

Shropshire
Gateway
Educational Trust

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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COMPANIES HOUSE

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Whittingham Riddell

chartered accountants

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

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THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	N Gibbon G Pain V Simpson (resigned 16 February 2019) E Davies M Dayborn
Trustees	N Gibbon, Resigned as Chair on 28 November 2018 D Reynolds, Executive Headteacher A Gurney, Appointed as Chair on 28 November 2018 D Hill L Latham (appointed 1 March 2019) A Kinsey (resigned 30 August 2019) M Home A Morrish (resigned 10 June 2019) P Howman (resigned 1 March 2019) L Mason (resigned 28 January 2019)
Company registered number	09115941
Company name	The Shropshire Gateway Educational Trust
Principal and registered office	Lacon Childe School Love Lane Cleobury Mortimer Shropshire DY14 8PE
Company secretary	Gill Bradley
Chief executive officer	Darren Reynolds
Senior management team	D Reynolds, Trust Executive Headteacher - Lacon Childe School G Bradley, Trust Business Manager C Little, Head Teacher - Clee Hill Community Academy C Mayfield, Head Teacher - Cleobury Mortimer Academy K Jones, Head Teacher - Stottesdon C of E Primary R Croxton-Broome, Deputy Head - Lacon Childe School M Dawes, Deputy Head - Cleobury Mortimer Primary J Hilton, Deputy Head - Clee Hill Community Academy

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditors Whittingham Riddell LLP
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Solicitors Browne Jacobson
Victoria Square House
Victoria Square
Birmingham
B2 4BU

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 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 Multi Academy Trust, "The Trust" operates one secondary and three primary academies in the rural county of Shropshire. Its academies have a combined pupil capacity of 999 and had a roll of 1096 in the school census on January 2019.

The Trust also trades under the name The Shropshire Gateway Educational Trust.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the Trust.

The Directors of The Shropshire Gateway Educational Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Shropshire Gateway Educational Trust (SGET).

Details of the Directors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Directors

The management of the Trust is the responsibility of the Directors who are elected and co-opted under the terms of the Memorandum of Association.

d. Policies adopted for the induction and training of Directors

The Executive Headteacher and Chair are responsible for all training. There is an induction programme for all new directors and access to training delivered by internal and external providers. Where necessary, training will be offered on charity, educational, legal and financial matters. All directors are provided with copies or access to the constitution and policy documents. In addition, they are routinely involved in meetings to scrutinise accounts, reports, budgets and plans to enable them to carry out their roles and responsibilities effectively.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

e. Organisational structure

All directors are involved in decision making. The main governing body and sub committees meet regularly. Directors are responsible for setting general policy, risk management strategy, plans, budgets as well as monitoring the Trust against aims and objectives.

f. Arrangements for setting pay and remuneration of key management personnel

Directors are responsible for setting the pay of key management personnel in line with budgets, individual responsibilities and performance.

Objectives and activities

a. Objects and aims

The Trust's object is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum and which will include:

Academies other than those designated Church of England, whether with or without designated religious character and, Church of England Academies designated as such which shall be conducted in accordance with the principals, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard and following any directives issued by the Diocesan Board of Education. But in relation to each of the academies to recognise and support their individual ethos, whether or not designated Church of England.

To promote for the benefit of inhabitants of the areas where the academies are established and its surrounding area the provision of facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interest of social welfare and with the object of improving the condition of life for those said individuals.

b. Objectives, strategies and activities

The objectives of the Trust are:

- To provide a high quality teaching and learning experience for all students.
- To provide a framework by which excellence and challenge are provided for all students.
- To provide a coherent approach with consistency of expectation.
- Raise attainment across all year groups enabling all students to make expected progress between key stage 2 and 4 as a result of teaching which increases student motivation, participation and independence.
- Promote learning behaviours (the Olympic and Paralympic values) self-belief and a 'can do' culture for staff and students at all the academies.
- Give more opportunities for self-reflection and the sharing of good and outstanding practices.
- Provide opportunities for students to develop the skills necessary to become independent lifelong learners.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

c. Public benefit

The Directors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charities Commission's revised guidance on public benefit.

Strategic report

Achievements and performance

a. Key performance indicators

Ofsted rating of Good achieved for Lacon Childe, Clee Hill Academy and Cleobury Mortimer Primary. Stottesdon C of E primary has not been inspected and therefore retains its outstanding rating.

b. Going concern

After making appropriate enquiries, the board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

c. Review of activities

The Trust continues to flourish. In September 2018 Lacon Childe school saw its biggest Year 7 intake and are pleased to be a popular choice for parents with waiting lists for places at the school. Primary transition work continues in many curriculum areas to support pupils as they move through their school career. Lacon Childe, Cleobury Mortimer primary and Clee Hill Academy all welcomed visits from Ofsted and are pleased to have been awarded a good rating from these inspections. Stottesdon C of E primary retains its current outstanding rating. continues with its plans for a new build hall as a welcome addition to its premises.

Lacon Childe pupils achieved well in their GCSE examinations in the main achieving the grades they deserved.

Stottesdon C of E Primary continues to be a thriving, oversubscribed school which continues to run four classes and a Nursery. Accommodation is still challenging but build plans (hall, servery kitchens, storage and toilets) continue to be pursued (completion hoped to be by December 2019).

The curriculum is exciting and, although a small school, the school provides a huge breadth of opportunity e.g. range of music lessons; sports participation; academic success; wide ranging enrichment; dramatic productions/concerts. Standards continue to be high (in line or above national at all levels) and the school prides itself on supporting and challenging every child. During the year the school received a letter, from the Secretary of State for Education, congratulating them on their standards of achievement in writing, as shown by our SATs results in 2018 where achievement was in the top 1% of primary schools in England (100% - all pupils). The school values its place in the community and enjoys strong links with the church with a range of celebrations through the year.

Cleobury Mortimer primary school continues to maintain high standards of achievement and was particularly proud to have its ranking in the top 9% of schools nationally for performance in the Phonics Check recognised by a letter from Nick Gibb, Minister of State for Schools and Standards. In the past academic year, we have also had the excellent standard of music education in our school recognised by the award of the Gold Mark for Music. Our children continue to compete in a wide range of sporting activities both locally and at a county level and this excellence in sporting achievement is recognised by the Gold Mark we have achieved for PE and Sports Education. We are a community school and are proud to have become one of the few primary schools in the West Midlands to have been awarded Dementia Friendly Status working with the Town Council and local providers of care for dementia patients.

Our development plan prioritises continuing to meet children's individual needs with a particular focus on continuing to maintain our high standards; integrating the Nursery into our Early Years Provision and supporting children early with any development needs.

At Clee Hill Community Academy attainment, Early Years, KS1 and KS2 (Maths, SPAG and Writing) were all in line with national for 2018-2019. The school was particularly proud in its increase of pupils achieving greater depth by the end of KS2. Although disappointed with reading results, the school has been proactive in tackling this.

Clee Hill Community Academy continues to focus on a creative curriculum and offers a wide opportunity of enrichment activities. The school maintained its Gold award for PE and was awarded the Music Mark in recognition to providing high quality music education in schools.

Pupils' attendance is good and the pupils' attitude to learning is also very positive. Pupils' and parents' responses to the annual questionnaire were extremely positive. The school ethos is very welcoming and friendly and SEND/PPG/LAC pupils are well supported both academically and emotionally.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Financial review

a. Reserves policy

The surplus position of the Trust excluding Fixed Assets and Pension at the end of the accounting period 31 August 2019 was £323,088.

The reserves position at the end of the accounting period shows that the Trust holds the following reserves.

Fixed Asset Funds £16,830,322
Pension Fund Reserve (£3,169,000)
Restricted Fund Reserves 224,138
Unrestricted (Designated) Fund Reserves £98,950

The Directors have approved a reserves policy and investment policy for the Trust which are reviewed annually. Decisions on the use of is made at director level for specific purposes across the trust schools.

In 2018/2019 use of the reserves was approved by Directors to support the operating activities of individual schools. The principal source of funding for the Trust academies is general annual grant directly from the Education Funding Agency, this funding is used to support the objectives of the academies with opportunities for income generation and external fund raising and grant applications supporting wherever possible. During the year three of the trusts 4 schools received an Ofsted visit with outcomes at all three schools being confirmed as good. The trust also uses it annual grant funding to meet its obligations for pension deficits on the Local Government pension scheme.

The Trust recognises it main financial risk to be that of cash flow and aims to minimise this risk by contributing in future years to a reserve fund set at a level prudent to be able to deal with cash flow and unexpected events.

b. Principal risks and uncertainties

The effect of a judgement made by and Ofsted visit can be very positive or very negative. With the turbulence in results nationally there is an increased risk.

Fundraising

The Trust has a keen approach to fundraising to support its activities in order to enhance its provision of activities for students and its involvement in the local community. It fundraising activities include:

Working with external community groups, professionals and fundraisers to recognised standards and monitoring these activities for impact, levels of participation and achievements whether this be fundraising for a specific reason or for future activities.

It ensures that its fundraising operates in a way that protects the public including those who may be more vulnerable from unreasonably intrusive or persistent fundraising approaches including pressure to donate.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

The individual schools within the Trust have written and constantly monitor, evaluate and update a school improvement plan which sets out their targets for the following years. This seeks to focus activities towards shared goals and aspirations of the individual school and using funds available to it to achieve these targets. The schools reflect on past activities and the changing educational environment when reviewing this plan.

Disclosure of information to auditors

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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


Mr A Gurney
Chair of Directors

Date: 13/12/19

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that The Shropshire Gateway Educational 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 Directors has delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Shropshire Gateway Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The Board of Directors which also incorporates the Finance and Resource Committee and also fulfills the responsibilities of an audit committee has formally met 3 times during the year.

Attendance during the year at meetings of the board of Directors was as follows:

Director	Meetings attended	Out of a possible
N Gibbon, Resigned as Chair on 28 November 2018	2	3
D Reynolds, Executive Headteacher	3	3
A Gurney, Appointed as Chair on 28 November 2018	3	3
D Hill	1	3
L Latham	2	3
A Kinsey	2	3
M Home	2	3
A-Morrish	1	2
P Howman	1	1
L Mason	1	1

The Shropshire Gateway Educational Trust Board of Directors reviews their governance on an annual basis.

The finance and general purposes committee is a sub-committee at each school of the main board of trustees. Its purpose is to: Challenge and understand information presented in a transparent manner to ensure good value and effective use of the academy resources to fit its policy purposes. During the year the committee has faced the challenge of understanding the improved and more in-depth information given to them and acting on the relevance of this information.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by:

Improving on transparent financial information shared appropriately and across all schools. Challenged by Governors and Directors.

Building up central Trust reserves to reduce financial risk to the Trust.

Creating areas of expertise in Business functions and core teaching and Learning. Improving on transition from primary to secondary phases.

Maintaining and demonstrating high core value and ethos resulting in oversubscribed admissions and waiting lists.

Centralising its core financial, payroll and HR functions to achieve specialist knowledge, management and understanding of financial and employment matters and to improve financial and personnel management.

Centralising its procurement of services and provisions for use at all of its schools to provide efficient and best value use of the funding available to it together with benefitting from bulk buying arrangements and avoidance of duplicated service provisions.

Centralising responsibilities for premises management to ensure a consistent approach to meeting statutory requirements.

Re-organised staffing at each school benefitting from leadership improvements and financial savings.

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 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 Shropshire Gateway Educational Trust for the year 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 Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the 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. This process is regularly reviewed by the board of Directors.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The 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 Directors
- 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 Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Whittingham Riddell, the external auditor, to perform additional independent in year checks reported periodically to the Board of Directors.

The role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

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

On a termly basis, Whittingham Riddell reports to the Board of Directors, on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities. During the period 1st September 2018 to 31st August 2019 no significant findings of material control issues have been identified and the auditors have noted significant improvement to financial management processes.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Review of effectiveness

As accounting officer, the Executive Headteacher 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 Trust Business Manager who has responsibility for the development and maintenance of the systems of internal control;
- the work of the external auditors;
- the financial management and governance self-assessment process;

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Directors and signed on their behalf by:


A Gurney
Chair of Directors


D Reynolds
Accounting Officer

Date:

13/12/19

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Shropshire Gateway Educational Trust I have considered my responsibility to notify the Trust board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 Trust board of Directors are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the 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 Directors and ESFA.



D Reynolds
Accounting Officer

Date: 13/12/2019

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Academies Accounts Direction published 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 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 Directors 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 Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Directors 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 Directors and signed on its behalf by:


A Gurney
Chair of Directors

Date: 13/12/19

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SHROPSHIRE GATEWAY EDUCATIONAL TRUST**

Opinion

We have audited the financial statements of The Shropshire Gateway Educational Trust (the '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 related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 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 Trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SHROPSHIRE GATEWAY EDUCATIONAL TRUST (CONTINUED)**

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Directors' report including the Strategic report, and the Governance statement. 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.

Opinion 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 Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the 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 our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report including the 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SHROPSHIRE GATEWAY EDUCATIONAL TRUST (CONTINUED)**

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

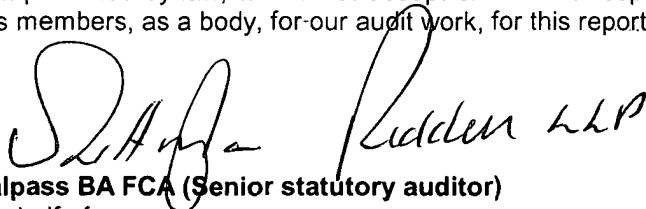
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Trust's members those matters we are required to state to them in an Auditors' 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

Whittingham Riddell LLP

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date:

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
SHROPSHIRE GATEWAY EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 29 August 2019 and further to the requirements of the Education & 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 Shropshire Gateway Educational 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 Shropshire Gateway Educational 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 Shropshire Gateway Educational Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Shropshire Gateway Educational Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Shropshire Gateway Educational Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Shropshire Gateway Educational Trust's funding agreement with the Secretary of State for Education dated June 2014 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 Trust's income and expenditure.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
SHROPSHIRE GATEWAY EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 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.



Andrew Malpass BA FCA (Senior statutory auditor)

Whittingham Riddell LLP
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

16 December 2019

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	43,132	90,662	133,794	162,506
Charitable activities		-	5,467,132	-	5,467,132	5,161,065
Other trading activities		-	470,323	-	470,323	381,411
Investments	6	321	-	-	321	281
Total income		321	5,980,587	90,662	6,071,570	5,705,263
Expenditure on:						
Charitable activities		-	6,088,289	167,160	6,255,449	6,122,786
Total expenditure		-	6,088,289	167,160	6,255,449	6,122,786
Net income/ (expenditure) carried forward		321	(107,702)	(76,498)	(183,879)	(417,523)

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
	Note					
Net income/ (expenditure) brought forward		321	(107,702)	(76,498)	(183,879)	(417,523)
Transfers between funds	17	-	40,840	(40,840)	-	-
Net movement in funds before other recognised gains/(losses)		321	(66,862)	(117,338)	(183,879)	(417,523)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(820,000)	-	(820,000)	332,000
Net movement in funds		321	(886,862)	(117,338)	(1,003,879)	(85,523)
Reconciliation of funds:						
Total funds brought forward		98,629	(2,058,000)	16,947,660	14,988,289	15,073,812
Net movement in funds		321	(886,862)	(117,338)	(1,003,879)	(85,523)
Total funds carried forward		98,950	(2,944,862)	16,830,322	13,984,410	14,988,289

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 25 to 52 form part of these financial statements.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 09115941

**BALANCE SHEET
AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	16,830,322	16,947,660
		<u>16,830,322</u>	<u>16,947,660</u>
Current assets			
Debtors	15	226,700	206,255
Cash at bank and in hand		512,894	358,089
		<u>739,594</u>	<u>564,344</u>
Creditors: amounts falling due within one year	16	(416,506)	(465,715)
Net current assets		<u>323,088</u>	<u>98,629</u>
Total assets less current liabilities		<u>17,153,410</u>	<u>17,046,289</u>
Net assets excluding pension liability		<u>17,153,410</u>	<u>17,046,289</u>
Defined benefit pension scheme liability	23	(3,169,000)	(2,058,000)
Total net assets		<u><u>13,984,410</u></u>	<u><u>14,988,289</u></u>

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	16,830,322	16,947,660
Restricted income funds	17	224,138	-
		<u>17,054,460</u>	<u>16,947,660</u>
Restricted funds excluding pension asset	17	17,054,460	16,947,660
Pension reserve	17	(3,169,000)	(2,058,000)
		<u>13,885,460</u>	<u>14,889,660</u>
Total restricted funds	17	13,885,460	14,889,660
Unrestricted income funds	17	98,950	98,629
		<u>13,984,410</u>	<u>14,988,289</u>
Total funds		<u>13,984,410</u>	<u>14,988,289</u>

The financial statements on pages 20 to 52 were approved by the Directors, and authorised for issue and are signed on their behalf, by:


A Gurney
Chair of Directors

Date: 13/12/19

The notes on pages 25 to 52 form part of these financial statements.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	204,863	(51,288)
Cash flows from investing activities	20	(49,822)	(22,466)
Change in cash and cash equivalents in the year		155,041	(73,754)
Cash and cash equivalents at the beginning of the year		358,089	431,843
Cash and cash equivalents at the end of the year	21	<u>513,130</u>	<u>358,089</u>

The notes on pages 25 to 52 form part of these financial statements

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

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), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Shropshire Gateway Educational Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Directors 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 Trust to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold property	- 0.8% Straight Line
Furniture and Fixtures	- 5% - 20% Straight Line
Computer equipment	- 33% Straight Line
Motor vehicles	- 20% Reducing balance

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.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.9 Cash at bank and in hand

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

1.10 Liabilities

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Provisions

Provisions are recognised when the 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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

1.15 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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.

3. Income from donations and capital grants

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	43,132	-	43,132	90,429
Grants	-	90,662	90,662	72,077
	<u>43,132</u>	<u>90,662</u>	<u>133,794</u>	<u>162,506</u>
<i>Total 2018</i>	<u>90,429</u>	<u>72,077</u>	<u>162,506</u>	

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the Trust's educational activities

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	4,424,419	4,424,419	4,149,373
Other DfE / ESFA Grant Income	180,710	180,710	226,169
Pupil Premium	222,096	222,096	202,403
	<u>4,827,225</u>	<u>4,827,225</u>	<u>4,577,945</u>
Other Government Grants			
Local Authority - SEN	161,707	161,707	222,160
Local Authority - Other Grants	172,048	172,048	174,581
	<u>333,755</u>	<u>333,755</u>	<u>396,741</u>
Other Funding			
Income from Other Academies	60,155	60,155	11,746
Other Income	231,522	231,522	154,450
Rates Reclaim	13,965	13,965	19,454
Insurance	510	510	729
Total 2019	<u><u>5,467,132</u></u>	<u><u>5,467,132</u></u>	<u><u>5,161,065</u></u>

In 2018, of the total income from charitable activities, £5,161,065 was to restricted funds.

5. Income from other trading activities

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Catering Income	154,314	154,314	110,140
Lettings Income	3,195	3,195	3,731
Insurance Income	180	180	9,368
Sale of Goods & Services	312,634	312,634	258,172
Total 2019	<u><u>470,323</u></u>	<u><u>470,323</u></u>	<u><u>381,411</u></u>

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Income from other trading activities (continued)

In 2018, of the total income from other trading activities, £381,411 was to restricted funds.

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank interest	321	321	281

In 2018, of the total income from investment income, £281 was to unrestricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	<i>Total 2018 £</i>
Educational Activities:					
Direct costs	3,259,181	-	442,730	3,701,911	3,700,334
Support costs	1,463,064	49,514	1,040,960	2,553,538	2,422,452
Total 2019	4,722,245	49,514	1,483,690	6,255,449	6,122,786

In 2018, of the total expenditure, £90,097 was from unrestricted funds and £6,032,689 was from restricted funds.

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Educational Activities	3,701,911	2,553,538	6,255,449	6,122,786

Analysis of direct costs

	Educational Activities 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	3,259,181	3,259,181	3,165,263
Educational Supplies	93,988	93,988	91,072
Examination Fees	44,852	44,852	51,790
Technology Costs	114,953	114,953	174,371
Educational Consultancy	54,771	54,771	96,358
Other costs	134,166	134,166	116,820
Security	-	-	4,660
Total 2019	3,701,911	3,701,911	3,700,334

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2019 £	Total funds 2019 £	Total funds 2018 £
Pension income	55,000	55,000	48,000
Staff costs	1,463,064	1,463,064	1,389,219
Depreciation	167,160	167,160	147,892
Other Staff Costs	30,197	30,197	35,481
Other costs	93,192	93,192	76,052
Rates	15,675	15,675	20,521
Energy	98,776	98,776	114,994
Risk Protection Arrangement Fees	21,808	21,808	57,429
Maintenance of Premises	59,228	59,228	66,044
Cleaning and Caretaking	58,440	58,440	74,833
Transport	119,189	119,189	95,711
Catering	264,736	264,736	208,562
Other Premises Costs	49,514	49,514	52,462
Legal and Professional	26,542	26,542	17,740
Auditor Costs and Governance	31,017	31,017	17,512
Total 2019	2,553,538	2,553,538	2,422,452

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	16,044	2,280
Depreciation of tangible fixed assets	167,160	147,892
Fees paid to auditors for:		
- audit	12,475	11,700
- other services	2,000	1,975

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	3,539,002	3,495,981
Social security costs	305,499	299,496
Pension costs	847,196	747,170
	<u>4,691,697</u>	<u>4,542,647</u>
Agency staff costs	28,186	11,835
Apprenticeship Levy	2,362	-
	<u><u>4,722,245</u></u>	<u><u>4,554,482</u></u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	56	56
Administration and support	106	117
Management	9	9
	<u>171</u>	<u>182</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Total	<u>131</u>	<u>131</u>

THE SHROPSHIRE GATEWAY EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	<u>1</u>	<u>-</u>

d. Key management personnel

The key management personnel of the Trust comprises 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 Trust was £514,237 (2018: £626,074).

11. Central services

The Trust has provided the following central services to it's schools during the year:

- Chief Executive, Business Manager and Site Manager Resource
- Caretaking Services
- IT Supply and Support
- Central Finance Function
- Central Administration

The Trust charges for these services based on the individual usage incurred by each school on a percentage basis for each service provided as appropriate.

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
Lacon Child School	176,966	167,728
Clee Hill Community Academy	38,137	33,712
Cleobury Mortimer Primary School	61,447	53,594
Stottesdon C of E Primary School	35,663	32,165
Total	<u>312,213</u>	<u>287,199</u>

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12. Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

		2019	2018
		£	£
D Reynolds	Remuneration	80,000 -	75,000 -
		85,000	80,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year ended 31 August 2019, no Director expenses have been incurred (2018 - £NIL).

13. Directors' and Officers' insurance

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

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14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	17,410,307	60,020	182,787	15,663	17,668,777
Additions	-	22,378	27,444	-	49,822
At 31 August 2019	17,410,307	82,398	210,231	15,663	17,718,599
Depreciation					
At 1 September 2018	535,737	7,209	175,708	2,463	721,117
Charge for the year	139,283	10,055	15,122	2,700	167,160
At 31 August 2019	675,020	17,264	190,830	5,163	888,277
Net book value					
At 31 August 2019	16,735,287	65,134	19,401	10,500	16,830,322
At 31 August 2018	16,874,570	52,811	7,079	13,200	16,947,660

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	72,320	30,047
Other debtors	32,945	91,301
Prepayments and accrued income	121,435	84,907
	226,700	206,255

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16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	197,469	177,608
Other taxation and social security	71,704	161,267
Other creditors	8,032	3,418
Accruals and deferred income	139,301	123,422
	<u>416,506</u>	<u>465,715</u>
	2019 £	2018 £
Deferred Income		
Deferred income at 1 September 2018	62,055	104,833
Resources deferred during the year	38,599	62,055
Amounts released from previous periods	(62,055)	(104,833)
	<u>38,599</u>	<u>62,055</u>

Deferred income relates to trip fees received in advance and income received to fund specific items relating to the 2019/2020 year end.

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17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
Lacon Childe School - Sinking fund	50,000	-	-	8,950	-	58,950
Stottesdon C of E Primary - Hall Project	29,000	-	-	-	-	29,000
Stottesdon C of E Primary - Lottery Grant	10,000	-	-	-	-	10,000
Stottesdon C of E Primary - Tesco Grant	1,000	-	-	-	-	1,000
	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>8,950</u>	<u>-</u>	<u>98,950</u>
General funds						
General Funds - all funds	8,629	321	-	(8,950)	-	-
Total Unrestricted funds	<u>98,629</u>	<u>321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,950</u>
Restricted general funds						
General Annual Grant	-	4,424,419	(4,424,419)	-	-	-
Pupil Premium	-	222,096	(222,096)	-	-	-
Other Grants	-	1,334,072	(1,150,774)	40,840	-	224,138
Pension reserve	(2,058,000)	-	(291,000)	-	(820,000)	(3,169,000)
	<u>(2,058,000)</u>	<u>5,980,587</u>	<u>(6,088,289)</u>	<u>40,840</u>	<u>(820,000)</u>	<u>(2,944,862)</u>

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17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Restricted Funds	<u>16,947,660</u>	<u>90,662</u>	<u>(167,160)</u>	<u>(40,840)</u>	<u>-</u>	<u>16,830,322</u>
Total Restricted funds	<u>14,889,660</u>	<u>6,071,249</u>	<u>(6,255,449)</u>	<u>-</u>	<u>(820,000)</u>	<u>13,885,460</u>
Total funds	<u>14,988,289</u>	<u>6,071,570</u>	<u>(6,255,449)</u>	<u>-</u>	<u>(820,000)</u>	<u>13,984,410</u>

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

Restricted general funds have been utilised for the Academy's educational operation.

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

The purpose of the sinking fund is the Lacon School's contribution to replacing the Astro Turf.

The Stottesdon C of E Primary Lottery grant and Tesco grant both will contribute to their hall project.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Total funds analysis by school

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Lacon Childe School	(19,630)	(46,239)
Clee Hill Community Academy	13,503	5,439
Cleobury Mortimer Primary School	125,190	126,545
Stottesdon C of E Primary School	22,489	14,107
Multi Academy Trust	181,536	(1,223)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	323,088	98,629
Restricted fixed asset fund	16,830,322	16,947,660
Pension reserve	(3,169,000)	(2,058,000)
	<hr/>	<hr/>
Total	13,984,410	14,988,289

During the year the individual schools made a contribution to MAT funds of 2% of their annual GAG income. In the prior year this was nil.

The 2018 fund balances per school have been restated to include the central service charges as stated in note 11.

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17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Lacon Childre School	1,906,445	695,990	293,776	546,470	3,442,681	3,478,217
Clee Hill Community Academy	397,484	176,092	33,450	132,533	739,559	666,351
Cleobury Mortimer Primary School	657,119	390,291	80,168	176,777	1,304,355	1,137,483
Stottesdon C of E Primary School	353,133	200,691	35,336	105,816	694,976	647,999
Multi Academy Trust	-	-	-	(93,282)	(93,282)	44,844
Trust	3,314,181	1,463,064	442,730	868,314	6,088,289	5,974,894

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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Designated funds						
Lacon Childe School - Sinking fund	-	-	-	50,000	-	50,000
Stottesdon C of E Primary - Hall Project	-	-	-	29,000	-	29,000
Stottesdon C of E Primary - Lottery Grant	-	-	-	10,000	-	10,000
Stottesdon C of E Primary - Tesco Grant	-	-	-	1,000	-	1,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>90,000</u>
General funds						
General Funds - all funds	188,445	281	(90,097)	(90,000)	-	8,629
Total Unrestricted funds	<u>188,445</u>	<u>281</u>	<u>(90,097)</u>	<u>-</u>	<u>-</u>	<u>98,629</u>
Restricted general funds						
Restricted Funds - all funds	-	5,704,982	(5,654,414)	(50,568)	-	-
Pension reserve	(2,188,000)	-	(202,000)	-	332,000	(2,058,000)
	<u>(2,188,000)</u>	<u>5,704,982</u>	<u>(5,856,414)</u>	<u>(50,568)</u>	<u>332,000</u>	<u>(2,058,000)</u>

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17. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Restricted fixed asset funds						
Restricted Funds - all funds	17,073,367	-	(176,275)	50,568	-	16,947,660
Total Restricted funds	14,885,367	5,704,982	(6,032,689)	-	332,000	14,889,660
Total funds	15,073,812	5,705,263	(6,122,786)	-	332,000	14,988,289

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	16,830,322	16,830,322
Current assets	98,950	640,644	-	739,594
Creditors due within one year	-	(416,506)	-	(416,506)
Provisions for liabilities and charges	-	(3,169,000)	-	(3,169,000)
Total	98,950	(2,944,862)	16,830,322	13,984,410

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	16,947,660	16,947,660
Current assets	154,846	409,498	-	564,344
Creditors due within one year	(56,217)	(409,498)	-	(465,715)
Provisions for liabilities and charges	-	(2,058,000)	-	(2,058,000)
Total	98,629	(2,058,000)	16,947,660	14,988,289

19. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(183,879)	(417,523)
Adjustments for:		
Depreciation	167,160	147,892
Interest receivable	-	281
Defined benefit pension scheme finance cost	291,000	202,000
(Increase)/decrease in debtors	(20,445)	68,993
Decrease in creditors	(48,973)	(52,931)
Net cash provided by/(used in) operating activities	204,863	(51,288)

20. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(49,822)	(50,568)
Loss on the disposal of tangible fixed assets	-	28,102
Net cash used in investing activities	(49,822)	(22,466)

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21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	513,130	358,089
Total cash and cash equivalents	513,130	358,089

22. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	92,745	-

At 31 August 2019 Stottesdon C of E Primary School were part way through capital works. The contract amount outstanding is included in capital commitments above.

23. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Mercer. 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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23. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £361,786 (2018 - £375,088).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £292,000 (2018 - £283,000), of which employer's contributions totalled £230,000 (2018 - £222,000) and employees' contributions totalled £ 62,000 (2018 - £61,000). The agreed contribution rates for future years are 14.3 - 16.8 per cent for employers and 13 per cent 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.

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.60	3.60
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.10	2.10

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

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23. Pension commitments (continued)

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	23.2	23.1
Females	26.4	26.3
<i>Retiring in 20 years</i>		
Males	25.4	25.3
Females	28.7	28.6

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	1,573	1,933
Mortality assumption - 1 year increase	1,661	2,114
CPI rate +0.1%	1,666	2,126
Pay growth +0.1%	1,625	2,069

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	673,000	549,000
Gilts	280,000	241,000
Other	306,000	211,000
Property	64,000	55,000
Cash and other liquid assets	24,000	26,000
Total market value of assets	1,347,000	1,082,000

The actual return on scheme assets was £44,000 (2018 - £48,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(334,000)	(369,000)
Past service cost	(125,000)	-
Interest income	33,000	22,000
Interest cost	(88,000)	(70,000)
Employers contributions	230,000	222,000
Administrative expenses	(7,000)	(7,000)
Total amount recognised in the Statement of Financial Activities	(291,000)	(202,000)

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

	2019 £	2018 £
At 1 September	3,140,000	2,949,000
Current service cost	334,000	369,000
Interest cost	88,000	70,000
Employee contributions	62,000	61,000
Actuarial losses/(gains)	830,000	(306,000)
Benefits paid	(63,000)	(3,000)
Past service costs	125,000	-
At 31 August	4,516,000	3,140,000

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	1,082,000	761,000
Interest income	33,000	22,000
Actuarial gains	10,000	26,000
Employer contributions	230,000	222,000
Employee contributions	62,000	61,000
Benefits paid	(63,000)	(3,000)
Administration expenses	(7,000)	(7,000)
At 31 August	1,347,000	1,082,000

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24. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	44,518	25,953
Later than 1 year and not later than 5 years	48,071	15,800
	<u>92,589</u>	<u>41,753</u>

25. Members' liability

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

26. Related party transactions

Owing to the nature of the Trust's operations 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 a directors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

During the year the Son of the Trust Business Manager and Company Secretary was remunerated £26,245 for employment within the Trust. No amounts were outstanding at year end.

~~During the year the Spouse of the Trust Executive Officer and Accounting Officer was remunerated £9,599 for employment within the Trust. No amounts were outstanding at year end.~~

Both transactions were paid at standard rate. The transactions have been conducted in accordance with the requirements of the Academies Financial Handbook, financial regulations and procurement procedures.