

THE SHAW EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021



THE SHAW EDUCATION TRUST

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THE SHAW EDUCATION TRUST

Trustees' Report

Reference and Administrative Details

Members	Mr C Richards (Deceased) The Shaw Trust Limited Mr D Bateson Mr P Baldwin Mr M Nussbaum (Appointed 21 December 2020)
Trustees	Mr A Meehan (Chair) Mrs J Morgan (Chief Executive Officer) Mr J Norman Mr J Rouse (Resigned 18 March 2021) Mr D Bateson Mr M Hawker (Resigned 22 September 2021) Mr M Cladingbowl Mrs J Oughton Mrs J Woods Mrs A Hassell Mr S King (Appointed 1 March 2021) Ms D Cote (Appointed 22 September 2021) Mr L Maxwell (Appointed 1 November 2021) Ms C Stevens (Appointed 1 November 2021) Mr N Tinegate (Appointed 1 November 2021) Ms H Walker (Appointed 1 November 2021)
Company Secretary	Miss H Turner
Executive Leadership Team	Mrs J Morgan (CEO and Accounting Officer) Miss H Turner (Chief Operating Officer) Mrs J Yarwood (Regional Director - North) Mr P Harrison (Regional Director - South) Mrs K Inscker (Director of People and Culture)
Company Name	The Shaw Education Trust
Principal and Registered Office	Kidsgrove Secondary School Gloucester Road Kidsgrove ST7 4DL
Company Registration Number	09067175 (England and Wales)
Independent Auditor	Crowe U.K. LLP Black Country House, Rounds Green Road Oldbury B69 2DG
Bankers	Natwest Bank 135 Bishopsgate London EC2M 3UR
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

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Trustees' Report (continued)

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The Shaw Education Trust operates twenty-five academies and one Specialist Independent College, for 10,640 pupils aged 2-25 years across Staffordshire, Stoke-on-Trent, Birmingham, Wolverhampton, Bury, Wigan, Halton and Derby. They are:

Academy	Provision	Date of conversion	No. Pupils
Blackfriars Academy, Priory Road, Newcastle-under-Lyme, Staffordshire, ST5 2TF	Special Secondary (11-16 years)	Oct-14	111
Brookfields Special School, Moorfield Road, Widnes, WA8 3JA	Special Primary (2-11 years)	Sept-18	112
Coppice Academy, Abbots Way, Newcastle-under-Lyme, Staffordshire, ST5 2EY	Special Secondary (11-16 years)	Oct-14	100
Endon High School, Leek Road, Endon, Stoke-on-Trent, ST9 9EE	Mainstream, Secondary (11-16 years)	Nov-20	708
Evergreen Academy, Cromer Gardens, Wolverhampton, WV6 0UB	Pupil Referral Unit	Mar-20	18
Fortis Academy, Aldridge Road, Great Barr, Birmingham, B44 8NU	Mainstream, Secondary (11-19 years)	Dec-16	1,495
Ivy House School, Moorway Lane, Littleover, Derby, Derbyshire, DE23 2FS	Special through school (2-19 years)	Oct-19	83
Kidsgrove Primary School, Gloucester Road, Stoke-on-Trent, ST7 4DL	Mainstream Primary (3-11 years)	Nov-18	119
Kidsgrove Secondary School, Gloucester Road, Stoke-on-Trent, ST7 4DL	Mainstream Secondary (11-16 years)	Nov-18	263
Madeley School, Newcastle Road, Madeley, Crewe CW3 9JJ	Mainstream, Secondary (11-16 years)	Jan-17	657
Meadows Primary School Newcastle Road, Madeley Heath, Staffordshire, CW3 9JX	Mainstream Primary (4-11 years)	Oct-17	83
Newfriars College, Castle Grove, Newhouse Road, Bucknall, Stoke-on-Trent, Staffordshire, ST2 8BH	Specialist College (16-25 years)	Sept-18	181
Pine Green Academy, Cromer Gardens, Wolverhampton, WV6 0UB	Special School (7-16 years)	Mar-20	84
Saxon Hill Academy, Kings Hill Road, Lichfield, WS14 9DE	Special, through school, Residential provision (2-19 years)	Nov-15	122

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Trustees' Report (continued)

Academy	Provision	Date of conversion	No. Pupils
Seabridge Primary School, Roe Lane, Newcastle-under-Lyme, Staffordshire, ST5 3PJ	Mainstream, Primary (3-11 years)	Jun-17	431
St Andrew's Academy, St Andrew's View, Breadsall Hilltop, Derby, Derbyshire, DE21 4EW	Special Secondary (11-19 years)	Sept-19	136
St Martins School, The Derwent Campus, Bracknell Drive, Alvaston, Derby, Derbyshire, DE24 0BT	Special Secondary (11-19 years)	May-20	220
Streethay Primary School, Yoxall Way, Lichfield, WS13 8FT	Mainstream Primary Free school (2-11 years)	Sept-19	161
The Meadows Primary Academy, Poplar Drive, Blurton, Stoke-on-Trent, Staffordshire, ST3 3AZ	Mainstream Primary (3-11 years)	Jan-20	380
The Orme Academy, Milehouse Lane Wolstanton Staffordshire, ST5 9JU	Mainstream, Secondary (11-16 years)	Sep-15	719
The Westleigh School, Westleigh Lane, Leigh, Lancashire, WN7 5NL	Mainstream Secondary (11-16 years)	Aug-18	869
Tottington High School, Laurel Street, Tottington, Bury, Lancashire, BL8 3LY	Mainstream Secondary (11-16 years)	Nov-18	929
Unsworth Academy, Parr Lane, Bury, BL9 8LP	Mainstream, Secondary (11-16 years)	Feb-17	921
Walton Hall Academy, Stafford Road, Eccleshall, Staffordshire, ST21 6JR	Special, Secondary, Residential provision (11-19 years)	Oct-14	188
Waterside Primary School, Eastwood Road, Hanley, ST1 3JS	Mainstream, Primary (3-11 years)	Feb-21	417
Woodhey High School, Bolton Road, Ramsbottom, Bury, BL0 9QZ	Mainstream, Secondary (11-16 years)	Oct-20	1,133

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Shaw Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Shaw Education Trust.

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

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Trustees' Report (continued)

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

The management of the charitable company is the responsibility of the trustees who are elected and co-opted under the terms of the articles of association. With the exception of the Chief Executive Officer (CEO) the initial term of office for any trustee is four years, although this can be extended. It is essential that the Trust Board has a robust mix of skills and experience. Trustees identify potential new Trustees in order to plan for succession, which combines continuity of experience and expertise with new ideas and energy.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustee's recruitment is targeted at both the ability of prospective trustees to support the academies within the academy trust as well as any skills needs identified by the board evaluation process. As such, a careful balance of experience and expertise is ensured. A board evaluation process is undertaken regularly and training is arranged for any shortfalls. New trustees are provided with all necessary documents to undertake their role, enrolled with the National Governors' Association and have access to formal training through external agencies upon identification of need or on request. Mandatory training is delivered annually, or as appropriate, this includes Level 2 safeguarding.

Organisation Structure

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

Shaw Trust Limited provides five sponsor trustees to The Shaw Education Trust board.

Shaw Trust Limited board meet quarterly and reviews the progress of The Shaw Education Trust as an agenda item.

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

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

Principals have been appointed (by ELT and Academy Councillors) in each academy and report to the Regional Directors (North or South) and their individual local Academy Councils. The CEO holds all Executive Team members to account for performance across the Trust.

The Chief Operating Officer is also the Chief Financial Officer for the Trust. The COO holds the two Heads of Finance, Head of HR and all operational team Directors to account for performance across their fields of expertise (Estates, ICT, Media and Marketing). The COO is held to account by the CEO.

The Trust has two Regional Directors in post (North and South) who are supported by Deputy Regional Directors.

The Director of People and Culture supports the whole Trust and leads the Institute of Education.

The board of trustees fulfil their responsibilities through: strategic planning; by the setting of policy; monitoring standards; as well as taking responsibility for the oversight and management of risk. The board of trustees has the power to direct change where required as indicated within the Delegated Accountability Framework.

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Trustees' Report (continued)

The Delegated Accountability Framework, which has been centrally established, details levels of authority and appropriate parties within transparent guidelines.

Each Academy has a local governing body, called an Academy Council. The Academy Council assists in the monitoring and advising of standards, including target setting in their Academy. They also have delegated authority to ensure policies and procedures are effectively deployed within the day-to-day running of the Academy. The Academy Council has an important community-facing role, ensuring the Academy meets the needs of its community and the pupils attending the Academy. The Academy Council composite has parental and staff representatives as a statutory requirement. The Academy Council meet at least twice a term and have a minimum of two sub committees, one of which incorporates Finance and Risk (including Health, Safety and Safeguarding) and the other which reviews and challenges Education, Standards and Performance. On occasion, Academy Councils are replaced by Interim Executive Boards, or Executive Academy Councils to ensure effective governance at local level.

Arrangements for setting pay and remuneration of key management personnel

The Chief Executive Officer makes recommendations to the Nominations and Remunerations Committee for the pay and remuneration of key management personnel within the central team. Any recommendation takes into account a variety of factors such as roles and responsibilities, performance through the annual review process and benchmarking pay across the academies sector.

The Nominations and Remunerations Committee annually approve/or otherwise, recommended incremental payments and pay awards from the Executive Leadership Team, including for school based staff. This is following the completion of the appraisal process, which is quality assured by the ELT.

The Shaw Education Trust Board determine the pay and remuneration of the Chief Executive Officer. This is delegated to the Nominations and Remunerations Committees following the appraisal process.

Trade Union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
25	21.1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	11
1%-50%	14
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£15,140
Total pay bill	£50,499,000
Percentage of total pay bill spent on facility time	0.03%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	
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Related Parties and other Connected Charities and Organisations

Shaw Trust Limited is the Sponsor member for The Shaw Education Trust. The memberships defines the Shaw Trust Limited role and responsibilities related to The Shaw Education Trust in accordance with the Governance Handbook, 2021 and Academies Financial Handbook 2020. This relationship is defined as a related party and as such any business that The Shaw Education Trust has with its Sponsor is conducted "at cost" following a competitive procurement exercise which ensures best value.

THE SHAW EDUCATION TRUST

Trustees' Report (continued)

Engagement with employees (including disabled persons)

The Shaw Education Trust regularly engage with employees via a series of methodologies. Staff feedback is frequently sought via surveys; meetings; consultation activity and open invitation. Communication from the central team to schools is regular and well distributed. The Trust runs celebration events; shared experience events, and 'hubs' to engage and motivate employees, both teaching and non-teaching as well as the central team.

Due consideration of equalities is taken when communicating to ensure inclusive practice.

Engagement with suppliers, customers and others in a business relationship with the trust

The Shaw Education Trust engages in relationships with its customers, suppliers and others in a business relationship with the Trust on a regular basis and through various mediums. We live by our mission, values, and aim to serve the people within our academies and our wider communities.

Customers

We ensure that everything that we do realises the potential of our young people that we are here to help.

Our Trust's purpose centres on our pupils; ensuring they have the best teachers, facilities and equipment to enable them to achieve their goals. We regularly seek the opinions of our young people through surveys and school councils so that we can hear our student voice, and ensure we are meeting their needs.

Parental voice is frequently sought by the Trust. We evaluate our provision based on feedback and amend aspects accordingly. We ensure that all our Academy Councils have parental representation.

Staff are regularly engaged to determine feedforward.

Suppliers

96% of our payments were paid within 60 days and 91% of our payments within 30 days. We are committed to good payment practice, regularly review, report on payment practices, and provide support to the academies in our trust to ensure that supplier invoices are processed and paid in a timely manner. We have endeavoured to support our suppliers throughout the Covid 19 pandemic by paying all suppliers immediately upon receipt of invoice.

We carry out very careful procurement exercises to secure best value for money and following the confirmation of successful contracting, work closely with suppliers to ensure that they are able to deliver a high quality service. This involves open dialogue, the celebration of what's going well, but also collaboratively looking for solutions in a proactive and supportive manner should the need arise.

Other stakeholders

Our academies and the Trust engage with other stakeholders in our communities to further support our young people. Engagement with local businesses by our academies has supported career experiences for their pupils. We also work in partnership with our sponsor Shaw Trust Limited to bring wider career opportunities for our students.

The Trust engages regularly with Local Authorities and other Multi Academy Trusts to share best practice and to contribute more widely to the education system.

The Trust works with RSC teams to enable system leadership and support.

THE SHAW EDUCATION TRUST

Trustees' Report (continued)

Objectives and Activities

Our Intent

1. The ambitions, talents, and abilities of all young people will be supported; barriers to success will be removed; inclusion will be guaranteed.
2. By investing in our people and communities we will be a change agent for all children, students and their families.
3. Leadership and creativity will work symbiotically for the good of each individual; resulting in great places to work, hubs which buzz with originality and achieve awesome, inspirational outcomes.

Our Vision is to secure creative excellence in:

✓ **Our Leadership**

We will enable and support the development of exceptional leadership across the Trust by offering remarkable professional development and learning opportunities for all.

✓ **Our Curriculum Models**

All schools shall deliver bespoke curricula which gives every young person the knowledge and skills they need for their futures. We will foster creativity; ingenuity; innovation; depth and breadth in pupil/student learning- by firing imaginations and fueling intellectual diversity.

✓ **Our Schools**

All our schools will provide a caring and supporting environment where young people can flourish and be the engine rooms of excellence.

We will bridge the gaps for school leavers by celebrating their skills; reflecting their talents; and promoting their abilities.

Our staff will be trusted to excel, self-regulate, and aspire; we will support them to achieve their professional goals.

✓ **Our Philosophy**

We are committed to enabling our children, young people and staff to flourish.

Our Values are reflected by our **Trust Totem Pole**

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

To act with integrity: being open and transparent, actively embracing equality and diversity within an honest, inclusive and respectful culture.

To be innovative: determined by creative, pioneering and forward-thinking original thought and inventive orthodoxies to our solution focused thinking. We will be relentless in our pursuit of the excellence which has the power to change lives.

To be best in class: helping every individual on their journey towards achieving their remarkable self. Our staff are our greatest asset; we will support our team to be empowering leaders, to deliver exceptional teaching, and achieve transformative learning and outcomes.

THE SHAW EDUCATION TRUST

Trustees' Report (continued)

To be accountable: we share a collective responsibility to our pupils. Individually we shall demonstrate personal pride and delight in excelling in our roles, whilst living our Trust values. We are committed to robust adherence to external audit mechanisms which secure statutory compliance.

Our Norms

The DNA of our schools' trust is based on a series of mandatory behaviours that define the organisation; its staff; its young people and its practice.

Our norms are the manifestation of our values in action.

We agree that:

- ✓ We set high expectations;
- ✓ We support a culture of courage and fearlessness;
- ✓ Creativity and invention by all and for all;
- ✓ Collaboration is a compulsion;
- ✓ Challenge is motivational and provides stimuli;
- ✓ Data sparks imagination and ingenuity;
- ✓ Diversity is a strength to be welcomed and empowered.

Objectives, Strategies and Activities

Our Objectives 2020-2025

Our overview is based on growth from a mid-size multi-academy trust to a large and leading provider of education across several geographical footprints.

We will:

- Raise standards for young people within our Trust so they: exceed previous performance; have dynamic and vibrant curriculums and teaching; and the paths to bright futures paved by excellent learning foundations
- Communicate a compelling strategic vision which is effectively delivered through shared accountabilities and corporate cohesion
- Embed a clear accountability framework at all levels, which embraces social and personal responsibility
- Establish robust quality assurance mechanisms across the academies within the Trust which enable consistently outstanding performance
- Ensure effective governance is secured through regular review, transparent lines of delegated authority, planned scrutiny and targeted challenge
- Provide bespoke school improvement services which accelerate performance and generate internal strength
- Promote risk management as a Trust norm to secure and protect pupils and staff
- Plan for succession, by actively promoting talent, developing staff at all levels; encouraging innovation and creativity; committing to research and development and positively promoting diversity
- Contribute to the broader education agenda by engaging with local, regional and national networks
- Invest in teacher training and development via the SCITT, Teaching School provisions (until 31st August 2021), and the Institute of Education.

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Trustees' Report (continued)

Growth Plan

We will Grow

The Shaw Education Trust has a regional model predicated by nominal geographical footprints. Until September 2021 we had two hubs: one in the North (covering the NW and North Staffordshire) and the other the South (covering Mid/south Staffordshire and the Midlands).

It is the Trust's intention to grow in all current regional areas, across all phases and all sectors.

Our growth strategy is based on the following:

- Any incoming school fits and aligns with our **Vision, Values** and **Norms**;
- We can add value;
- Financial and operational due diligence does not jeopardise the Trust family;
- Our decisions are morally sound.

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charities Commissioner's general guidance on public benefit when reviewing the academy trust objective and aims 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. The 7 Nolan Principles are adhered to in our practice.

Strategic report

Achievements and performance

Strategic reporting

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

The standard termly format details a report from the CEO, which includes:

- DfE (Department of Education), RSC (Regional Schools Commissioner) and Ofsted updates;
- a strategic evaluation;
- staffing updates;
- business and pipeline plan review;
- schools update and MAT self-evaluation;
- a report from the Regional Directors, which includes updates on school data and outcomes, CPD (Continued Professional Development), improvement activity and current assessment of our academies;
- a report from the Chief Operating Officer which includes a Management Accounts pack; Financial returns for approval; Governance, Human Resources, ICT, Marketing and Communications updates and a Director of Infrastructure report which includes the risk register, allocations from the Schools Condition Allowance grant, risk assessments, traps and triggers and estates updates.

This enables Shaw Education Trust directors to have a broad understanding of current performance indicators and ensure robust governance. Progress is shared with the Sponsor Board (Shaw Trust Limited) through a formal meeting process.

Delivering the Strategy

The Board of trustees receive a termly report from the CEO which details progress against the delivery of strategic objectives through operational reporting and review. These updates provide the board with

THE SHAW EDUCATION TRUST

Trustees' Report (continued)

information on outstanding matters and successes. This report incorporates business and financial updates. Progress is evaluated by the Board and the risk register updated.

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

Self-evaluation

The Board receives a termly report on the progress of the Trust using the nine step Carter model. The CEO and Executive Leadership Team evaluate the position of the MAT as it grows and develops from beginning; developing; embedding and leading. The most recent evaluation places the Trust at strong in all categories.

Staffing

From the outset, the board of trustees understood the need to establish a sustainable staffing structure to manage the academy trust and increase our capacity to support academies effectively.

We have in post a very experienced Chief Executive Officer; two Regional Directors (from 2019); two Deputy Regional Directors (from June 2019); Director of People and Culture, Chief Operating Officer; five Subject Advisers; a Director of Infrastructure and a Director of Digital Transformation, an Interim Head of HR, a Head of Estates and two Heads of Finance. We have also enhanced the team by creating several administrative posts to support the Trust's efficacy; this includes finance, ICT and media/marketing posts.

Alongside this there are three national Leaders in Education (NLEs) in the Trust (including the CEO) which cover all three sectors; secondary, special and primary.

Our School Centred Initial Teacher Training (SCITT) comes with allotted staffing which is linked to external grants and is graded outstanding by Ofsted.

The Trust has a detailed succession plan in place- which is supported by learning opportunities and professional development profiles via the Institute of Education.

The CEO and the central team continue to develop strategy to support the more effective delivery of services and centralised procurement. Evaluations of catering, IT, estates and capital are well developed. There are well co-ordinated plans for building improvements across all existing academies.

The SCA is now delivering a well- planned capital build programme across the Trust. Pupil need, growth, health and safety and individual academy planning prioritise this expenditure.

Key Performance indicators

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

Our primary academies:

Seabridge Primary School joined SET on 1 June 2017 as our first primary mainstream academy. The school has not been inspected since conversion but has a legacy judgement of Good.

The Meadows Primary School joined SET on 1 October 2017. The school has not been inspected since conversion but has a legacy judgement of Good.

Kidsgrove Primary School joined SET on 1 November 2018 as part of a rebrokerage from another MAT. The school is a mainstream primary school and has not yet been inspected by Ofsted since rebrokerage.

Streethay Primary School joined SET on 1 September 2019 as our first Free School. The school is a mainstream primary school serving a new housing development.

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Trustees' Report (continued)

The Meadows Primary Academy joined SET on 1 January 2020. The school is a mainstream primary school. The school has not yet been inspected by Ofsted since conversion but has a legacy judgement of Good.

Waterside Primary School joined SET on 1 February 2021. The school is a mainstream primary school with a legacy judgement of Outstanding in all areas.

In our mainstream secondary academies:

Kidsgrove Secondary School joined SET on 1 November 2018 as part of a rebrokerage from another MAT. The school is a mainstream secondary school and has not yet been inspected by Ofsted since rebrokerage.

Madeley High School joined SET on 1 January 2017. The school is an 11-16 mainstream secondary school. The school was last inspected in 2019 and judged to be Good.

Fortis Academy (previously Great Barr Academy) joined SET on 1 December 2016. The school is an 11-19 mainstream secondary school. The school was last inspected in 2019 and judged to Require Improvement overall with Good for Leadership and Management and Good for the sixth form provision.

The Orme Academy joined SET on 1 September 2015. This is a mainstream secondary academy for 11-16 year olds. The Orme Academy was previously Wolstanton High School and has been through a significant period of positive change. The school was inspected in 2018 and judged to Require Improvement overall, with Leadership and Management judged to be Good.

The Westleigh School joined SET on 1 August 2018 via a Directive Academy Order due to be being placed in Serious Weaknesses by Ofsted. The school is an 11-16 mainstream secondary school. It has not yet been inspected since joining the Trust.

Tottington High School joined on 1 November 2018. The school is a mainstream school for 11-16 year olds. The school has not yet been inspected but has a legacy judgement of Good.

Unsworth Academy joined SET on 1 February 2017 via a Directive Academy Order due to being placed in Special Measures by Ofsted. The school is an 11-16 mainstream secondary school. The school was last inspected in 2019 and judged to be Good.

Woodhey High School joined SET on 1 October 2020 and is a mainstream secondary school for 11-16 year olds. The school has a legacy inspection judgement of Requires Improvement.

Endon High School joined SET on 1 November 2020 and is a mainstream secondary school for 11-16 year olds. The school has a legacy inspection judgement of Good.

In our special academies:

Blackfriars Academy joined SET on 1 October 2014. Blackfriars is a specialist provision for 11-19 year olds. The school was inspected in 2017 and was judged to be Outstanding. Pupils access a wide range of qualifications and accreditation. The school hosted a highly successful Teaching School until 31 August 2021.

Brookfields School joined SET on 1 September 2018. The school is a primary specialist provision. The school has not yet been inspected since conversion but has a legacy judgement of Outstanding.

Coppice Academy joined SET on 1 October 2014. The Coppice is a specialist provision for 11-16 year olds. The school was inspected in 2017 and was judged to be Good.

Evergreen and Pine Green Academies joined SET on 1 March 2020 after a re-brokerage from another MAT. The provisions are a Primary Pupil Referral Unit (PRU) and a specialist school for 7-16 year olds. The school has a legacy inspection judgement of Requires Improvement and the PRU has a legacy judgement of Good.

Ivy House School joined SET on 1 October 2019. The school is a specialist provision for 2-19 year olds. The school has not yet been inspected by Ofsted since conversion but has a legacy judgement of Outstanding.

Saxon Hill Academy joined SET on 1 October 2015. The school is a specialist provision for 2-19 year olds. The school was inspected in 2018 and judged to be Good. The residential provision was last inspected in 2019 and was judged to be Outstanding.

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Trustees' Report (continued)

St Andrew's Academy joined SET on 1 June 2019. The school is an 11-19 specialist provision. The day school and residential provision both have legacy inspection judgements of Good. St Andrew's is a Teaching School. Residential continues to be Good with Leadership and Management Outstanding

St Martins School joined SET on 1 May 2020. The school is a specialist provision for 11-19 year olds. The school has not yet been inspected since conversion but has a legacy judgement of Outstanding. St Martins was a Teaching School until 31 August 2021.

Walton Hall Academy joined SET on 1 October 2014. Walton Hall was inspected in 2017 and was judged to be Good. The residential provision was last inspected in January 2020 and judged to be Outstanding.

Newfriars College joined SET on 1 September 2018. Newfriars is an Independent Specialist College for 16-25-year olds. The College has not yet received a full inspection, but the provision was previously inspected as part of Blackfriars Academy and was judged as Outstanding.

The SCITT has been assessed by Ofsted as Outstanding.

Covid-19

Although the outbreak of Covid-19 has been a major event and posed many challenges to the trust, the impact has been well mitigated and has had no major detrimental impact on the finances of the trust during the year.

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.

Promoting the success of the company

Under section 172 of the Companies Act 2006, the trustees must act in a way most likely to promote the success of the company, and in doing so must have regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company

The Governance structure of The Shaw Education Trust enables Trustees to engage with stakeholders and to understand the issues to which they must have regard. The Executive Leadership team will present evidence to the Trustees at meetings of the board or another relevant time which gives them assurance over the decisions and strategies during the financial year made by the appropriate person with delegated authority (as set out in the Delegated Accountability Framework) within the organisation.

The Shaw Education Trust board has regard to employees and seeks to operate in their best interests. The board receives staff feedback via surveys; meetings; consultation activity and open invitation. We aim to be an employer of choice and are proud of the offer of training and development programmes through our Institute of Education. We work openly and transparently with Unions and ensure all policies go through a consultation process. There are robust processes in place for performance and talent management to ensure fairness to all.

The Shaw Education Trust engages in relationships with its customers, suppliers and others in a business relationship with the Trust on a regular basis and through various mediums. We live by our mission, values, and aim to serve the people within our academies and our wider communities.

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Trustees' Report (continued)

Financial Review

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

The academy trust's recurring income is predominantly in the form of grants from DfE, ESFA and local authorities. These grants are restricted to the provision of education as governed by the academy trust's funding agreement. During the year, the trust's income increased from £106.329m to £113.415m, principally due to increased funding received as a result of increased pupil numbers overall across the trust and the expansion of the trust with three new converter academies.

Total expenditure of £94.33m was covered by recurring grant income together with other incoming resources. During the year to 31 August 2021, the academy trust generated a surplus of £6.84m and increased its cash balance from £10.545m to £17.129m. The increase in cash is principally due to the conversion of three academies into the trust, as well as significant capital grants received during the year that are earmarked for projects to begin in subsequent periods.

The three academies who converted into the trust during the year, Endon High School, Waterside Primary and Woodhey High School, brought significant surpluses of funds with them. £21.421m of fixed assets in the form of land and buildings, £1.448m of surplus local authority funds were offset by LGPS deficits totalling £3.50m. A net surplus of £19.37m was generated from the conversion of these academies.

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

The financial activities of The Shaw Education Trust subsidiary, Newfriars College, are fully consolidated into The Shaw Education Trust group accounts.

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

The deficit on the restricted pension fund of £68.710m (2020: £48.426m) arises from an actuarial deficit on the local government pension scheme, which will be dealt with as advised by the actuary.

Reserves Policy

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

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

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

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

THE SHAW EDUCATION TRUST

Trustees' Report (continued)

Each academy within the trust has a target level of 'contingent reserves', being 5% of in-year GAG funding for secondary schools, and 8% of in-year GAG funding for primary schools and special schools. In addition, contingent reserves for the trust's central services are 5% of in-year topslice income. In total these target contingent reserves at 31 August 2021 equated to approximately £4m.

At 31 August 2021, free reserves, represented by unrestricted funds and restricted funds excluding capital and pension funds, are a surplus of £10.979m (2020: £6.876m). However, these reserves are largely committed for expenditure within the academies as contributions to capital projects, staffing restructures or specific educational interventions. At 31 August 2021, of the free reserves, unrestricted funds are a surplus of £4.313m (2020: £3.804m), restricted funds are a surplus of £6.666m (2020: £3.072m).

Investment policy

The trust currently has no material investments.

Principal risks and uncertainties

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

Emerging risks and changes to the risk profile are identified by the Executive Leadership Team and reported to the Audit Committee and main Trustee Board through a Corporate Risk Register. The board of trustees reviews new and existing risks, challenges risk ratings and assesses the effectiveness of mitigating actions and controls. It also considers whether other risks should be reviewed and advises management accordingly. The assessment of risk is linked to the evolving trust strategy and the following have been identified as key risks:

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

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

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

Fundraising

The academy trust does not use any external fundraisers. The Trustees monitored all fundraising undertaken during the year.

THE SHAW EDUCATION TRUST

Trustees' Report (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	18,234,420	17,647,040
<u>Energy consumption breakdown (kWh)</u>		
Gas	13,324,305	13,653,102
Electricity	4,877,474	3,691,007
Transport	32,641	302,931
<u>Scope 1 emissions in metric tonnes CO₂e</u>		
Gas consumption	2,440	2,512
Owned Transport – Minibuses	7	59
Total Scope 1:	2,447	2,586
<u>Scope 2 emissions in metric tonnes CO₂e</u>		
Purchased electricity	1,035	1,045
<u>Scope 3 emissions in metric tonnes CO₂e</u>		
Business travel in employee owned vehicles	1	15
Total gross emissions in metric tonnes CO₂e	3,484	3,631
<u>Intensity Ratio</u>		
Tonnes CO ₂ e per pupil	0.33	0.46

Basis for Calculations:

The methodology employed is as published at <https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/streamlined-energy-and-carbon-reporting>

Intensity Management:

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency:

The Shaw Education Trust academies have good levels of energy awareness. This is either in the use of installed efficient equipment (such as LED lighting or modern heating boilers), optimised controls for lighting and plant rooms, or the initiative of individual persons, such as energy managers and handy persons.

THE SHAW EDUCATION TRUST

Trustees' Report (continued)

Plans for future periods

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

One of our key objectives for the first/second year of operation was to extend the family of schools in the West Midlands cluster and move into the North West. Our priority remains to recruit schools from all sectors, secondary, primary as well as special schools. In September 2018, we opened Newfriars College in Stoke-on-Trent. This provision provides 16-25 education for pupils with special educational needs and disabilities. As at 31 August 2021, the trust consists of 25 academies, one Specialist College, two Teaching Schools and a SCITT. The Teaching School contracts ended as of 31 August 2021,

The Shaw Education Trust was granted a Free School Presumption for Bury LA due for completion in September 2023.

Business plans for 2021-22 financial year include a detailed plan for further growth, including free school applications and maintained school conversions.

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

Auditor

In so far as the trustees are aware:

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

The Shaw Education Trust will be recommending to members at the next AGM that the current auditor is reappointed for 2021-22.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16th December 2021 and signed on its behalf by:



Mr Andrew Meehan
Chair

THE SHAW EDUCATION TRUST

Governance Statement

Scope of responsibility

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

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Shaw Education Trust and the Secretary of State for Education. The Accounting Officer (CEO) is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control. The Accounting Officer is personally obliged to report any discord between trust behaviour and compliance required within the Academies Financial Handbook.

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 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr A Meehan (Chair)	6	6
Mr J Norman	6	6
Mr J Rouse	2	3
Mrs J Morgan (CEO)	6	6
Mr D Bateson	5	6
Mr M Hawker	6	6
Mr M Cladingbowl	2	6
Mrs J Oughton	5	6
Mrs J Woods	0	6
Miss A Hassell	6	6
Mr S King	3	3

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

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

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

The board of trustees uses the trust vision and strategic plan to determine the future direction of the academies.

THE SHAW EDUCATION TRUST

Governance Statement (continued)

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

The board of trustees evaluates performance management processes via the Nominations and Remunerations Committee.

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

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

- Trust members – the corporate sponsor, Shaw Trust Limited, and three persons appointed by special resolution.
- Trust board – the Directors/Trustees; up to 5 Shaw Trust representatives; 6 independent Trustees, including the independent chair, plus the SET CEO (ex-officio) and any number of co-opted Trustees.
- Trust sub-committees
- Local Governing Bodies – known as Academy Councils
- The Executive Leadership team in attendance - the Regional Directors, Director of People & Culture Chief Operating Officer, Director of Infrastructure, Director of Digital Transformation, Heads of Finance & HR

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

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

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

There is a Nominations and Remunerations committee that approves all pay recommendations for the staff in the schools and the central team. The school based increments have been recommended by the Academy Councils and then quality assured by the central team

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

Attendance during the year was as follows:

Trustees	Meetings attended	Out of possible
Mr J Rouse	1	1
Mr A Meehan	3	3
Mrs J Morgan (CEO)	3	3
Mr M Hawker (Committee Chair)	3	3
Mrs J Oughton	3	3
Mr S King	2	2

THE SHAW EDUCATION TRUST

Governance Statement (continued)

The Audit committee is a dedicated sub-committee of the main board of trustees. Its purpose is to provide internal scrutiny and reporting to the board on the adequacy of the trust's financial and other controls and management of risk.

Attendance during the year was as follows:

Trustees	Meetings attended	Out of possible
Mr J Rouse	1	1
Mr A Meehan	3	3
Mrs J Morgan (CEO)	3	3
Mr M Hawker (Committee Chair)	3	3
Mr M Cladingbowl	1	3
Mr S King	2	2
Miss A Hassall	3	3

Review of Value for Money

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

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Ensuring best value is robustly applied to all procurement
- Reviewing costs and exploring economies of scale in contracting e.g. HR
- Purchasing licenses in "bulk" to reduce additional costs to academies
- Sharing centrally employed personnel to reduced individual academy costs
- Analysing value for money in tendered services and re-negotiating the cost rates
- Securing economies of scale in procurement related to ICT programmes and systems

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 Shaw Education Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. The board of trustees regularly reviews this process.

THE SHAW EDUCATION TRUST

Governance Statement (continued)

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 audit 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; and identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed WR Partners for separate elements of internal audit for the period from 1 September 2020 to 31 August 2021.

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

- testing of payroll processes, payments, statutory and non-statutory deductions and reporting,
- testing of procurement processes including capital verification and bank payments

On an annual basis, the auditor reports to the board of trustees through the Finance committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Review of effectiveness

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

- the work of the external auditor;
- the work of the internal auditor,
- the financial management and governance self-assessment process; and
- 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 committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 16th December 2021 and signed on its behalf by:



Mrs J Morgan
Chief Executive



Mr A Meehan
Chair

THE SHAW EDUCATION TRUST

Statement of Regularity, Propriety and Compliance

As Accounting Officer of The Shaw Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



Mrs J Morgan

Chief Executive

16th December 2021

THE SHAW EDUCATION TRUST

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of The Shaw Education 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 the group 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 the group 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 16th December and signed on its behalf by:



Mr A Meehan
Chair

THE SHAW EDUCATION TRUST

Independent Auditor's report on the Financial Statements to the Members of The Shaw Education Trust

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Shaw Education Trust (the 'trust') for the year ended 31 August 2021 which comprise the group Statement of Financial Activities, the group and company Balance sheets, the group Statement of cash flows and the group and company 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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

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

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

THE SHAW EDUCATION TRUST

Independent Auditor's report on the Financial Statements to the Members of The Shaw Education Trust (continued)

Other information

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

We have nothing to report in this regard.

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

THE SHAW EDUCATION TRUST

Independent Auditor's report on the Financial Statements to the Members of The Shaw Education Trust (continued)

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the 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.

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

THE SHAW EDUCATION TRUST

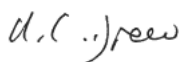
Independent Auditor's report on the Financial Statements to the Members of The Shaw Education Trust (continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Helen Drew (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 16 December 2021

THE SHAW EDUCATION TRUST

Independent Reporting Accountant's Assurance Report on Regularity to The Shaw Education Trust and Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 June 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Shaw Education Trust during the year 1 September 2020 to 31 August 2021 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 Shaw Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Shaw Education 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 Shaw Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Shaw Education Trust's funding agreement with the Secretary of State for Education dated 19 March 2015 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes a review of the design and implementation of the charitable company's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the charitable company and specific transactions identified from our review.

THE SHAW EDUCATION TRUST
Independent Reporting Accountant's Assurance Report on
Regularity to The Shaw Education Trust and 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe U.K. LLP

Crowe U.K. LLP

Reporting Accountant

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 16 December 2021

THE SHAW EDUCATION TRUST

Group Statement of Financial Activities for the year ended 31 August 2021 (including Income and Expenditure Account)

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2021 £000	Total 2020 £000
Income and endowments from:						
Donations and capital grants	3	-	219	5,693	5,912	25,352
Donations – transfer from local authority on conversion	34	1,460	(3,500)	21,421	19,381	6,982
Donations – transfer of existing academy into the trust		-	-	-	-	6,692
Charitable activities:						
- Funding for educational operations	4	453	84,309	-	84,762	64,174
- Funding for teaching school	4, 32	-	167	-	167	184
- Funding for boarding activities	4, 33	-	1,194	-	1,194	994
Other trading activities	5	1,811	187	-	1,998	1,937
Investments	6	1	-	-	1	14
Total		3,725	82,576	27,114	113,415	106,329
Expenditure on:						
Raising funds	7	878	37	-	915	12
Charitable activities:						
- Educational operations	9	1,679	85,083	5,297	92,059	83,597
- Teaching school	9, 32	-	164	-	164	211
- Boarding activities	9, 33	-	1,194	-	1,194	994
Total		2,557	86,478	5,297	94,332	84,814
Net Income/ (expenditure)		1,168	(3,902)	21,817	19,083	21,515
Transfers between funds	20	(659)	(545)	1,204	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(12,243)	-	(12,243)	(3,418)
Net movement in funds		509	(16,690)	23,021	6,840	18,097
Reconciliation of funds						
Total funds brought forward		3,804	(45,354)	160,243	118,693	100,596
Total funds carried forward		4,313	(62,044)	183,264	125,533	118,693

THE SHAW EDUCATION TRUST

Statement of Financial Activities for the year ended 31 August 2020 (including Income and Expenditure Account)

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2020	Notes	Funds £000	General £000	Fixed asset £000	2020 £000
Income and endowments from:					
Donations and capital grants	3	-	241	25,111	25,352
Donations - transfer from local authority on conversion	34	1,239	(5,830)	11,573	6,982
Donations - transfer of existing academy into the trust		(57)	(2,394)	9,143	6,692
Charitable activities:					
- Funding for educational operations	4	205	63,969	-	64,174
- Funding for teaching school	32	-	184	-	184
- Funding for boarding activities	33	-	994	-	994
Other trading activities	5	1,614	323	-	1,937
Investments	6	14	-	-	14
Total		3,015	57,487	45,827	106,329
Expenditure on:					
Raising funds	7	-	12	-	12
Charitable activities:					
- Educational operations	9	1,206	67,015	15,376	83,597
- Teaching school	32	-	211	-	211
- Boarding activities	33	-	994	-	994
Total		1,206	68,232	15,376	84,814
Net Income/ (expenditure)		1,809	(10,745)	30,451	21,515
Transfers between funds	20	(1,338)	(363)	1,701	-
Other recognised (losses)					
Actuarial (losses) on defined benefit pension schemes	23	-	(3,418)	-	(3,418)
Net movement in funds		471	(14,526)	32,152	18,097
Reconciliation of funds					
Total funds brought forward		3,333	(30,828)	128,091	100,596
Total funds carried forward		3,804	(45,354)	160,243	118,693

THE SHAW EDUCATION TRUST

Group and Company Balance Sheet as at 31 August 2021

Company Number 09067175

	Notes	2021		2020	
		Group £000	Company £000	Group £000	Company £000
Fixed assets					
Intangible assets	13	1	1	15	15
Tangible assets	14	180,005	179,735	160,099	159,871
		180,006	179,736	160,114	159,886
Current assets					
Debtors	16	5,780	5,305	4,451	4,913
Cash at bank and in hand		17,129	16,938	10,545	9,603
		22,909	22,243	14,996	14,516
Current liabilities					
Creditors: amounts falling due within one year	17	(8,050)	(7,699)	(7,247)	(7,042)
Net current assets		14,859	14,544	7,749	7,474
Total assets less current liabilities		194,865	194,280	167,863	167,360
Creditors: amounts falling due after more than one year	18	(622)	(542)	(744)	(654)
Net assets excluding pension liability		194,243	193,738	167,119	166,706
Defined benefit pension scheme liability	23	(68,710)	(68,710)	(48,426)	(48,426)
Net assets		125,533	125,028	118,693	118,280
Funds of the academy trust:					
Restricted funds					
- Fixed asset funds	20	183,264	182,994	160,243	160,101
- Restricted income funds		6,666	6,550	3,072	2,929
- Pension reserve		(68,710)	(68,710)	(48,426)	(48,426)
Total restricted funds		121,220	120,834	114,889	114,604
Unrestricted income funds	20	4,313	4,194	3,804	3,676
Total funds		125,533	125,028	118,693	118,280

The financial statements on pages 29 – 71 were approved by the trustees and authorised for issue on 16th December 2021 and are signed on their behalf by



Mr Andrew Meehan
Chair of Trustees

THE SHAW EDUCATION TRUST

Group Statement of Cash Flows for the year ended 31 August 2021

		2021		2020	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Net cash provided by operating activities	24		2,099		4,496
Cash funds transferred on conversion/rebrokerage			1,460		1,182
			<u>3,559</u>		<u>5,678</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		1		14	
Capital grants from DfE Group		5,693		2,356	
Capital funding received from sponsors and others		219		241	
Purchase of intangible fixed assets		-		-	
Purchase of tangible fixed assets		<u>(2,766)</u>		<u>(4,345)</u>	
Net cash provided/(used) by investing activities			3,147		(1,734)
Cash flows from financing activities					
New other loan		-		329	
Repayment of other loan		<u>(122)</u>		<u>(71)</u>	
Net cash provided/(used) by financing activities			<u>(122)</u>		<u>258</u>
Net increase in cash and cash equivalents in the reporting period			6,584		4,202
Cash and cash equivalents at beginning of the year			<u>10,545</u>		<u>6,343</u>
Cash and cash equivalents at end of the year			<u>17,129</u>		<u>10,545</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements

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 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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.

1.3a Grants

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

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

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

The academy trust is benefiting from the ESFA's Free School and Priority Schools Building Programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the academy trust controls (through lease) the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

1.3b 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 SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

- 1.3c 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.
- 1.3d 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.
- 1.3e 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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.
- 1.3f Transfer on conversion
Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.
- 1.3g Transfer of existing academies into the academy trust
Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.
- 1.3h Donated fixed assets
Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.
- 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.
- 1.4a 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.

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

1.4b Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Intangible Fixed Assets and amortisation

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

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

- Purchased computer software - 4 years

1.6 Tangible Fixed Assets and Depreciation

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

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

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

- Leasehold Land (from Local Authority) 125 years
- Freehold Land Not depreciated
- Freehold & Leasehold buildings 50 years
- Land and Building Improvements 10 years
- Furniture and equipment 4 years
- Plant and machinery 4 years
- Computer equipment 4 years
- Motor vehicles 4 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.

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.

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

1.7 Liabilities

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

1.8 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.

1.9 Leased Assets

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

1.10 Investments

The academy's shareholding in the wholly owned subsidiary, Newfriars College, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

1.11 Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

1.13 Pensions Benefits

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

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

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

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

1.14 Fund Accounting

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

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

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

2. Critical accounting estimates

Critical accounting estimates and areas of judgement 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.

2.1 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. 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 2021. 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 SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

2.2 Critical areas of judgement

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

Where assets have been donated or gained on conversion, the assets have been recognised at fair value, subject to a professional valuation.

3. Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Capital grants	-	5,693	5,693	2,356
Donated fixed assets	-	-	-	22,755
Other donations	-	219	219	241
	<u>-</u>	<u>5,912</u>	<u>5,912</u>	<u>25,352</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

4. Funding for the academy trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
DFE/ESFA grants				
General annual grant (GAG)	-	57,436	57,436	43,375
Other DFE/ESFA grants				
Start-up grants	-	69	69	77
Pupil Premium	-	3,182	3,182	2,667
Universal Infant Free School Meals	-	420	420	301
Teachers Pay Grant	-	558	558	257
Teachers Pension Grant	-	2,115	2,115	1,797
16-19 Element 1 funding	-	872	872	987
16-19 High Needs Element 2 funding	-	957	957	1,121
Others	-	788	788	1,512
National College grants	-	40	40	10
	-	66,437	66,437	52,104
Other government grants				
Local authority grants				
SEN funding	-	2,227	2,227	1,724
Matrix-led funding - day school	-	11,908	11,908	8,254
Matrix-led funding - residential	-	1,193	1,193	993
Others	-	999	999	764
COVID-19 additional funding (DfE/ESFA)				
COVID-19 exceptional costs funding	-	2	2	107
COVID-19 catch-up premium	-	965	965	-
Other COVID-19 additional funding	-	85	85	-
COVID-19 additional funding (non-DfE/ESFA)				
COVID-19 Job Retention Scheme	-	-	-	23
COVID-19 mass testing funding	-	493	493	-
	-	17,872	17,872	11,865
Total	-	84,309	84,309	63,969

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

4. Funding for the academy trust's educational operations (continued)

Total from above	-	84,309	84,309	63,969
Other funding				
Teaching and school income	-	167	167	184
Boarding activities	-	1,194	1,194	994
Other incoming resources	453	-	453	205
	<u>453</u>	<u>1,361</u>	<u>1,814</u>	<u>1,383</u>
Total funding	<u>453</u>	<u>85,670</u>	<u>86,123</u>	<u>65,352</u>

Total COVID-19 additional funding during the year was £1,545k. Related expenditure, included in the costs of the Academy Trust's Educational Operations, totalled £539k. There are therefore £1,006k of COVID-19 funds unspent at the year end. These funds are earmarked for COVID-19 related activities in the next year.

5. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Hire of facilities	44	-	44	61
Catering income	7	-	7	18
Music services	14	-	14	7
Parental contributions	155	108	263	304
Sales of goods/services	26	-	26	34
Other income	<u>1,565</u>	<u>79</u>	<u>1,644</u>	<u>1,513</u>
	<u>1,811</u>	<u>187</u>	<u>1,998</u>	<u>1,937</u>

Other income includes £1,048k relating to School Centred Initial Teacher Training (SCITT), associated expenditure of £878k are held as follows: £532k within staff costs, £340k within other costs and £6k within premises costs.

6. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Short term deposits	<u>1</u>	<u>-</u>	<u>1</u>	<u>14</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

7. Expenditure

	Staff costs £000	Premises £000	Other £000	2021 £000	2020 £000
Expenditure on raising funds					
- Direct costs	436	-	243	679	12
- Allocated Support costs	95	6	135	236	-
Academy's Educational operations					
- Direct costs	56,265	5,296	3,291	64,852	62,800
- Allocated Support costs	16,257	5,604	5,346	27,207	20,797
Teaching School					
- Direct costs	12	1	30	43	85
- Allocated Support costs	117	-	4	121	126
Boarding activities					
- Direct costs	157	-	51	208	162
- Allocated Support costs	750	118	118	986	832
	<u>74,089</u>	<u>11,025</u>	<u>9,218</u>	<u>94,332</u>	<u>84,814</u>

Net income for the year includes:

	2021 £000	2020 £000
Fees payable to auditor for:		
- Audit	45	84
- Other services	8	-
Operating lease rentals	688	335
Depreciation of tangible fixed assets	5,283	4,411
Amortisation of intangible fixed assets	14	18
Loss on disposal of fixed assets	-	10,947
Defined benefit scheme adjustments	4,541	3,722
	<u>4,541</u>	<u>3,722</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

8. Central services

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

- School Improvement Support
- Marketing/ Academy Promotion
- Website development
- Strategic network management support
- Special Academies Finance Manager
- External Audit management and fees
- Teacher's Pension audit management and fees
- ESFA financial returns
- Actuarial valuations
- Bank Charges
- Financial software licences
- Land and buildings valuations
- HR compliance support
- Payroll and pension administration support
- Union facilities time
- Facilities and Estates support
- Buildings condition surveys
- Statutory Compliance service level agreements
- ESFA Risk Protection Arrangement
- Minibus Insurance
- Engineering Inspection Insurance
- ICO Compliance
- SIMS Annual Licence Costs (not support costs)
- SET salaries
- Data management software
- Group purchasing arrangements/Contract negotiations
- Quality Assurance framework
- Policy and Standards Management
- CPD courses and training programmes including: Senior leaders; Middle leaders; Teachers and Teaching Assistants
- Headteacher support
- Governance support and links
- KS3 graduation

The academy trust charges for these services on the following basis:

For the financial year 2020/21 The Shaw Education Trust will retain the following percentage of a constituent academies GAG funding:

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

8. Central services (continued)

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

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

- Pupil Premium Funding • Year 7 Catch Up Funding • PE Sports Grants • Nursery Funding • Universal Free School Meals Funding • Summer School Funding • Other non-GAG Government Funding • Top-Up Funding for special educational needs (SEN) or Additional Educational Needs funding (AEN) in mainstream academies • Other income generated by individual academies

	2021	2020
	£000	£000
The amounts charged during the year were as follows:		
Blackfriars Academy	67	46
Coppice Academy	66	56
Walton Hall Academy	100	81
The Orme Academy	236	225
Saxon Hill Academy	73	58
Fortis Academy	511	512
Meadows Primary School	10	5
Madeley High School	127	125
Seabridge Primary School	55	46
Unsworth Academy	261	216
Westleigh High School	273	265
Newfriars College	167	137
Brookfields School	64	52
Kidsgrove Secondary School	88	108
Kidsgrove Primary School	52	41
Tottington High School	297	417
Streethay Primary School	29	19
St Andrews Academy	71	55
St Martins School	104	28
Ivy House School	70	64
Meadows Primary Academy	54	31
Pine Green Academy	86	36
Evergreen Academy	29	13
Endon High School	158	-
Waterside Primary	55	-
Woodhey High School	293	-
	<hr/>	<hr/>
	3,396	2,636

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

9. Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Direct costs				
Educational operations	-	64,852	64,852	62,799
Teaching school	-	43	43	85
Boarding activities	-	208	208	162
Support costs				
Educational operations	1,679	25,764	27,443	20,798
Teaching school	-	121	121	126
Boarding activities	-	986	986	832
	<u>1,679</u>	<u>92,004</u>	<u>93,683</u>	<u>84,802</u>

	Boarding £000	Teaching School £000	Educational Operations £000	Total 2021 £000	Total 2020 £000
Analysis of support costs					
Support staff costs	750	117	16,257	17,124	12,943
Technology costs	-	-	903	903	653
Premises costs	118	-	5,604	5,722	4,122
Legal costs - conversion	-	-	11	11	59
Legal costs - other	-	-	59	59	55
Other support costs	118	4	4,270	4,392	3,672
Governance costs	-	-	103	103	252
	<u>986</u>	<u>121</u>	<u>27,207</u>	<u>28,314</u>	<u>21,756</u>

Governance costs comprise of the cost of auditing the academy trust's financial statements and the cost of external governor services.

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

10. Staff

	2021	2020
	£000	£000
Wages and salaries	50,499	39,633
Social security costs	5,029	3,848
Pension costs	<u>15,424</u>	<u>11,884</u>
Staff costs	70,952	55,365
Agency staff costs	2,738	1,493
Staff restructuring costs	197	476
Staff development and other staff costs	202	113
	<u> </u>	<u> </u>
Total staff expenditure	<u><u>74,089</u></u>	<u><u>57,447</u></u>
Staff restructuring costs comprise:		
Redundancy payments	68	158
Severance payments	<u>129</u>	<u>318</u>
	<u><u>197</u></u>	<u><u>476</u></u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £129,414 (2020: £317,996). Individually, these payments were: £25,000, £7,500, £14,414, £30,000, £10,000, £30,000, and £12,500 (2020 individual payments: £74,585, £39,459, £30,557, £22,387, £22,178, £18,257, £17,060, £14,742, £14,337, £10,618, £10,521, £10,000, £8,668, £6,275, £5,830, £5,586, £3,580, £1,754, £1,602).

Staff numbers

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

	2021	2020
	Number	Number
Teachers	644	513
Administration and support	1,306	1,182
Management	133	83
	<u> </u>	<u> </u>
	<u><u>2,083</u></u>	<u><u>1,778</u></u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

10. Staff (continued)

Higher paid staff

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

	2021 Number	2020 Number
£60,001-£70,000	29	25
£70,001-£80,000	15	10
£80,001-£90,000	8	4
£90,001-£100,000	7	6
£100,001-£110,000	4	1
£110,001-£120,000	1	-
£160,000-£170,000	-	1
£170,001-£180,000	1	-
	<u>65</u>	<u>47</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees, executive leadership team and the academy principals as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance contributions) received by key management personnel for their services to the academy trust was £788,786 (2020: £650,614).

11. Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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 J Morgan (CEO and Accounting Officer):

- Remuneration £170,000 - £175,000 (2020: £165,000 - £170,000)
- Employer's pension contributions £40,000 - £45,000 (2020: £40,000 - £45,000)

12. Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2021 is included in the total insurance cost.

THE SHAW EDUCATION TRUST
Notes to the Financial Statements (continued)

13. Intangible fixed assets

	Group Computer software £000	Company Computer software £000
Cost	75	75
At 1 September 2020	-	-
Additions	<u> </u>	<u> </u>
At 31 August 2021	<u>75</u>	<u>75</u>
Accumulated Amortisation		
At 1 September 2020	60	60
Charge for the year	14	14
At 31 August 2021	<u>74</u>	<u>74</u>
Carrying amount		
At 31 August 2021	<u>1</u>	<u>1</u>
At 31 August 2020	<u>15</u>	<u>15</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

14. Tangible fixed assets

	Group								
	Freehold Land and buildings £000	Leasehold Land and buildings £000	Land and Buildings Improvements £000	Assets under Construction £000	Plant and machinery £000	Computer equipment £000	Furniture and fittings £000	Motor vehicles £000	Total £000
Cost or Valuation									
At 1 September 2020	36,527	116,861	15,768	1,213	10	909	352	71	171,711
Transfer on conversion	-	21,421	-	-	-	-	-	-	21,421
Transfer between categories	-	-	1,603	(1,603)	-	-	-	-	-
Transfer of academy into the academy trust	-	-	-	-	-	-	-	-	-
Additions	-	-	1,215	1,482	17	673	381	-	3,768
Disposals	-	-	-	-	-	-	-	-	0
At 31 August 2021	36,527	138,282	18,586	1,092	27	1,582	733	71	196,900
Accumulated Depreciation									
At 1 September 2020	2,454	5,061	3,310	-	4	547	192	44	11,612
Charge for the year	537	2,357	1,867	-	6	339	165	12	5,283
Impairment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	0
At 31 August 2021	2,991	7,418	5,177	-	10	886	357	56	16,895
Net book value									
Net Book Value at 31 August 2021	<u>33,536</u>	<u>130,864</u>	<u>13,409</u>	<u>1,092</u>	<u>17</u>	<u>696</u>	<u>376</u>	<u>15</u>	<u>180,005</u>
Net Book Value at 31 August 2020	<u>34,073</u>	<u>111,800</u>	<u>12,458</u>	<u>1,213</u>	<u>6</u>	<u>362</u>	<u>160</u>	<u>27</u>	<u>160,099</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

14. Tangible fixed assets (continued)

	Company								
	Freehold Land and buildings	Leasehold Land and buildings	Land and Buildings improvements	Assets under Construction	Plant and machinery	Computer equipment	Furniture and fittings	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation									
At 1 September 2020	36,527	116,861	15,561	1,213	10	866	326	71	171,435
Transfer on conversion	-	21,421	-	-	-	-	-	-	21,421
Transfer between categories	-	-	1,603	(1,603)	-	-	-	-	-
Transfer of academy into the academy trust	-	-	-	-	-	-	-	-	-
Additions	-	-	1,154	1,482	-	663	373	-	3,672
Disposals	-	-	-	-	-	-	-	-	-
At 31 August 2021	36,527	138,282	18,318	1,092	10	1,529	699	71	196,528
Accumulated Depreciation									
At 1 September 2020	2,454	5,061	3,288	-	4	532	181	44	11,564
Charge for the year	537	2,357	1,839	-	2	326	156	12	5,229
Impairment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 August 2021	2,991	7,418	5,127	-	6	858	337	56	16,793
Net book value									
Net Book Value at 31 August 2021	<u>33,536</u>	<u>130,864</u>	<u>13,191</u>	<u>1,092</u>	<u>4</u>	<u>671</u>	<u>362</u>	<u>15</u>	<u>179,735</u>
Net Book Value at 31 August 2020	<u>34,073</u>	<u>111,800</u>	<u>12,273</u>	<u>1,213</u>	<u>6</u>	<u>334</u>	<u>145</u>	<u>27</u>	<u>159,871</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

15. Subsidiary company

The financial activities of The Shaw Education Trust's subsidiary company, Newfriars College, is fully consolidated into The Shaw Education Trust group accounts. This is a company limited by guarantee, set up and wholly controlled by The Shaw Education Trust to carry out these activities.

At the year-end Newfriars College had net assets and reserves of £504,000 and made a surplus during the year of £91,000.

16. Debtors

	2021		2020	
	Group	Company	Group	Company
	£000	£000	£000	£000
Trade Debtors	2,063	1,769	1,362	1,357
VAT recoverable	585	585	274	274
Other debtors	33	31	7	507
Prepayments and accrued income	<u>3,099</u>	<u>2,920</u>	<u>2,808</u>	<u>2,775</u>
	<u>5,780</u>	<u>5,305</u>	<u>4,451</u>	<u>4,913</u>

17. Creditors: amounts falling due within one year

	2021		2020	
	Group	Company	Group	Company
	£000	£000	£000	£000
Government loans	122	112	122	112
Trade creditors	1,796	1,767	540	523
Other creditors	2,546	2,546	2,002	1,947
Accruals and deferred income	<u>3,586</u>	<u>3,274</u>	<u>4,582</u>	<u>4,459</u>
	<u>8,050</u>	<u>7,699</u>	<u>7,247</u>	<u>7,042</u>

Included in the above are loans of £79,380 from Salix which are interest free loans due to be repaid over 8 years.

Also included above are loans of £5,000 and £37,787 from ESFA under the Condition Improvement Fund which carry an interest rate of 2.21% and 1.23% respectively and are due to be repaid over 10 years. The government loans are considered concessionary loans under FRS102.

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

18. Creditors: amounts falling due after more than one year

	2021		2020	
	Group £000	Company £000	Group £000	Company £000
Government loans	<u>622</u>	<u>542</u>	<u>744</u>	<u>654</u>
	<u>622</u>	<u>542</u>	<u>744</u>	<u>654</u>

Analysis of loans

Not wholly repayable within five years by instalments

744	654	866	766
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Wholly repayable within five years

-	-	-	-
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744	654	866	766
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Less: included in current liabilities

<u>(122)</u>	<u>(112)</u>	<u>(122)</u>	<u>(112)</u>
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Amounts included above

<u>622</u>	<u>542</u>	<u>744</u>	<u>654</u>
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Loan Maturity

Debt due in one year or less

122	112	122	112
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Due in more than one year but not more than two years

122	112	122	112
-----	-----	-----	-----

Due in more than two years but not more than five years

328	298	367	337
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Due in more than five years

<u>172</u>	<u>132</u>	<u>255</u>	<u>205</u>
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<u>744</u>	<u>654</u>	<u>866</u>	<u>766</u>
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Included in the above are loans of £391,708 from Salix which are interest free loans due to be repaid over 8 years.

Also included above are loans of £40,000 and £222,297 from the ESFA under the Condition Improvement Fund, which carry interest rates of 2.21% and 1.23% respectively are due to be repaid over 10 years.

The government loans are considered concessionary loans under FRS102.

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

19. Deferred Income

	2021		2020	
	Group	Company	Group	Company
	£000	£000	£000	£000
Deferred income is included within:				
Creditors due within one year	<u>1,279</u>	<u>992</u>	<u>2,252</u>	<u>2,019</u>
	<u>1,279</u>	<u>992</u>	<u>2,252</u>	<u>2,019</u>
Deferred income at 1 September 2020	2,252	2,019	1,706	1,706
Released from previous years	(2,252)	(2,019)	(1,706)	(1,706)
Resources deferred in the year	<u>1,279</u>	<u>992</u>	<u>2,252</u>	<u>2,019</u>
Deferred income as at 31 August 2021	<u>1,279</u>	<u>992</u>	<u>2,252</u>	<u>2,019</u>

Creditors includes £1,279,000 (2020: £2,252,000) of income which has been deferred into the following year due to the timing of the academy trust's entitlement to income. There are no unfilled conditions attached to this income at the balance sheet date.

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

20. Funds

	Balance at 1 September			Gains, losses and transfers	Balance at 31 August
	2020	Income	Expenditure		2021
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	2,877	57,436	(53,458)	(545)	6,310
Start-up grants	-	69	(69)	-	-
Other DfE/ESFA grants	87	8,892	(8,873)	-	106
Other government grants	46	17,872	(17,747)	-	171
Teaching school	27	167	(164)	-	30
Boarding activities	1	1,194	(1,194)	-	1
Other restricted funds	34	446	(432)	-	48
Pension reserve	(48,426)	(3,500)	(4,541)	(12,243)	(68,710)
Total	(45,354)	82,576	(86,478)	(12,788)	(62,044)
Restricted fixed asset funds					
Inherited on conversion	134,708	21,421	(2,588)	-	153,541
DfE group capital grants	22,798	5,693	(2,709)	-	25,782
Capital expenditure from GAG	2,737	-	-	1,204	3,941
	<u>160,243</u>	<u>27,114</u>	<u>(5,297)</u>	<u>1,204</u>	<u>183,264</u>
Total restricted funds	114,889	109,690	(92,653)	(11,584)	120,342
Unrestricted funds					
General funds	<u>3,804</u>	<u>3,725</u>	<u>(2,557)</u>	<u>(659)</u>	<u>4,313</u>
Total funds	118,693	113,415	(94,332)	(12,243)	125,533

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

20. Funds (continued)

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 2021.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objectives 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. These funds also include unspent amounts of capital grants also subject to restrictions imposed by The Education and Skills Funding Agency and local authorities.

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

20. Funds (continued)

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

	Balance at 1 September			Gains, losses and transfers	Balance at 31 August
	2019 £000	Income £000	Expenditure £000	£000	2020 £000
Restricted general funds					
General Annual Grant (GAG)	1,809	43,375	(41,989)	(318)	2,877
Start up grants	12	77	(89)	-	-
Other DfE/ESFA grants	93	8,642	(8,648)	-	87
Other government grants	142	11,865	(11,961)	-	46
Teaching school	99	184	(211)	(45)	27
Boarding activities	1	994	(994)	-	1
Other restricted funds	78	574	(618)	-	34
Pension reserve	<u>(33,062)</u>	<u>(8,224)</u>	<u>(3,722)</u>	<u>(3,418)</u>	<u>(48,426)</u>
Total	<u><u>(30,828)</u></u>	<u><u>57,487</u></u>	<u><u>(68,232)</u></u>	<u><u>(3,781)</u></u>	<u><u>(45,354)</u></u>
Restricted fixed asset funds					
Inherited on conversion	115,824	20,716	(1,832)	-	134,708
DfE group capital grants	11,231	25,111	(13,544)	-	22,798
Capital expenditure from GAG	<u>1,036</u>	<u>-</u>	<u>-</u>	<u>1,701</u>	<u>2,737</u>
	<u><u>128,091</u></u>	<u><u>45,827</u></u>	<u><u>(15,376)</u></u>	<u><u>1,701</u></u>	<u><u>160,243</u></u>
Total restricted funds	<u><u>97,263</u></u>	<u><u>103,314</u></u>	<u><u>(83,608)</u></u>	<u><u>(2,080)</u></u>	<u><u>114,889</u></u>
Unrestricted funds					
General funds	<u><u>3,333</u></u>	<u><u>3,015</u></u>	<u><u>(1,206)</u></u>	<u><u>(1,338)</u></u>	<u><u>3,804</u></u>
Total funds	<u><u>100,596</u></u>	<u><u>106,329</u></u>	<u><u>(84,814)</u></u>	<u><u>(3,418)</u></u>	<u><u>118,693</u></u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

20. Funds (continued)

Total funds analysis by academy

	2021	2020
	£000	£000
Fund balances at 31 August 2021 were allocated as follows:		
Blackfriars Academy	504	314
Coppice Academy	728	515
Walton Hall Academy	1,273	901
The Orme Academy	460	399
Saxon Hill Academy	539	220
Fortis Academy	342	543
Meadows Primary School	-	-
Madeley High School	38	(89)
Seabridge Primary School	521	410
Unsworth Academy	864	231
Westleigh High School	781	739
Newfriars College	234	271
Brookfields School	350	330
Kidsgrove Secondary School	(90)	108
Kidsgrove Primary School	56	37
Tottington High School	361	227
Streethay Primary School	42	-
St Andrews Academy	355	160
St Martins School	558	352
Ivy House School	437	350
Meadows Primary Academy	444	442
Pine Green Academy	305	235
Evergreen Academy	183	122
Woodhey High School	525	-
Endon High School	515	-
Waterside Primary School	344	-
Central services	309	59
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	10,979	6,876
Restricted fixed asset fund	183,264	160,243
Pension reserve	<u>(68,710)</u>	<u>(48,426)</u>
	<hr/>	<hr/>
Total funds	<u><u>125,533</u></u>	<u><u>118,693</u></u>

Kidsgrove Secondary School is carrying a net deficit of (£90k) on these funds due to a restructuring exercise resulting in significant redundancies.

The academy trust is instigating an action plan to return Kidsgrove Secondary School to a surplus through balanced budgets by 2023/24.

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

20. Funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
Blackfriars Academy	1,521	680	86	212	2,499	2,342
Coppice Academy	934	232	60	180	1,406	1,334
Walton Hall Academy	1,662	1,074	47	344	3,127	2,880
Wolstanton High School	3,053	671	186	606	4,516	4,649
Saxon Hill Academy	1,674	1,174	71	361	3,280	3,134
Great Barr Academy	7,666	2,183	645	1,047	11,541	11,572
Meadows Primary School	376	90	18	64	548	530
Madeley High School	2,666	431	148	380	3,625	3,537
Seabridge Primary School	1,793	474	276	434	2,977	3,140
Unsworth Academy	3,095	706	271	632	4,704	4,289
Westleigh High School	4,187	847	306	544	5,884	5,869
Newfriars College	2,379	704	85	477	3,644	3,410
Brookfields School	1,636	466	57	165	2,325	2,084
Kidsgrove Secondary School	1,195	340	90	411	2,037	1,899
Kidsgrove Primary School	492	136	36	163	826	1,016
Tottington High	3,817	542	245	812	5,416	4,817
Streethay Primary School	418	128	44	154	743	511
St Andrews Academy	1,797	676	48	281	2,802	2,742
St Martins School	3,006	697	280	587	4,570	1,323
Ivy House School	1,473	343	192	281	2,289	2,111
Meadows Primary Academy	1,341	414	41	426	2,222	1,391
Valley Park School	1,461	400	112	347	2,320	958
Valley Park PRU	336	180	8	122	646	358
Waterside Primary	769	169	44	236	1,219	-
Endon High School	2,503	435	123	227	3,289	-
Woodhey High School	4,432	1,256	182	552	6,422	-
Central services	1,190	1,768	51	1,150	4,159	3,542
	<u>56,872</u>	<u>17,217</u>	<u>3,752</u>	<u>11,194</u>	<u>89,035</u>	<u>69,438</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

21. Analysis of net assets/(liabilities) between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2021 are represented by:				
Intangible fixed assets	-	-	1	1
Tangible fixed assets	-	-	180,005	180,005
Current assets	4,313	14,594	4,002	22,909
Creditors falling due within one year	-	(7,928)	(122)	(8,050)
Creditors falling due after one year	-	-	(622)	(622)
Defined benefit pension liability	-	(68,710)	-	(68,710)
Total net assets/(liabilities)	<u>4,313</u>	<u>(62,044)</u>	<u>183,264</u>	<u>125,533</u>

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

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2020 are represented by:				
Intangible fixed assets	-	-	15	15
Tangible fixed assets	-	-	160,099	160,099
Current assets	3,804	10,197	995	14,996
Creditors falling due within one year	-	(7,125)	(122)	(7,247)
Creditors falling due after one year	-	-	(744)	(744)
Defined benefit pension liability	-	(48,426)	-	(48,426)
Total net assets	<u>3,804</u>	<u>(45,354)</u>	<u>160,243</u>	<u>118,693</u>

22. Capital commitments

	2021 £000	2020 £000
Contracted for, but not provided in the financial statements	<u>1,306</u>	<u>634</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

23. 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 Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019. At 31 August 2021 there were £881,000 contributions outstanding to the TPS (2020: £655,000) and £447,000 contributions outstanding to the LGPS (2020: £341,000).

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £7,287,645 (2020: £5,635,203). 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 pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2021 was £5,685,000 (2019: £4,233,000), of which employer's contributions totalled £4,649,000 (2020: £3,390,000) and employees' contributions totalled £1,036,000 (2020: £843,000). The agreed contribution rates for future years are 19.3 – 27.2 per cent for employers and 12.5 per cent for employees.

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

23. Pensions and similar obligations (continued)

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

Staffordshire Pension Fund

Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.30	2.60
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme Liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.20

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

	2021	2020
	Years	Years
Retiring today		
- Males	21.4	21.2
- Females	24.0	23.6
Retiring in 20 years		
- Males	22.5	22.1
- Females	25.7	25.0

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

23. Pensions and similar obligations (continued)

Greater Manchester Pension Fund

Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.65	2.95
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme Liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.20

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

	2021	2020
	Years	Years
Retiring today		
- Males	20.5	20.5
- Females	23.3	23.1
Retiring in 20 years		
- Males	21.9	22.0
- Females	25.3	25.0

West Midlands Pension Fund

Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.90	3.25
Rate of increase for pensions in payment/inflation	2.90	2.25
Discount rate for scheme Liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.25

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

	2021	2020
	Years	Years
Retiring today		
- Males	21.6	21.9
- Females	24.0	24.1
Retiring in 20 years		
- Males	23.4	23.8
- Females	25.8	26.0

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

23. Pensions and similar obligations (continued)

Cheshire Pension Fund

Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.60	2.90
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme Liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.20

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

	2021	2020
	Years	Years
Retiring today		
- Males	21.4	21.2
- Females	24.0	23.6
Retiring in 20 years		
- Males	22.4	21.9
- Females	25.7	25.0

Derbyshire Pension Fund

Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.60	2.90
Rate of increase for pensions in payment/inflation	2.90	2.20
Discount rate for scheme Liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.20

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

	2021	2020
	Years	Years
Retiring today		
- Males	21.3	21.6
- Females	23.9	23.7
Retiring in 20 years		
- Males	22.5	22.6
- Females	25.8	25.1

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

23. Pensions and similar obligations (continued)

The academy trust's share of the assets in the scheme

	2021	2020
	Fair value	Fair value
	£000	£000
Equities	38,684	24,681
Bonds	11,081	7,901
Cash	2,289	2,082
Property	4,086	3,040
Other assets	905	620
	<hr/>	<hr/>
Total market value of assets	<u>57,046</u>	<u>38,324</u>

The actual return on scheme assets was £8,780,000 (2020: £1,390,000)

Sensitivity Analysis	2021	2020
	£000	£000
Discount rate +0.1%	(1,403)	(2,312)
Discount rate -0.1%	1,309	2,324
Mortality assumption - 1 year increase	4,595	2,796
Mortality assumption - 1 year decrease	(4,470)	(2,770)
CPI rate +0.1%	3,782	1,976
CPI rate -0.1%	(3,689)	(1,965)

Amount recognised in the statement of Financial Activities	2021	2020
	£000	£000
Current service cost	8,098	6,319
Past service cost	11	333
Interest income	(765)	(982)
interest cost	1,650	1,442
	<hr/>	<hr/>
Total operating charge	<u>8,994</u>	<u>7,112</u>
Actuarial gains/(losses)	(12,243)	(3,418)

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

23. Pensions and similar obligations (continued)

Changes in the present value of defined benefit obligations	2021	2020
	£000	£000
At September 2020	86,750	62,020
Obligations acquired on conversion	7,961	15,144
Settlements and curtailments	484	-
Current service cost	8,098	6,319
Interest cost	1,650	1,442
Employee contributions	1,036	843
Actuarial losses	20,258	1,046
Benefits paid	(492)	(397)
Past service cost	11	333
	<hr/>	<hr/>
At August 2021	<u>125,756</u>	<u>86,750</u>
Changes in the fair value of the academy trust's share of scheme assets	2021	2020
	£000	£000
At September 2020	38,324	28,958
Assets acquired on conversion	4,461	6,920
Settlements and curtailments	288	-
Interest income	765	982
Actuarial (loss)/gain	8,015	(2,372)
Employer contributions	4,649	3,390
Employee contributions	1,036	843
Benefits paid	(492)	(397)
	<hr/>	<hr/>
At August 2021	<u>57,046</u>	<u>38,324</u>
Net pension deficit	(68,710)	(48,426)

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

24. Reconciliation of net income to net cash flow from operating activities

	2021	2020
	£000	£000
Net income for the reporting period (as per the Statement of Financial Activities)	19,083	21,515
Adjusted for:		
Net surplus on conversion to academy	(19,381)	(13,674)
Capital grants from DfE/ESFA and other capital income	(5,912)	(25,352)
Loss on Disposal of Fixed assets	-	10,947
Investment income receivable	(1)	(14)
Defined benefit pension cost less contributions payable	3,655	3,262
Defined benefit pension net finance cost	885	460
Depreciation of tangible fixed assets	5,283	4,411
Amortisation of intangible fixed assets	14	18
Decrease/(increase) in debtors	(1,329)	16
Increase/(decrease) in creditors	(198)	2,907
Net cash provided by operating activities	<u>2,099</u>	<u>4,496</u>

25. Analysis of changes in net debt

	At 1 September 2020 £000	Cash Flows £000	At 31 August 2021 £000
Cash	10,545	6,584	17,129
Cash equivalents	<u>-</u>	<u>-</u>	<u>-</u>
	10,529	6,584	17,129
Loans falling due within one year	(122)	-	(122)
Loans falling due after more than one year	<u>(744)</u>	<u>122</u>	<u>(622)</u>
Total	<u>(866)</u>	<u>122</u>	<u>(744)</u>

26. Major non-cash transactions

During the year, land and buildings totalling £21,421,000 (2020: £21,166,000) were transferred to the academy trust as detailed in note 34.

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

27. Commitments under operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	£000	£000
Amounts due within one year	756	555
Amounts due in between two and five years	<u>1,651</u>	<u>1,974</u>
	<u>2,407</u>	<u>2,529</u>

28. Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Corporate Sponsor and member – The Shaw Trust Limited

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

£5,000 donation from The Shaw Trust Limited to Kildgrove High School as a contribution for ICT equipment; £70,000 donation from The Shaw Trust Limited to The Shaw Education Trust as a contribution to foodbank costs and 'Operation Christmas'.

Connected companies

During the prior year the trust entered into transactions with a connected company Optimus Education Limited, a subsidiary company of The Shaw Trust Limited. The academy trust made purchases of £2,940 (2020: £285) from this company. There was no outstanding balance owing at the balance sheet date (2020: £nil).

During the prior year the trust entered into transactions with a connected company, Shaw Trust Services (formerly Prospects Services), a subsidiary company of The Shaw Trust Limited. The academy trust made purchases of £22,868 (2020: £82,632) from this company. At 31 August 2021 there was an outstanding balance of £6,244 (2020: £nil).

Trustees and Executive Leadership Team

K Insker, who is a member of the Executive Leadership team of the academy trust, has a declared interest at Logoshack Limited. During the year the academy trust made purchases totalling £5,549 (2020: £14,917) from the company. At the balance sheet date there was an outstanding balance of £nil (2020: £9,186).

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

30. 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.

31. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent of the ESFA. In the accounting period ending 31 August 2021 the trust received £28,022 (2020: £43,563) and disbursed £43,252 (2020: £54,425) from the fund. Disbursements over the amounts received were subsidised from GAG funding. At the balance sheet date there were undistributed funds of £nil (2020: £10,182).

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

32. Teaching School trading account

	2021		2020	
	£000	£000	£000	£000
Direct income				
Government grants		71		32
Other direct income		<u>97</u>		<u>152</u>
		167		184
Direct costs				
Direct staff costs	12		12	
Depreciation	1		1	
Other direct costs	-		1	
Educational consultancy	<u>30</u>		<u>71</u>	
	<u>43</u>		<u>85</u>	
Other costs				
Support staff costs	117		119	
Transport	-		-	
Catering	-		-	
Other Support costs	<u>4</u>		<u>7</u>	
	<u>121</u>		<u>126</u>	
Total expenditure		(164)		(211)
Transfers between funds excluding depreciation		<u>-</u>		<u>(45)</u>
Surplus/(Deficit) from all sources		3		(72)
Teaching school balances at opening		<u>27</u>		<u>99</u>
Teaching school balances at closing		<u>30</u>		<u>27</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

33. Boarding activities trading account

	2021		2020	
	£000	£000	£000	£000
Direct income				
Government grants		-		-
Other direct income		<u>1,194</u>		<u>994</u>
		1,194		994
Direct costs				
Direct staff costs	157		115	
Educational supplies and services	14		8	
Educational consultancy	36		36	
Other direct costs	<u>-</u>		<u>4</u>	
	<u>208</u>		<u>163</u>	
Other costs				
Support staff costs	750		665	
Technology costs	-		-	
Maintenance of premises and equipment	26		38	
Cleaning	39		12	
Energy costs	52		62	
Rent and rates	-		-	
Catering	33		32	
Other support costs	<u>84</u>		<u>22</u>	
	<u>986</u>		<u>831</u>	
Total operating costs		<u>(1,194)</u>		<u>(994)</u>
Surplus/(deficit) from boarding activities		-		-
Boarding activities balances at opening		<u>1</u>		<u>1</u>
Boarding activities balances at closing		<u>1</u>		<u>1</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

34. Conversion to an academy

On the 1st October 2020, Woodhey High School converted to academy trust status under the Academies Act 2019 and all the operations and assets and liabilities were transferred to The Shaw Education Trust from Bury Local Authority for £nil consideration.

On the 1st November 2020, Endon High School converted to academy trust status under the Academies Act 2019 and all the operations and assets and liabilities were transferred to The Shaw Education Trust from Staffordshire Local Authority for £nil consideration.

On the 1st February 2021, Waterside Primary converted to academy trust status under the Academies Act 2019 and all the operations and assets and liabilities were transferred to The Shaw Education Trust from Stoke-on-Trent Local Authority for £nil consideration.

Each transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	2021
	£000
Net Assets Transferred:	
Leasehold land and buildings	21,421
Cash	1,448
Pension scheme deficit	<u>(3,500)</u>
	<u>19,369</u>

Endon High School

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2021
	£000	£000	£000	£000
Funds surplus transferred:				
Fixed asset funds	-	-	3,063	3,063
LA budget funds	<u>392</u>	<u>-</u>	<u>-</u>	<u>392</u>
	<u>392</u>	<u>-</u>	<u>3,063</u>	<u>3,455</u>

THE SHAW EDUCATION TRUST

Notes to the Financial Statements (continued)

34. Conversion to an academy (continued)

Waterside Primary

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2021 £000
Funds surplus transferred:				
Fixed asset funds	-	-	-	-
LA budget funds	341	-	-	341
	<u>341</u>	<u>-</u>	<u>-</u>	<u>341</u>

Woodhey High School

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2021 £000
Funds surplus transferred:				
Fixed asset funds	-	-	18,358	18,358
LA budget funds	715	-	-	715
	<u>715</u>	<u>-</u>	<u>18,358</u>	<u>19,073</u>

Total

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2021 £000
Funds surplus transferred:				
Fixed asset funds	-	-	21,421	21,421
LA budget funds	1,448	-	-	1,448
Pension scheme deficit	-	(3,500)	-	(3,500)
	<u>1,448</u>	<u>(3,500)</u>	<u>21,421</u>	<u>19,369</u>

35. Parent undertaking and controlling party

The immediate and ultimate parent undertaking is Shaw Trust Limited, company registration number 01744121, a company limited by guarantee, registered and domiciled in England and Wales.

There is deemed to be no ultimate controlling party.