role will include giving advice on financial matters and performing a range of checks on the academy trust's financial systems including:

- testing of payroll system
- testing of purchase systems
- testing of control account/ bank reconciliations

Review of effectiveness

The Chief Executive Officer acts as accounting 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 Accountants producing the Management Accounts
- the work of the external auditor
- the financial management and governance self-assessment process
- 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 finance and premises committee and a plan to address any weaknesses identified and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on and signed on its behalf by:

Mrs C A Jones
Chair of board of trustees

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2019**

As Accounting The Shire Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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.

Mr M Highfield
Accounting Officer

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**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts direction 2018 to 2019.
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on and signed on its behalf by:

Mrs C A Jones
Chair of board of trustees

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHIRE LEARNING TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the financial statements of The Shire Learning Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHIRE LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SHIRE LEARNING
TRUST (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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

**for and on behalf of Deans
Chartered Accountants
Statutory Auditor
Gibson House
Hurricane Court
Hurricane Close
Stafford
ST16 1GZ**

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SHIRE LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 05 November 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Shire Learning Trust during the year 1 September 2018 to 31 August 2019 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 The Shire Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Shire Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Shire Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Shire Learning Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Shire Learning Trust's funding agreement with the Secretary of State for Education dated 23 March 2015, and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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 our conclusions includes:

- consideration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the Accounting Officer and Governing Body;
- tests of control have been carried out on control activities which are relevant to regularity and;
- on a sample basis, substantive testing of individual transactions.

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE SHIRE LEARNING TRUST AND THE EDUCATION & SKILLS
FUNDING AGENCY (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Deans
Gibson House
Hurricane Court
Hurricane Close
Stafford
ST16 1GZ

Dated:

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	1,429	11,588	110,764	123,781	32,646
Charitable activities:						
- Funding for educational operations	4	63,646	2,264,919	-	2,328,565	2,294,951
Other trading activities	5	115,879	-	-	115,879	90,023
Investments	6	796	-	-	796	2,631
Total income and endowments		<u>181,750</u>	<u>2,276,507</u>	<u>110,764</u>	<u>2,569,021</u>	<u>2,420,251</u>
Expenditure on:						
Raising funds	7	-	-	-	-	1,748
Charitable activities:						
- Educational operations	9	103,346	2,512,918	62,118	2,678,382	2,564,152
Total expenditure	7	<u>103,346</u>	<u>2,512,918</u>	<u>62,118</u>	<u>2,678,382</u>	<u>2,565,900</u>
Net income/(expenditure)		78,404	(236,411)	48,646	(109,361)	(145,649)
Transfers between funds		(57,422)	50,223	7,199	-	-
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(400,000)	-	(400,000)	270,000
Net movement in funds		20,982	(586,188)	55,845	(509,361)	124,351
Reconciliation of funds						
Total funds brought forward		273,851	(708,557)	473,237	38,531	(85,820)
Total funds carried forward		<u>294,833</u>	<u>(1,294,745)</u>	<u>529,082</u>	<u>(470,830)</u>	<u>38,531</u>

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2019**

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	645	13,382	18,619	32,646
Charitable activities:					
- Funding for educational operations	4	64,848	2,230,103	-	2,294,951
Other trading activities	5	88,941	1,082	-	90,023
Investments	6	2,631	-	-	2,631
Total income and endowments		<u>157,065</u>	<u>2,244,567</u>	<u>18,619</u>	<u>2,420,251</u>
Expenditure on:					
Raising funds	7	1,748	-	-	1,748
Charitable activities:					
- Educational operations	9	146,587	2,353,256	64,309	2,564,152
Total expenditure	7	<u>148,335</u>	<u>2,353,256</u>	<u>64,309</u>	<u>2,565,900</u>
Net income/(expenditure)		8,730	(108,689)	(45,690)	(145,649)
Transfers between funds		-	(27,100)	27,100	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	20	-	270,000	-	270,000
Net movement in funds		8,730	134,211	(18,590)	124,351
Reconciliation of funds					
Total funds brought forward		<u>265,121</u>	<u>(842,768)</u>	<u>491,827</u>	<u>(85,820)</u>
Total funds carried forward		<u>273,851</u>	<u>(708,557)</u>	<u>473,237</u>	<u>38,531</u>

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
BALANCE SHEET
AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		505,236		473,237
Current assets					
Debtors	15	109,581		101,681	
Cash at bank and in hand		469,937		464,782	
			<u>579,518</u>		<u>566,463</u>
Current liabilities					
Creditors: amounts falling due within one year	16	(217,584)		(178,169)	
Net current assets			<u>361,934</u>		<u>388,294</u>
Net assets excluding pension liability			<u>867,170</u>		<u>861,531</u>
Defined benefit pension scheme liability	20	(1,338,000)		(823,000)	
Total net (liabilities)/assets			<u>(470,830)</u>		<u>38,531</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			529,082		473,237
- Restricted income funds			43,255		114,443
- Pension reserve			(1,338,000)		(823,000)
Total restricted funds			<u>(765,663)</u>		<u>(235,320)</u>
Unrestricted income funds	18		<u>294,833</u>		<u>273,851</u>
Total funds			<u>(470,830)</u>		<u>38,531</u>

The financial statements on pages 20 to 46 were approved by the trustees and authorised for issue on and are signed on their behalf by:

.....
Mrs C A Jones
Chair of board of trustees

Company Number 09422746

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash inflow/(outflow) from operating activities					
Net cash provided by (used in) operating activities	21		(12,289)		44,839
Cash flows from investing activities					
Interest received		796		2,631	
Capital grants from DfE and ESFA		40,778		17,149	
Capital funding from sponsors and others		69,986		1,470	
Payments to acquire tangible fixed assets		(94,116)		(71,202)	
			17,444		(49,952)
Change in cash and cash equivalents in the reporting period					
			5,155		(5,113)
Cash and cash equivalents at 1 September 2018			464,782		469,895
Cash and cash equivalents at 31 August 2019			<u>469,937</u>		<u>464,782</u>

THE SHIRE LEARNING TRUST (FORMERLY WEST STAFFORD MULTI ACADEMY TRUST) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Shire Learning Trust meets the definition of a public benefit entity under FRS102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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. The balance sheet being overdrawn in the prior year is caused by the Pension deficit on the Local Government Pension Scheme. This deficit is guaranteed to be met by the Department for Education as disclosed in note 20. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 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 receivable

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 period 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. Capital grant income in connection with expenditure on property held under supplemental agreements is included in restricted general funds. Capital grant income in connection with expenditure on fixed assets is included in the restricted fixed asset fund. Unspent amounts of capital grants are reflected in the balance sheet in restricted general funds or the restricted fixed asset fund, as appropriate. Capital grants are recognised when there is entitlement and are not deferred over the life of any asset on which they are expended.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

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.

Other costs

Other costs includes expenditure on property held under supplemental agreements.

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more and with an expected useful life exceeding one year 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 that require 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:

Long leasehold land and buildings	125 years
Leasehold improvements	5 - 50 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

The Academy Trust occupies property held under church supplemental agreements which permit occupancy of the premises with a notice period of two years. The Academy Trust is not able to exercise control over this property and therefore no fixed asset has been recognised in these financial statements.

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.

1.6 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 of services it must provide.

1.7 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Leasing and hire purchase commitments

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

1 Accounting policies

(Continued)

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 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. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The 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 are recognised in the period to which they relate.

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

1 Accounting policies

(Continued)

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

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

1.12 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 and include grants from the Education and Skills Funding Agency and local authorities.

2 Critical accounting estimates and areas of judgement

Accounting 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

2 Critical accounting estimates and areas of judgement

(Continued)

Critical areas of judgement

The trustees must make critical judgements in applying the charity's accounting policies. The judgements that have the most significant effect on the amounts recognised in the financial statements are discussed below:

The classification of expenditure between restricted and unrestricted is deemed as a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

The trustees have considered the classification of depreciation between direct and support costs. The depreciation charge has been allocated based on the proportion of staff costs that are directly attributable to direct and support costs.

The trustees have considered the accounting treatment of land and buildings utilised by the trust. The freehold titles to the property occupied under supplemental agreements are held by Lichfield Diocesan Board of Education, The Incumbent Vicar and Church Wardens for the time being of the Parish of Haughton and The Incumbent Vicar and Church Wardens for the time being of the Parish of Gnosall. The trustees consider that the use of such land and buildings should not be recognised in the balance sheet given that the overall control of the use of these land and buildings resides with the Lichfield Diocesan Board of Education (the Diocese). Therefore, no land and buildings held under this type of agreement have been recognised as a fixed asset in these financial statements. Any works carried out on these land and buildings are treated as donations to the Diocese, and are included in other costs in the statement of financial activities. Under church supplemental agreements the trust is permitted occupancy of the land and buildings with a notice period of two years, and no rental is payable under this arrangement. The market value of the donated facilities has not been recognised in the financial statements as the trustees consider that no reliable measure is available.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Private sponsorship	-	-	-	2,571
Capital grants	-	40,778	40,778	17,149
Other donations	1,429	81,574	83,003	12,926
	<u>1,429</u>	<u>122,352</u>	<u>123,781</u>	<u>32,646</u>

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,828,244	1,828,244	1,854,909
Other DfE / ESFA grants	-	222,174	222,174	195,751
	-	2,050,418	2,050,418	2,050,660
Other government grants				
Local authority grants	-	181,269	181,269	138,912
Special educational projects	-	3,300	3,300	10,628
	-	184,569	184,569	149,540
Other funds				
Other incoming resources	63,646	29,932	93,578	94,751
Total funding	63,646	2,264,919	2,328,565	2,294,951

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	14,516	-	14,516	9,508
Music tuition	7,690	-	7,690	540
Other income	93,673	-	93,673	79,975
	115,879	-	115,879	90,023

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	796	-	796	2,631

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2019	2018
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	-	-	1,748
Academy's educational operations					
- Direct costs	1,491,979	45,192	135,567	1,672,738	1,604,213
- Allocated support costs	617,941	139,751	247,952	1,005,644	959,939
	<u>2,109,920</u>	<u>184,943</u>	<u>383,519</u>	<u>2,678,382</u>	<u>2,565,900</u>

Net income/(expenditure) for the year includes:	2019	2018
	£	£
Fees payable to auditor for:		
- Audit	6,200	6,200
- Other services	2,520	2,520
Operating lease rentals	3,748	2,815
Depreciation of tangible fixed assets	62,118	60,955
Loss on disposal of fixed assets	-	3,354
Net interest on defined benefit pension liability	24,000	26,000
	<u>24,000</u>	<u>26,000</u>

8 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- Audit fees;
- Actuary fees;

The academy trust charges for these services based on 5% of GAG income.

The amounts charged during the year were as follows:	2019	2018
	£	£
Gnosall St Lawrence CE Primary Academy	46,727	14,813
Haughton St Gile's CE (C) Primary Academy	22,969	8,593
Woodseaves C of E Primary Academy	22,142	6,964
	<u>91,838</u>	<u>30,370</u>

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs - educational operations	17,757	1,654,981	1,672,738	1,604,213
Support costs - educational operations	85,589	920,055	1,005,644	959,939
	<u>103,346</u>	<u>2,575,036</u>	<u>2,678,382</u>	<u>2,564,152</u>

	2019 £	2018 £
Analysis of support costs		
Support staff costs	617,941	567,681
Depreciation and amortisation	16,926	15,545
Technology costs	41,795	38,824
Premises costs	111,932	101,044
Insurance	9,495	23,335
Catering	87,413	83,083
Interest and finance costs	24,000	26,000
Other support costs	70,533	75,032
Governance costs	25,609	29,395
	<u>1,005,644</u>	<u>959,939</u>

10 Staff costs

	2019 £	2018 £
Wages and salaries	1,584,582	1,423,204
Social security costs	121,370	109,838
Operating costs of defined benefit pension schemes	371,653	374,968
Staff costs	<u>2,077,605</u>	<u>1,908,010</u>
Supply staff costs	25,850	53,869
Staff development and other staff costs	6,465	16,987
Total staff expenditure	<u>2,109,920</u>	<u>1,978,866</u>

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff costs

(Continued)

Staff numbers

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

	2019	2018
	Number	Number
Teachers	23	20
Administration and support	65	62
Management	8	9
	<u>96</u>	<u>91</u>

Higher paid staff

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

	2019	2018
	Number	Number
£60,000 - £70,000	2	1
	<u>2</u>	<u>1</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is one non-statutory/non-contractual severance payments totalling £9,829 (2018: £nil).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £350,927 (2018: £230,795).

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mrs P Edwards (headteacher):

- Remuneration £Nil ; (2018: £15,000 - £20,000)
- Employer's pension contributions £Nil ; (2018: £0 - £5,000)

P Gallant (headteacher (to August 2019)):

- Remuneration £Nil ; (2018: £10,000 - £15,000)
- Employer's pension contributions £Nil ; (2018: £0 - £5,000)

A Chell (Chief Executive Officer and Accounting Officer to January 2019):

- Remuneration £15,000 - £20,000; (2018: £15,000 - £20,000)
- Employer's pension contributions £0 - £5,000; (2018: £0 - £5,000)

No travel and subsistence payments were made to trustees during the year (2018: £nil).

Other related party transactions involving the trustees are set out within the related parties note.

12 Trustees and officers insurance

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

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Long leasehold land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2018	366,000	-	99,004	125,126	590,130
Additions	38,366	40,369	10,975	4,406	94,116
At 31 August 2019	404,366	40,369	109,979	129,532	684,246
Depreciation					
At 1 September 2018	10,519	-	65,077	41,297	116,893
Charge for the year	2,928	615	33,345	25,229	62,117
At 31 August 2019	13,447	615	98,422	66,526	179,010
Net book value					
At 31 August 2019	390,919	39,754	11,557	63,006	505,236
At 31 August 2018	355,481	-	33,927	83,829	473,237

14 Financial instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	181	2,004
Carrying amount of financial liabilities		
Measured at amortised cost	29,718	38,123

Financial assets measured at amortised cost comprise trade debtors

Financial liabilities measured at amortised cost comprise trade creditors

15 Debtors

	2019	2018
	£	£
Trade debtors	181	2,004
VAT recoverable	28,429	44,357
Other debtors	-	77
Prepayments and accrued income	80,971	55,243
	109,581	101,681

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

16 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	29,718	38,123
Other taxation and social security	33,284	27,212
Other creditors	44,829	31,124
Accruals and deferred income	109,753	81,710
	<u>217,584</u>	<u>178,169</u>
	<u><u>217,584</u></u>	<u><u>178,169</u></u>
17 Deferred income	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	56,111	64,380
	<u>56,111</u>	<u>64,380</u>
	<u><u>56,111</u></u>	<u><u>64,380</u></u>
Deferred income at 1 September 2018	64,380	74,499
Released from previous years	(64,380)	(74,499)
Amounts deferred in the year	56,111	64,380
	<u>56,111</u>	<u>64,380</u>
Deferred income at 31 August 2019	<u><u>56,111</u></u>	<u><u>64,380</u></u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals. Deferred income also includes fees received from parents in advance for extended school provisions for autumn term 2019 and donations from Bradley and St Lawrence church for educational supplies yet to be purchased, rates relief 2019/20 and CERA funding for statutory testing still to be completed.

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	34,629	1,828,244	(1,963,890)	50,223	(50,794)
Other DfE / ESFA grants	29,115	222,174	(195,745)	-	55,544
Other government grants	28,837	184,569	(202,292)	-	11,114
Other restricted funds	21,862	41,520	(35,991)	-	27,391
Pension reserve	(823,000)	-	(115,000)	(400,000)	(1,338,000)
	<u>(708,557)</u>	<u>2,276,507</u>	<u>(2,512,918)</u>	<u>(349,777)</u>	<u>(1,294,745)</u>
Restricted fixed asset funds					
Inherited on conversion	359,067	-	(10,129)	-	348,938
DfE group capital grants	11,607	40,777	(19,881)	-	32,503
Capital expenditure from GAG	33,688	-	(15,182)	7,199	25,705
Local authority capital grants	56,441	-	(11,997)	-	44,444
Capital Donations	12,434	69,986	(4,928)	-	77,492
	<u>473,237</u>	<u>110,763</u>	<u>(62,117)</u>	<u>7,199</u>	<u>529,082</u>
Total restricted funds	<u>(235,320)</u>	<u>2,387,270</u>	<u>(2,575,035)</u>	<u>(342,578)</u>	<u>(765,663)</u>
Unrestricted funds					
General funds	<u>273,851</u>	<u>181,750</u>	<u>(103,346)</u>	<u>(57,422)</u>	<u>294,833</u>
Total funds	<u>38,531</u>	<u>2,569,020</u>	<u>(2,678,381)</u>	<u>(400,000)</u>	<u>(470,830)</u>

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

18 Funds

(Continued)

The transfers between funds for the year relate to the the funding of fixed asset acquisitions from non-capital grant income and items purchased from DFC not capitalised.

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and local authorities.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Unrestricted funds

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

Restricted fixed asset funds

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

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	72,670	1,854,909	(1,865,850)	(27,100)	34,629
Other DfE / ESFA grants	-	195,751	(166,636)	-	29,115
Other government grants	32,104	149,540	(152,807)	-	28,837
Other restricted funds	4,458	44,367	(26,963)	-	21,862
Pension reserve	(952,000)	-	(141,000)	270,000	(823,000)
	<u>(842,768)</u>	<u>2,244,567</u>	<u>(2,353,256)</u>	<u>242,900</u>	<u>(708,557)</u>
Restricted fixed asset funds					
Transfer on conversion	372,551	-	(13,484)	-	359,067
DfE group capital grants	13,675	17,149	(19,217)	-	11,607
Capital expenditure from GAG	21,520	-	(14,932)	27,100	33,688
Local authority capital grants	68,438	-	(11,997)	-	56,441
Capital Donations	15,643	1,470	(4,679)	-	12,434
	<u>491,827</u>	<u>18,619</u>	<u>(64,309)</u>	<u>27,100</u>	<u>473,237</u>
Total restricted funds	<u>(350,941)</u>	<u>2,263,186</u>	<u>(2,417,565)</u>	<u>270,000</u>	<u>(235,320)</u>
Unrestricted funds					
General funds	<u>265,121</u>	<u>157,065</u>	<u>(148,335)</u>	<u>-</u>	<u>273,851</u>
Total funds	<u>(85,820)</u>	<u>2,420,251</u>	<u>(2,565,900)</u>	<u>270,000</u>	<u>38,531</u>

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

Total funds analysis by academy

	2019	2018
	£	£
Fund balances at 31 August 2019 were allocated as follows:		
Gnosall St Lawrence CE Primary Academy	161,634	159,469
Haughton St Gile's CE (C) Primary Academy	117,163	150,854
Woodseaves C of E Primary Academy	94,577	89,649
Central services	(35,283)	(11,678)
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	338,091	388,294
Restricted fixed asset fund	529,082	473,237
Pension reserve	(1,338,000)	(823,000)
	<hr/>	<hr/>
Total funds	<u>(470,827)</u>	<u>38,531</u>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£	£	£	£	£	£
Gnosall St Lawrence CE Primary Academy	822,995	353,801	60,758	193,996	1,431,550	1,373,639
Haughton St Gile's CE (C) Primary Academy	351,762	125,576	31,267	107,214	615,819	583,943
Woodseaves C of E Primary Academy	316,581	57,084	41,184	121,109	535,958	495,719
Central services	639	81,480	2,360	(51,546)	32,933	48,289
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,491,977</u>	<u>617,941</u>	<u>135,569</u>	<u>370,773</u>	<u>2,616,260</u>	<u>2,501,590</u>

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	505,236	505,236
Current assets	371,829	183,843	23,846	579,518
Creditors falling due within one year	(76,996)	(140,588)	-	(217,584)
Defined benefit pension liability	-	(1,338,000)	-	(1,338,000)
	294,833	(1,294,745)	529,082	(470,830)
	294,833	(1,294,745)	529,082	(470,830)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	473,237	473,237
Current assets	273,851	292,612	-	566,463
Creditors falling due within one year	-	(178,169)	-	(178,169)
Defined benefit pension liability	-	(823,000)	-	(823,000)
	273,851	(708,557)	473,237	38,531
	273,851	(708,557)	473,237	38,531

20 Pensions 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 Staffordshire Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £31,832 were payable to the schemes at 31 August 2019 (2018: £30,133) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

20 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to the TPS in the year amounted to £146,221 (2018: £127,884).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The total contribution made for the year ended 31 August 2019 are detailed below. The agreed contribution rates for future years are 23.2% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2019	2018
	£	£
Employer's contributions	129,000	129,000
Employees' contributions	32,000	33,000
	<hr/>	<hr/>
Total contributions	161,000	162,000
	<hr/> <hr/>	<hr/> <hr/>

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

20 Pensions and similar obligations (Continued)

Principal actuarial assumptions	2019	2018
	%	%
Rate of increases in salaries	2.7	2.7
Rate of increase for pensions in payment	2.3	2.3
Discount rate	1.9	2.8
Inflation assumption (CPI)	2.3	2.3

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

	2019	2018
	Years	Years
Retiring today		
- Males	21.1	22.1
- Females	23.5	24.4
Retiring in 20 years		
- Males	22.2	24.1
- Females	24.8	26.4

Sensitivity Analysis	2019	2018
	£	£
Discount rate + 0.1%	(75,400)	(57,800)
Discount rate - 0.1%	75,400	57,800
Mortality assumption + 1 year	81,000	58,000
Mortality assumption - 1 year	(81,000)	(58,000)
CPI rate + 0.1%	59,200	45,000
CPI rate - 0.1%	(59,200)	(45,000)

The academy trust's share of the assets in the scheme	2019	2018
	Fair value	Fair value
	£	£
Equities	918,680	785,400
Bonds	297,220	213,180
Cash	27,020	89,760
Property	108,080	33,660
Total market value of assets	1,351,000	1,122,000
Actual return on scheme assets - gain/(loss)	75,000	65,000

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

20 Pensions and similar obligations	(Continued)	
Amounts recognised in the statement of financial activities	2019	2018
	£	£
Current service cost	205,000	244,000
Past service cost	15,000	-
Interest income	(34,000)	(24,000)
Interest cost	58,000	50,000
	<hr/>	<hr/>
Total operating charge	244,000	270,000
	<hr/> <hr/>	<hr/> <hr/>
Changes in the present value of defined benefit obligations	2019	2018
	£	£
Obligations at 1 September 2018	1,945,000	1,857,000
Current service cost	205,000	244,000
Interest cost	58,000	50,000
Employee contributions	32,000	33,000
Actuarial loss/(gain)	441,000	(229,000)
Benefits paid	(7,000)	(10,000)
Past service cost	15,000	-
	<hr/>	<hr/>
At 31 August 2019	2,689,000	1,945,000
	<hr/> <hr/>	<hr/> <hr/>
Changes in the fair value of the academy trust's share of scheme assets	2019	2018
	£	£
Assets at 1 September 2018	1,122,000	905,000
Interest income	34,000	24,000
Actuarial gain	41,000	41,000
Employer contributions	129,000	129,000
Employee contributions	32,000	33,000
Benefits paid	(7,000)	(10,000)
	<hr/>	<hr/>
At 31 August 2019	1,351,000	1,122,000
	<hr/> <hr/>	<hr/> <hr/>

THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

21 Reconciliation of net expenditure to net cash flows from operating activities	2019	2018
	£	£
Net expenditure for the reporting period	(109,361)	(145,649)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(110,764)	(18,619)
Investment income receivable	(796)	(2,631)
Defined benefit pension costs less contributions payable	91,000	115,000
Defined benefit pension net finance cost	24,000	26,000
Depreciation of tangible fixed assets	62,117	60,955
Loss on disposal of fixed assets	-	3,354
(Increase)/decrease in debtors	(7,900)	76,121
Increase/(decrease) in creditors	39,415	(69,692)
Net cash inflow/(outflow) from activities	(12,289)	44,839

22 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	5,372	4,451
Amounts due in two and five years	9,621	6,268
	<u>14,993</u>	<u>10,719</u>

**THE SHIRE LEARNING TRUST
(FORMERLY WEST STAFFORD MULTI ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

23 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 AFH and in accordance 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.

M Rees-Boughton an employee of the academy trust is the husband of P Edwards, a member of the Senior Management Team. M Rees-Boughton's appointment was made in open competition and P Edwards was not involved in the decision making process regarding the appointment. M Rees-Boughton is paid within the normal pay scale for his role and receives no preferential treatment as a result of his relationship to a member of the Senior Management Team. During the year he received remuneration for this employment of £31,356 (2018: £27,405).

D Johnson a casual employee of the academy trust is the husband of M Johnson, a member of the Senior Management Team. D Johnson's appointment was made in open competition and M Johnson was not involved in the decision making process regarding the appointment. D Johnson is paid within the normal pay scale for his role and receives no preferential treatment as a result of his relationship to a member of the Senior Management Team. During the year he received remuneration for this employment of £667 (2018: £969).

S Rees-Boughton a qualified electrician is the son of M Rees-Boughton, the husband of P Edwards, a member of the Senior Management Team. During the year S Rees-Boughton was paid £ Nil (2018: £550) for services provided.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.